

1H21 Results

An Excellent First Half

Growth in Profitability and Balance Sheet
Further Strengthened



**A Strong Bank for
a Digital World**

ISP Delivered an Excellent First Half with €3bn Net Income...

€3.0bn Net income (+17.8% vs 1H20, +106% excluding Nexi capital gain⁽¹⁾), the best H1 since 2008

Best-ever Q2 Net income at €1.5bn

Highest-ever Operating income (+1.7% vs 1H20⁽²⁾) thanks to the best-ever H1 Commissions (+13.2% vs 1H20⁽²⁾)

Net interest income growth on a quarterly basis (+2.2% vs 1Q21⁽³⁾)

~€44bn growth in Customer financial assets in H1 to fuel Wealth Management engine

Strong decrease in Operating costs (-2.3% vs 1H20⁽²⁾)

Best-ever Operating margin (+5.9% vs 1H20⁽²⁾)

€1.6bn Gross NPL stock reduction in H1 coupled with the lowest-ever H1 NPL inflow

Lowest NPL stock and NPL ratios since 2007, with Gross NPL ratio at 4.1% and Net NPL ratio at 2.1% (3.1% and 1.6% according to EBA definition)

Excellent performance despite COVID-19 impact and while successfully merging UBI Banca, firmly on track to deliver minimum €4bn Net income for 2021

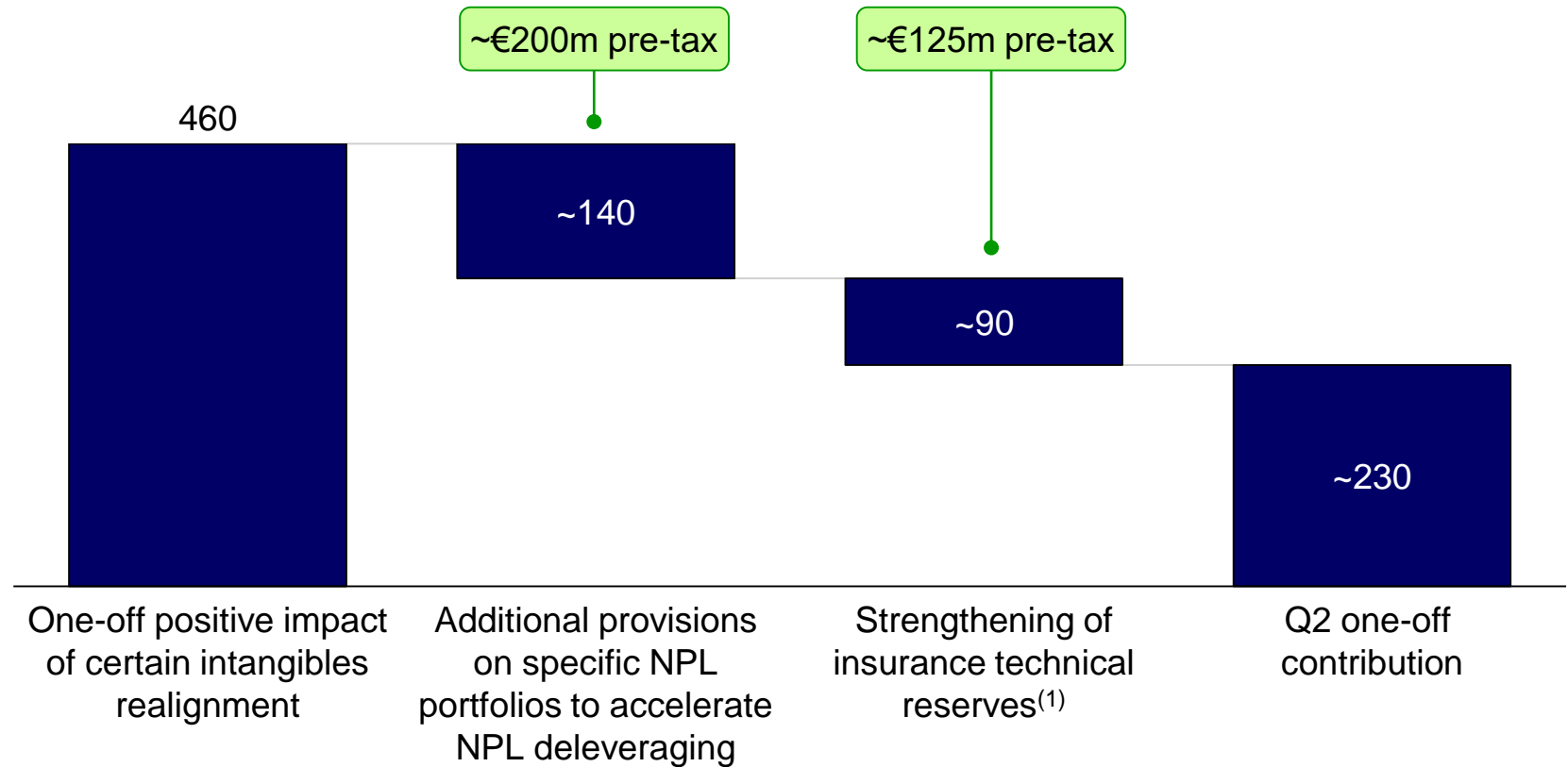
(1) €1.1bn booked in 2Q20

(2) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(3) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

... while Allocating More than €300m out of Q2 Pre-tax Profit to Succeed in the Coming Years and Further Strengthen the Sustainability of Results

€ m



(1) Booked in Net provisions and net impairment losses on other assets

ISP Is Ready to Succeed in the Future...

Common Equity ratio⁽¹⁾ at 15.7% (14.4% Fully phased-in), well above regulatory requirements even under the EBA stress test adverse scenario, coupled with a strong liquidity position, with LCR and NSFR well above 100% and €323bn in Liquid assets

Over €6bn⁽²⁾ out of 2020 pre-tax profit and more than €300m from Q2 pre-tax profit allocated to succeed in the coming years and further strengthen the sustainability of our results

The lowest NPL stock and NPL ratios since 2007, with 2018-21 NPL deleveraging target exceeded one year ahead of Plan

**Distinctive proactive credit management capabilities (Pulse)
coupled with strategic partnerships with leading NPL industrial players (Intrum, Prelios)**

High operating efficiency with Cost/Income ratio at 49.2%⁽³⁾

Over €1bn yearly synergies from the combination with UBI Banca

Successful evolution towards a “light” distribution model and significant room for further branch reduction

A Wealth Management and Protection company with €1.2 trillion in Customer financial assets, with Commissions and Insurance income representing 52% of Operating income

Strong digital proposition, with ~12.1m multichannel clients (91% of total clients)⁽⁴⁾ and ~7.5m clients using our App⁽⁴⁾

Strong commitment to ESG, with a leading position in the main sustainability indexes and rankings, and to being the engine of sustainable and inclusive growth



Awarded “Best Bank in Italy” for the second year in a row in the Euromoney Awards for Excellence 2021

(1) Pro-forma fully loaded Basel 3 (30.6.21 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca, the expected absorption of DTA on losses carried forward and the expected distribution of 1H21 Net income of insurance companies)

(2) €2.2bn provisions for future COVID-19 impacts, €2.1bn additional provisions on UBI Banca NPL and Performing loans and €2bn integration charges

(3) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(4) Data referring to Banca dei Territori perimeter

... and to Continue Delivering Best-In-Class Performance

Profitability

Minimum €4bn Net income for 2021

Dividend payout

- **75% total cash payout ratio⁽¹⁾ (dividends and reserves distribution) for 2020 €3.5bn adjusted Net income⁽²⁾:**
 - **€694m⁽³⁾ cash dividends paid in May 2021**
 - **€1.9bn additional cash distribution from reserves to be paid on 20 October 2021⁽⁴⁾, the earliest possible date following the termination of the ECB dividend ban**
- **70% cash dividend payout ratio⁽¹⁾ for 2021 Net income (€2.1bn already accrued in H1), with €1.4bn to be paid as interim dividend on 24 November 2021⁽⁵⁾**

Capital

Maintain a solid capital position with a minimum Common Equity ratio⁽⁶⁾ of 13% (12% Fully phased-in)

The integration with UBI Banca adds significant value by delivering synergies above €1bn per year with no social costs

(1) Envisaged in the 2018-21 Business Plan

(2) Excluding from 2020 stated Net income the items related to the combination with UBI Banca (effect of PPA – including negative goodwill – and integration charges) and the goodwill impairment related to the Banca dei Territori Division

(3) The maximum distributable amount according to the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 pandemic

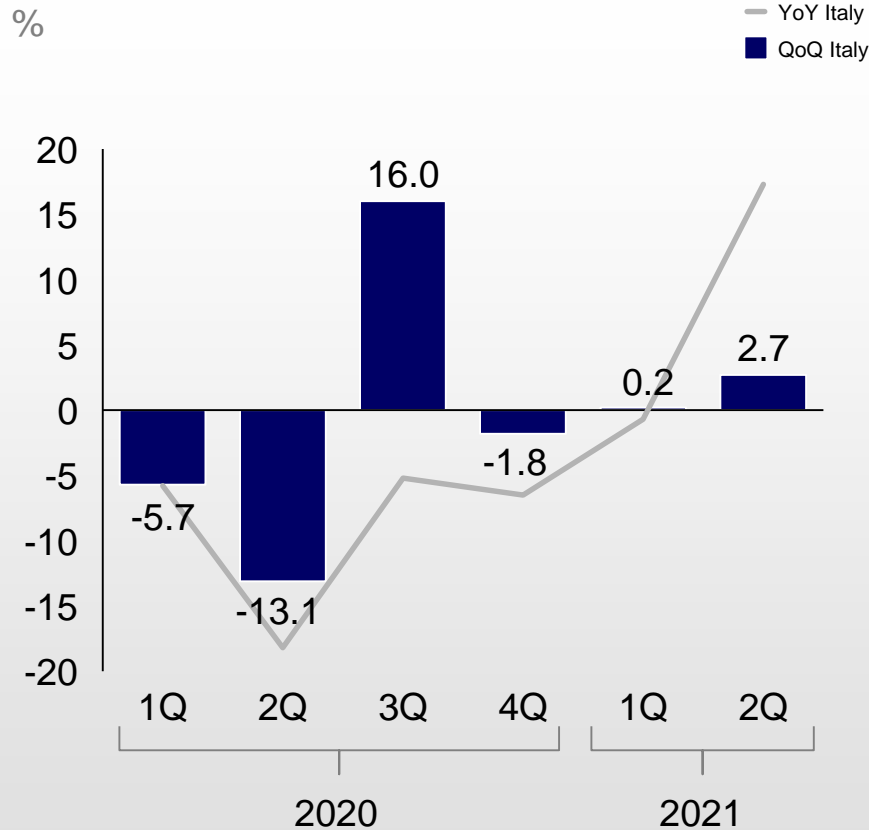
(4) Notice of call of the shareholders' meeting for relevant approval by mid-October 2021 to be issued in due course

(5) Relevant resolution from the Board of Directors to be passed on 3 November 2021 when approving results as at 30.9.21

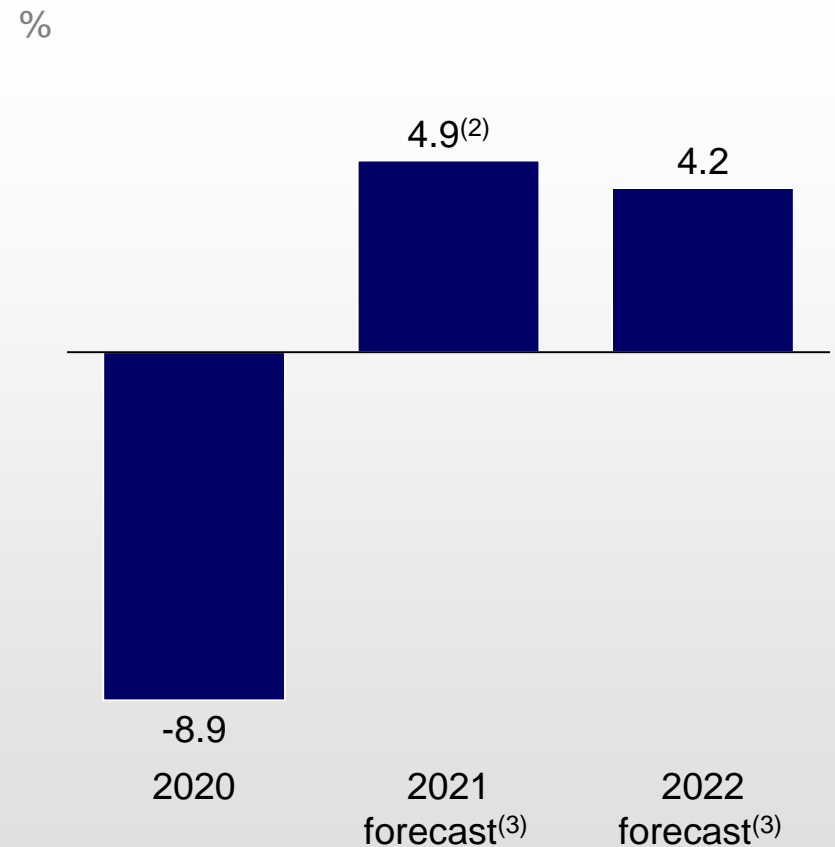
(6) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca and the expected absorption of DTA on losses carried forward)

H1 still Impacted by COVID-19, but Strong GDP Recovery Is Expected in 2021-2022

Italian GDP YoY and QoQ evolution⁽¹⁾



Italian GDP YoY evolution⁽¹⁾



- **National Recovery and Resilience Plan⁽⁴⁾ providing Italy with more than €200bn in grants and loans, of which ~€25bn in 2021**
- **ISP to provide more than €400bn in medium-long term lending to businesses and households in support of Italy's Recovery and Resilience Plan⁽⁴⁾**

(1) Source: ISTAT

(2) The projections do not incorporate the national accounts data released by Istat on 30 July 2021. If they were included, all other things being equal, they would raise the GDP growth estimate for 2021 by more than one percentage point compared with the figure reported here

(3) Source: Consensus Economics, 12 July 2021

(4) Piano Nazionale di Ripresa e Resilienza

ISP Is Fully Equipped for the Challenges Ahead

1H21: An Excellent First Half

Final Remarks

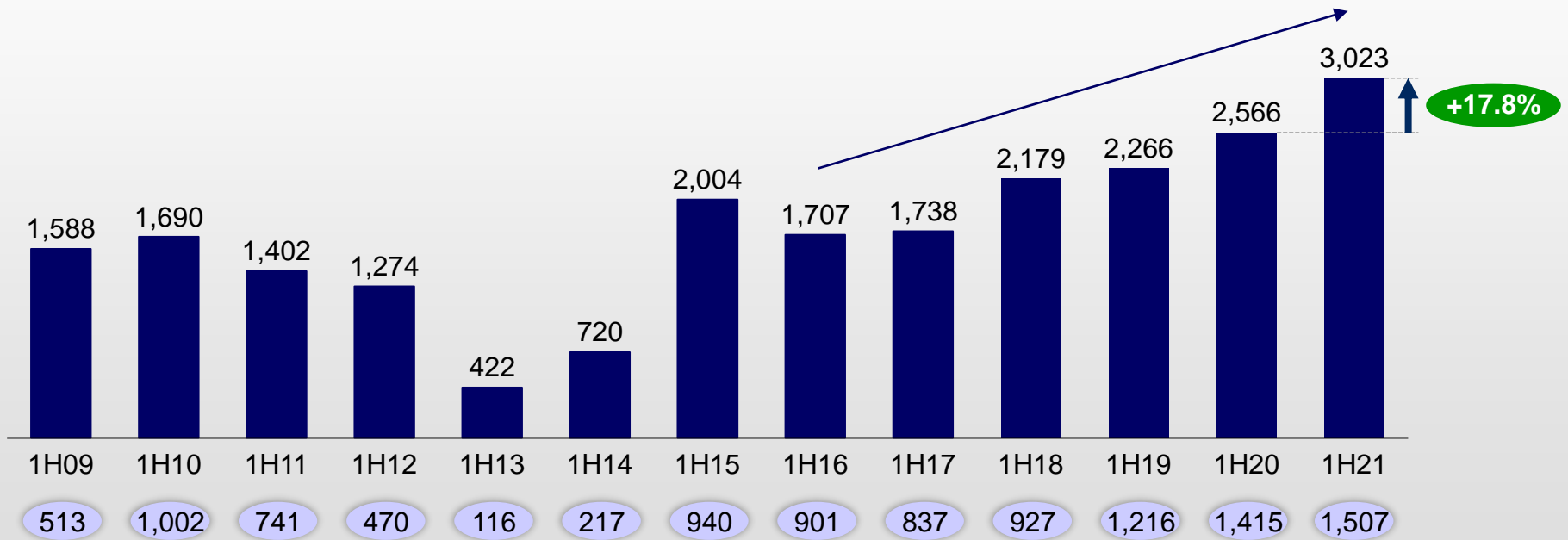
ISP Delivered the Best H1 Net Income since 2008 with Years of Continuous Growth...



The highest H1 Net income of the past twelve years and the best-ever Q2

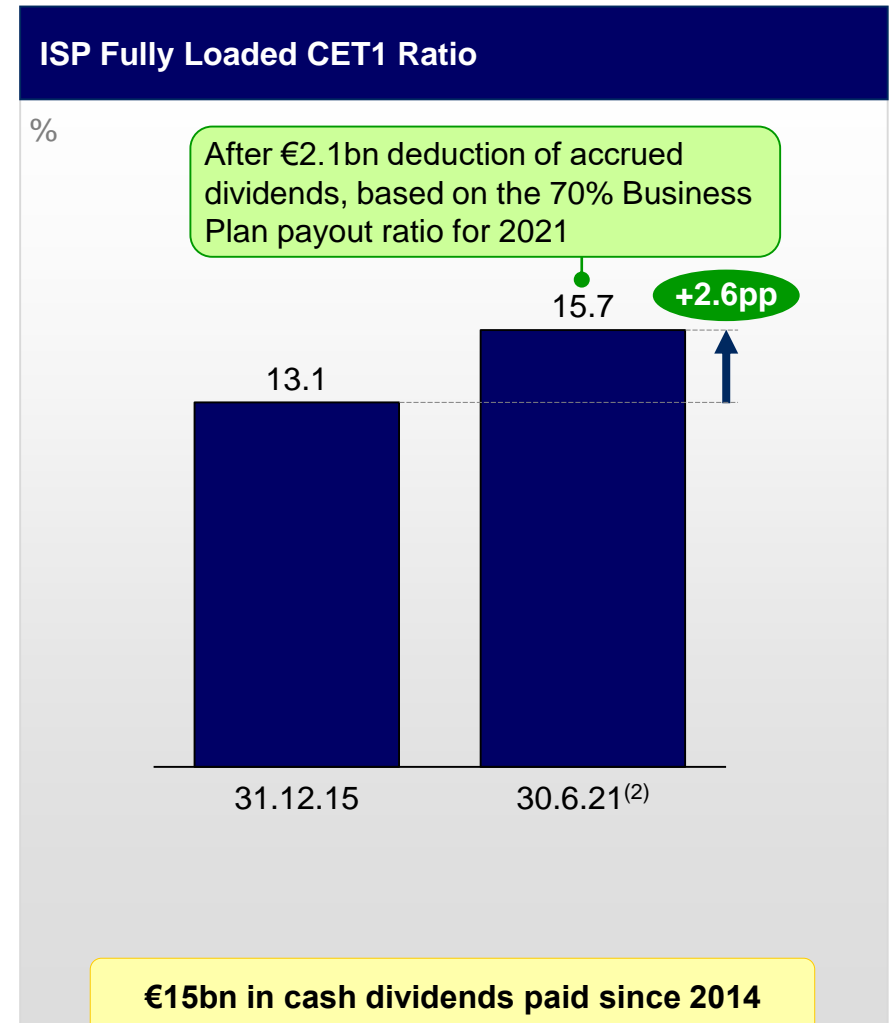
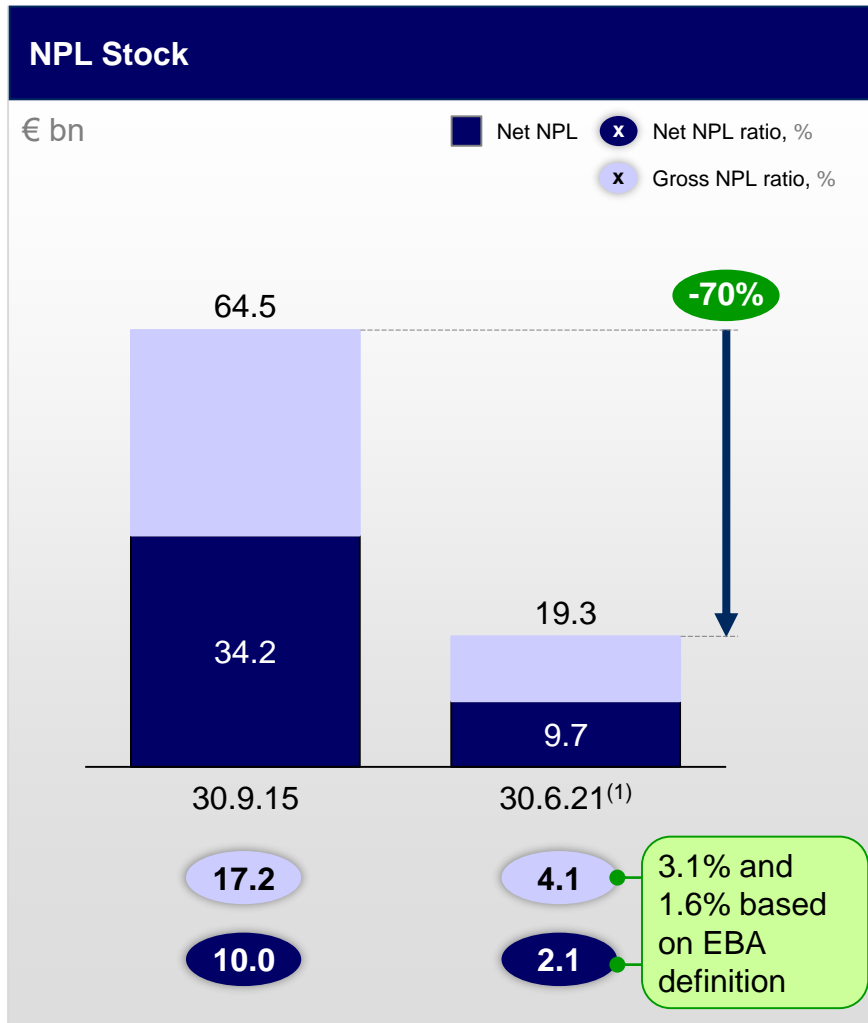
€ m

x Q2 Net income, € m



Firmly on track to deliver minimum €4bn Net income for 2021

... while Reducing NPL Stock, Strengthening Capital...



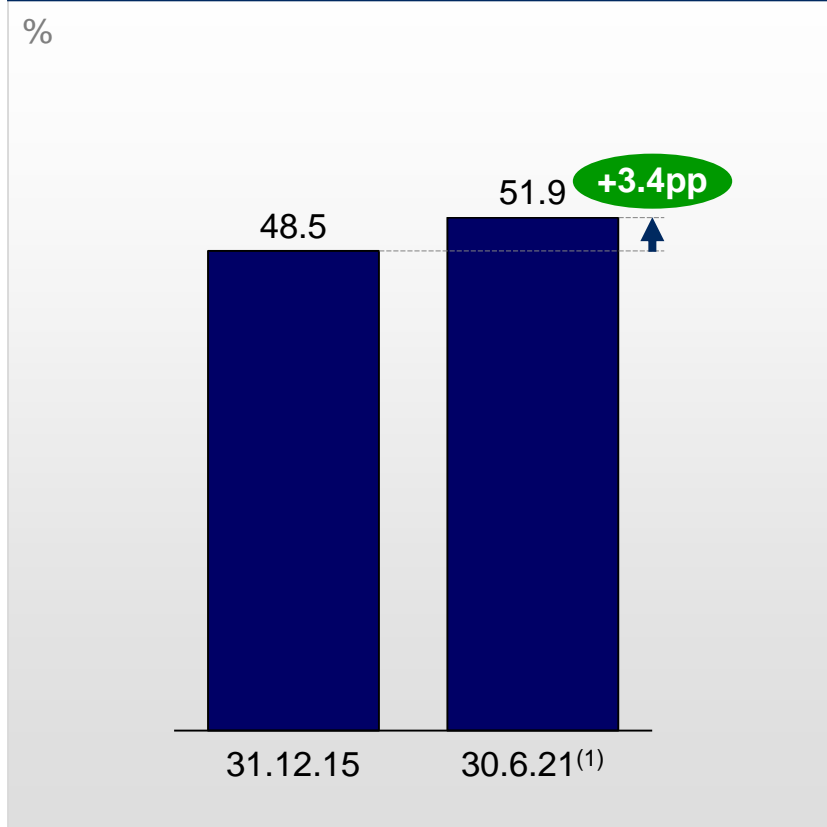
(1) Not including €5.2bn Gross NPL (€1.5bn Net) booked in Discontinued operations as of 30.6.21

(2) Pro-forma fully loaded Basel 3 (30.6.21 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca, the expected absorption of DTA on losses carried forward and the expected distribution of 1H21 Net income of insurance companies)

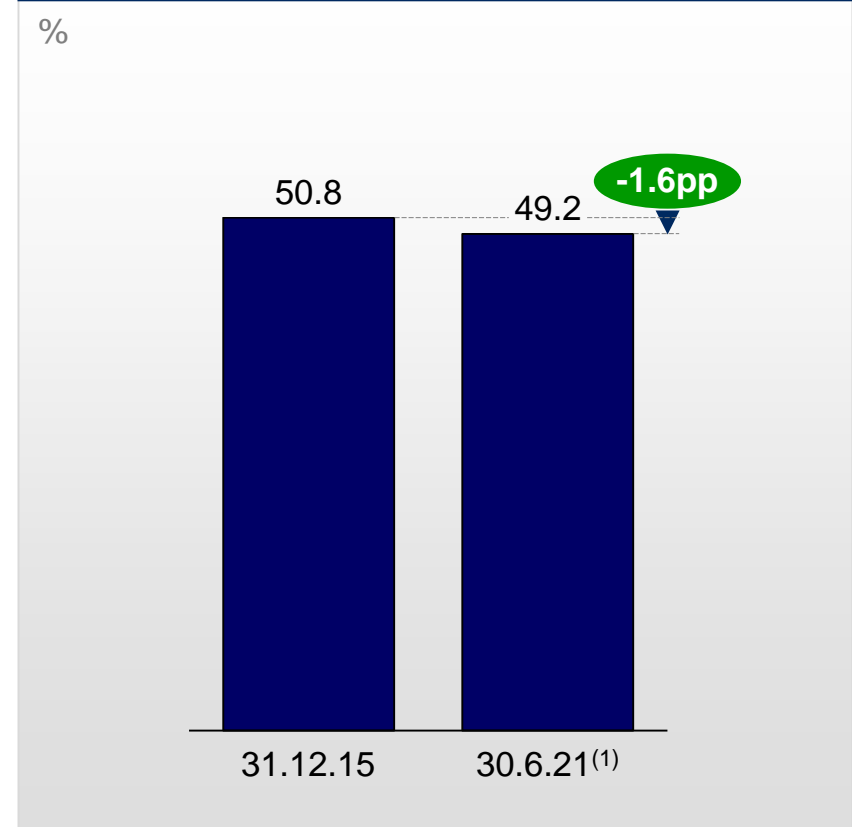
... and Reinforcing an Already Resilient and Efficient Business Model



Contribution of Net fees and commissions and Insurance income to Operating income



Cost/Income



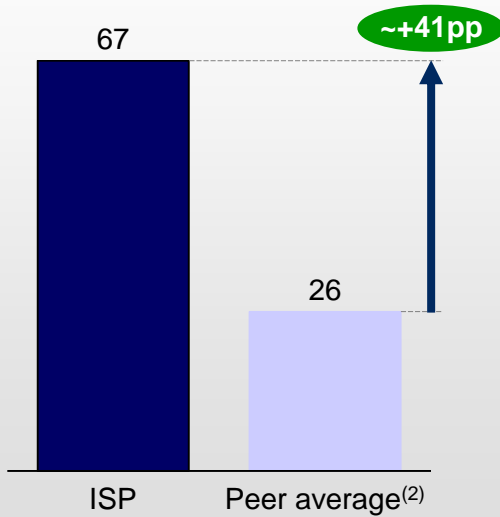
A very resilient and efficient business model, with 58% of H1 Gross income⁽²⁾ from Wealth Management and Protection activities

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(2) Excluding Corporate Centre

ISP Is Now Far Better Equipped than Peers to Tackle the Challenges Ahead

Best-in-class risk profile

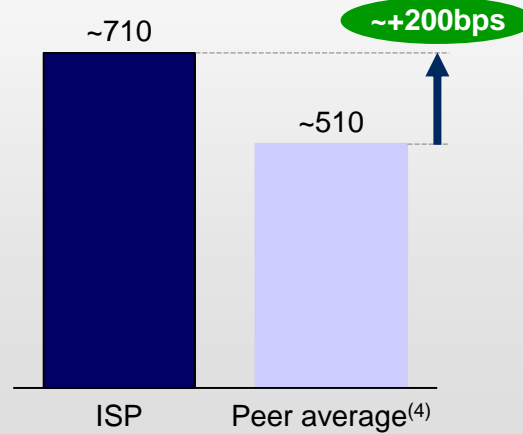
Fully Loaded CET1/Total illiquid assets⁽¹⁾, 30.6.21, %



Best-in-class leverage ratio: 6.9%

Solid capital position

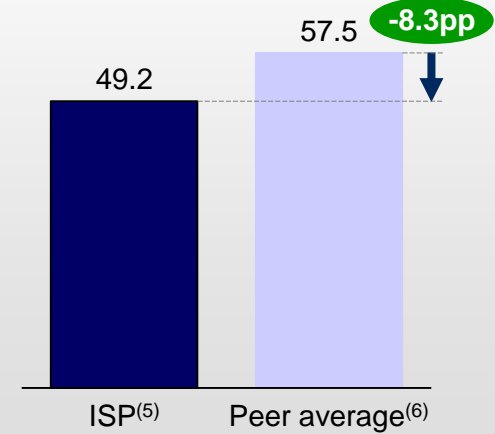
Buffer vs requirements SREP + Combined Buffer⁽³⁾, 30.6.21, bps



Rock-solid capital base, well above regulatory requirements even under the EBA stress test adverse scenario

High operating efficiency

Cost/Income, 30.6.21, %



High strategic flexibility to further reduce costs

Note: figures may not add up exactly due to rounding

- (1) Total illiquid assets include Net NPL stock, Level 2 assets and Level 3 assets
- (2) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Société Générale, Standard Chartered, UBS and UniCredit (30.6.21 data); Commerzbank, Crédit Agricole Group and ING Group (31.3.21 data); BBVA, Commerzbank, Crédit Agricole Group, ING Group, Santander and UniCredit (Level 2 and Level 3 assets 31.12.20 data)
- (3) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
- (4) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea, Santander, Société Générale and UniCredit (30.6.21 data); Commerzbank, Crédit Agricole Group and ING Group (31.3.21 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements
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Merger with UBI Banca Successfully Completed, Enabling Additional Value Creation

Our top performing delivery machine at work...

IT

Merger of UBI Banca into ISP successfully completed with:

- Migration of 587 UBI Banca branches⁽¹⁾ to BPER Banca on February 22nd (the largest-ever disposal of banking branches in Italy)
- Completion of IT integration on April 12th (one of the most extensive IT migrations in Italy involving ~1,000 branches)

Clients

- ~2.4m clients transferred to ISP, of which more than 1m multichannel clients (Internet Banking and App)
- ~1.4m clients transferred to BPER Banca

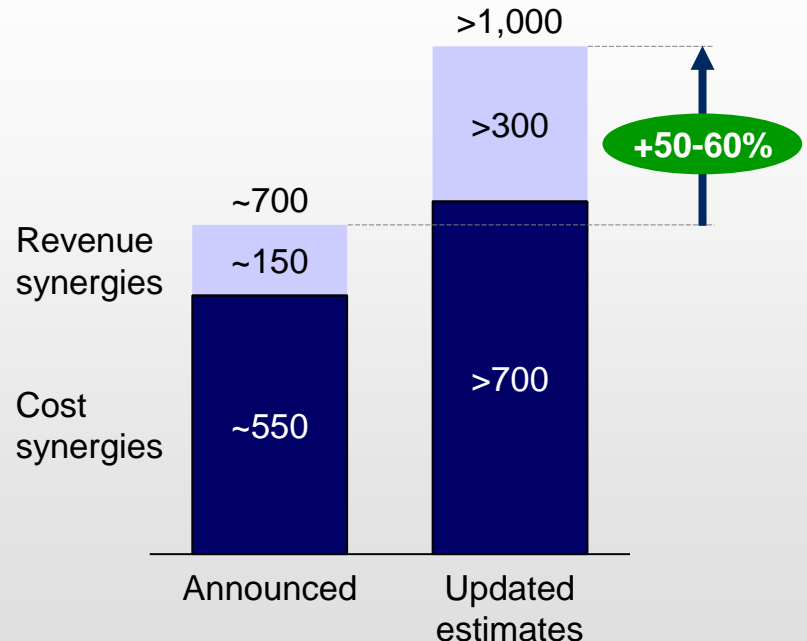
People

- ~14,500 people onboarded
- ~5,250 people supported during the transfer to BPER Banca and to BPPB
- New organisational structure implemented

Two large-scale migrations performed with all ~1,000 former UBI Banca branches and digital channels up and running

... enabling additional value creation with synergies above €1bn per year

Pre-tax annual synergies
€ m



- **Synergies timeline: >80% in 2023, 100% from 2024**
- **~€2bn⁽²⁾ integration charges fully booked in 4Q20**

(1) Including 132 outlets/sub-branches
(2) Pre-tax, €1.4bn net of tax









ISP Is Fully Equipped for the Challenges Ahead

1H21: An Excellent First Half






Final Remarks

1H21: Highlights

■ Excellent economic performance despite COVID-19 containment measures and while successfully merging UBI Banca:

- ❑ €3,023m Net income (+17.8% vs 1H20, +106% excluding Nexi capital gain⁽¹⁾), the best H1 since 2008 
- ❑ Best-ever Q2 Net income at €1,507m (+6.5% vs 2Q20) 
- ❑ Highest-ever Operating income at €10,674m (+1.7% vs 1H20⁽²⁾) thanks to the best H1 Commissions ever (+13.2% vs 1H20⁽²⁾) 
- ❑ Net interest income and Commissions growth on a quarterly basis (+2.2% and +2.5% vs 1Q21⁽³⁾) 
- ❑ Strong decrease in Operating costs (-2.3% vs 1H20⁽²⁾) with Administrative costs down 5.4% 
- ❑ Best-ever Operating margin at €5,419m (+5.9% vs 1H20⁽²⁾) and Gross income at €4,313m (+1.6% vs 1H20⁽²⁾, +38% excluding Nexi capital gain⁽¹⁾) 
- ❑ Annualised Cost of risk at 43bps⁽³⁾ (vs 48bps in FY20⁽²⁾, excluding provisions for future COVID-19 impacts) 
- ❑ Lowest-ever H1 NPL inflow 

■ Best-in-class capital position and balance sheet further strengthened:

- ❑ Common Equity ratio at 15.7%⁽⁴⁾ (14.4% Fully phased-in), well above regulatory requirements even under the EBA stress test adverse scenario 
- ❑ €1.6bn Gross NPL stock reduction in H1 (€1.4bn in Q2) 
- ❑ Lowest NPL stock and NPL ratios since 2007, with Gross NPL ratio at 4.1% and Net NPL ratio at 2.1% (3.1% and 1.6% according to EBA definition) 
- ❑ Best-in-class leverage ratio: 6.9% 
- ❑ Strong liquidity position: LCR and NSFR well above 100%; €323bn in Liquid assets 

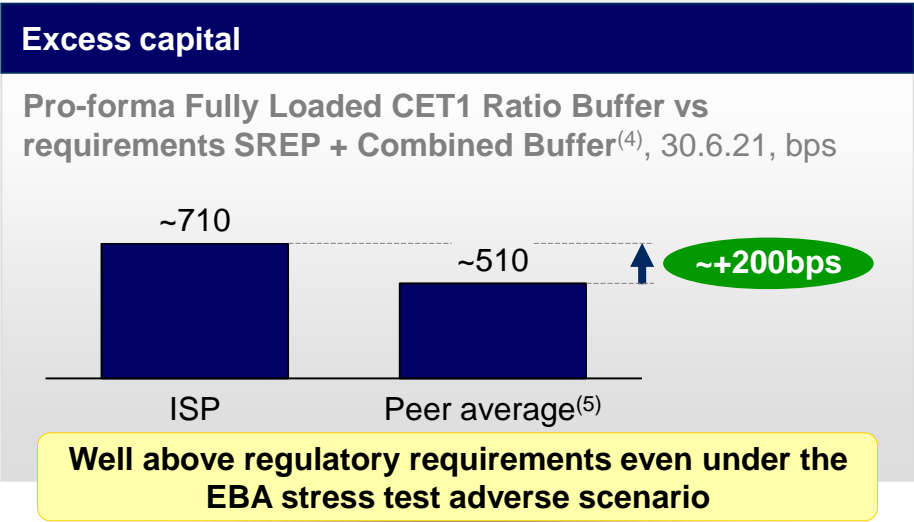
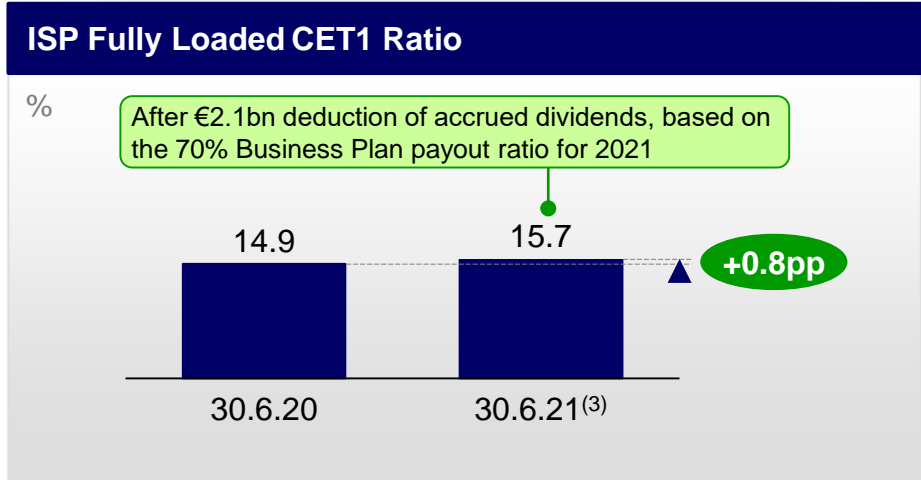
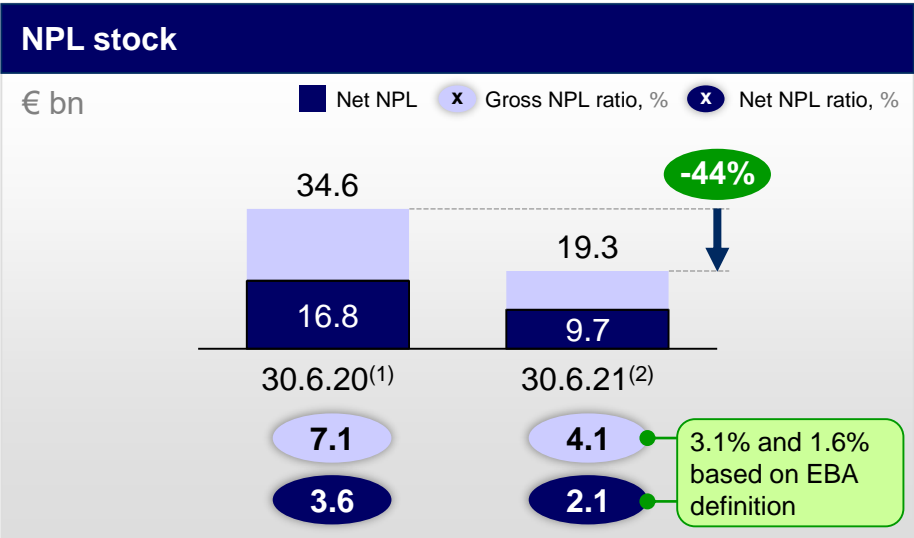
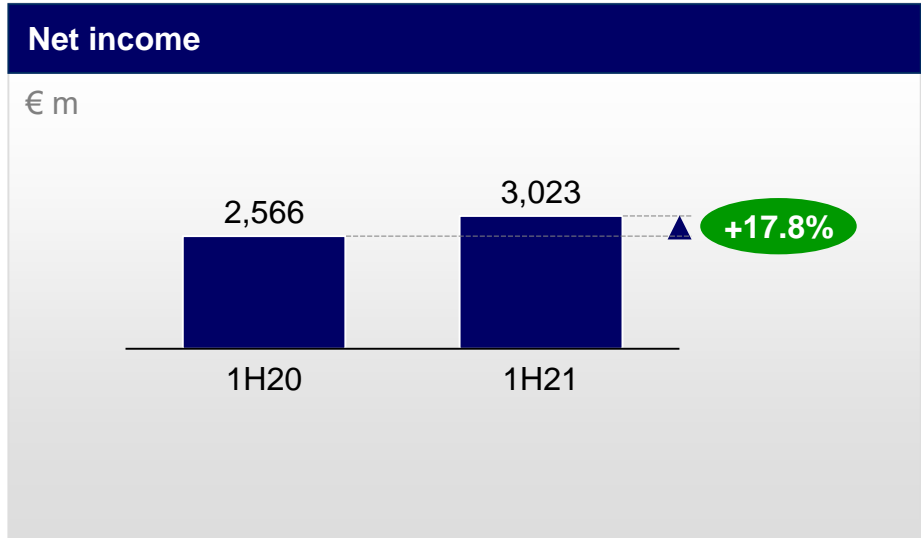
(1) €1.1bn booked in 2Q20

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1H21: Strong Growth in Profitability and Balance Sheet Further Strengthened

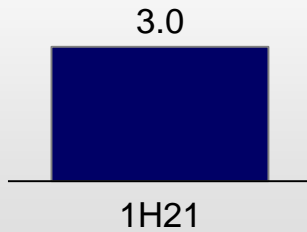


(1) Including UBI Banca and considering the disposal of branches sold in 1H21
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Our Excellent Performance Creates Benefits for All Stakeholder

Shareholders

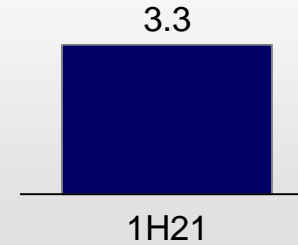
Net income, € bn



€2.1bn dividends already accrued in H1

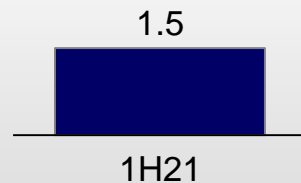
Employees

Personnel expenses, € bn



Public Sector

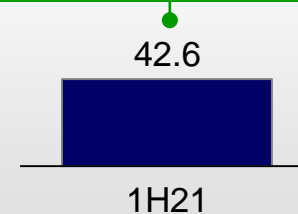
Taxes⁽¹⁾, € bn



Households and Businesses

Medium/Long-term new lending, € bn

Of which €37.4bn in Italy



~5,000 Italian companies helped to return to performing status⁽²⁾ in H1 (~128,000 since 2014)

(1) Direct and indirect

(2) Deriving from Non-performing loans outflow

ISP Successfully Mitigated the COVID-19 Impact

Care for ISP People and Clients

- ISP People**
- Remote working enabled for **~79,000** ISP Group People, with “digital coach” to support the switch to smart working and share best practices
 - Agreements with trade unions for **extraordinary measures** to support families and childcare and to **compensate for COVID-19** work absences in the **variable performance bonus⁽¹⁾** calculation
 - Digital learning enabled for **all ISP People in Italy**
 - 6 additional days** of paid leave in 2020 for ISP people who worked in the **branch network** or were unable to work **remotely**
 - ~1,700 people hired⁽²⁾** since January 2020
 - “**Ascolto e Supporto**” project offering mental wellness support to all ISP people
 - Free insurance policy for adverse vaccination reactions** offered to all employees in Italy
- ISP Clients**
- ~100% of branches open** and fully operational: advisory only by appointment and cash desk service by appointment only in the Italian areas with stricter COVID measures (red zones)
 - Business continuity ensured** by the online branch, Internet Banking, App and ATM/Cash machines (98% active)
 - Activated **remote advisory service**, with **~32,000** Relationship Managers
 - Free extension** of ISP health insurance policy coverage to include COVID-19

Continuous support to the real economy and society

- Voluntary donations**
- €100m** to the **National Health System** through the Civil Protection Department
 - €10m** to support **families in financial and social difficulty**
 - €6m** from CEO (€1m) and top management for **healthcare initiatives**, with additional voluntary donations from ISP people and Board of Directors
 - €3.5m** through ForFunding to **Civil Protection Department**
 - €1m** from ISP Charity Fund for **COVID-19 scientific research**
 - €600k** from *Fondazione Intesa Sanpaolo Onlus* for **vulnerable individuals**
 - €350k** to *Associazione Nazionale Alpini* for a field hospital in Bergamo
- Lending support**
- €109bn⁽³⁾** **suspension of existing mortgage and loan installments** for families and companies
 - €50bn** in **credit made available to support companies and professionals** during the emergency
 - €29.5bn⁽⁴⁾** in **loans with a State guarantee**
 - €10bn** in new credit facilities to boost **~2,500 Italian industrial supplier value chains**
 - ~€10bn⁽⁴⁾** in **loans with a SACE guarantee**
 - €80m** *Programma Rinascimento*, including impact loans to micro-enterprises and start-ups for recovery and re-shaping of their business model
- €150m (equal to 50%) of the ISP Fund for Impact will be used to reduce the socio-economic distress caused by COVID-19**

Strong value proposition on digital channels enabled immediate business reaction

- 1H21⁽⁵⁾ vs 1H20
- Enhanced digital service⁽⁶⁾**
- Multichannel clients** ~12.1m, **+1.1m**
 - App users** (4.6/5.0 rating on iOS⁽⁸⁾ and 4.5/5.0 on Android⁽⁸⁾) ~7.5m, **+1.1m**
 - # of digital operations** ~78.5m, **+18%**
 - # of digital sales⁽⁹⁾** ~1.7m, **+94%**
 - # of digital payments⁽¹⁰⁾** ~14.4m, **+85%**
- Flexible and secure remote work infrastructure⁽⁷⁾**
- Conference call/ video conference** (average usage per day) ~459k, **+132k**
 - Instant messaging** (average usage per day) ~490k, **+108k**
- 97% of staff employees⁽¹¹⁾ enabled to work from home**

(1) Premio Variabile di Risultato
(2) Italian perimeter including UBI Banca
(3) Suspensions granted until 30.6.21 (flows), including renewals, including UBI Banca considering the disposal of branches sold in H1
(4) As of 30.6.21, including UBI Banca considering the disposal of branches sold in H1
(5) Including UBI Banca and considering the disposal of branches sold in H1
(6) Banca dei Territori perimeter
(7) Italian perimeter
(8) As of 30.6.21
(9) Commercial offer sent to the client (website or App) by Relationship manager or online branch, signed electronically by the clients, or self-service purchases
(10) Number of payments with digital wallet (e.g., Apple Pay, Samsung Pay, Google Pay)
(11) Governance centre Italian perimeter
(12) Italian Association of Corporate Security Professionals

ISP as the Engine of Sustainable and Inclusive Growth...

ISP as the engine of the real and social economies...



- €76bn in new lending dedicated to the Green Economy, Circular Economy and Green transition as part of the Group's commitment in support of the Italian PNRR
- €50bn in credit available to support companies and professionals during the COVID-19 emergency
- More than €100m donated to provide COVID-19 relief
- €150m (equal to 50%) of the ISP Fund for Impact will be used to reduce socio-economic distress caused by COVID-19

... with a dedicated ESG/Climate Program (ISP4ESG) launched in 4Q19

Objectives

- Consolidating Group leadership around ESG/Climate topics
- Prioritising ESG/Climate themes most relevant for the Group

Governance

- Specific sessions of the Executive Committee that meets at least every 3 months to discuss ESG topics
- Dedicated ESG Control Room, including 17 Sustainability Managers from all Divisions and Governance areas, coordinated through a central ISP4ESG team, to support the Executive Committee in defining priorities and new initiatives

Initiatives (selected highlights)

- Dedicated ESG advisory service and ESG-linked loans to SMEs
- ESG specialist coverage and product team supporting IMI C&IB Division Relationship Managers and clients
- Strong focus on Ethical/ESG funds (€73bn⁽¹⁾ managed by Eurizon)
- Strategic framework and product working group aimed at defining the guidelines for sustainable products for the Group and a credit framework that integrates ESG/Climate metrics in accordance with relevant regulations
- Strong focus on ESG training for ISP People and corporate clients (Skills4capital)
- In July 2021, ISP reviewed its Coal Policy including a phase out of coal mining by 2025, and introduced a new policy on Unconventional Oil & Gas resources with immediate termination of new loans and phase out by 2030

... Delivering Tangible Results for Society

In 1H21, evaluated over 250 startups (~2,900 since 2018) in 3 acceleration programmes, with 56 coached startups (over 440 since 2018), introducing them to selected investors and ecosystem players (~6,100 to date)

€6bn Circular Economy credit plafond: ~€4.5bn already disbursed (~€2.3bn in 1H21)

Green Bond issued in March 2021 for **€1.25bn** focused on **green mortgages** granted for the construction or purchase of energy efficient properties (energy classification A and B); the order book **exceeded €3.5bn**

Three other Green Bonds issued in 2019 and 2017 for a total amount of €1.75bn (€750m **Circular**; €500m **renewables** and **energy efficiency** and €500m **renewable energy sectors** by UBI)

In July 2020, **ISP allocated €2bn plafond** (~€780m granted since the launch, of which ~€650m in 1H21) for **S-Loans** dedicated to SMEs to finance projects aimed at improving their sustainability profile. In April 2021 the product offer was expanded with S-Loan Diversity and in July 2021 with S-Loan Climate Change. All S-Loans have a reduced interest rate, subject to the annual monitoring of 2 KPIs which must be reported in the borrower's annual report. The new **S-Loan Climate Change** product, launched to mitigate the impact of climate change is eligible for a 80% green guarantee by SACE

Initiatives to **reduce child poverty** and **support people in need** well ahead of Business Plan target, delivering since 2018:

- ~19.9 million meals
- ~1.2 million dormitory beds
- ~260,500 medicine prescriptions
- ~212,000 articles of clothing

ISP's "**Giovani e Lavoro**" Program underway, in partnership with **Generation**, aimed at **training and introducing 5,000 young people to the Italian labour market**:

- ~5,000 young people, aged 18-29, applied to the Program in 1H21 (more than 20,000 since 2019)
- ~800 students interviewed and ~350 students trained/in training through 14 courses in 1H21 (~4,400 students interviewed and more than 1,800 students trained/in training since 2019)
- ~1,700 companies involved since the beginning of the Program

ISP is the Main Sponsor of **Generation4Universities** project, developed by **Generation Italy** and **McKinsey & Company**, aimed at facilitating talented senior-year university students to start a successful professional career. The Program, just ended in July, involved 69 students from 31 universities and 18 top-tier Italian corporations as potential employers

P-Tech initiative, in partnership with **IBM**, aimed at training young professionals in new digital skills: mentoring activities with 20 ISP "mentors" for 40 young professionals

Ecobonus: ISP ready to buy tax credits to support families, condominiums and businesses through modular and flexible financial solutions benefitting from the provisions of the "Decreto Rilancio" which raise the deduction to 110% for expenses related to energy efficiency and measures to reduce seismic risk

Donated €100m to strengthen the National Health System through the **Civil Protection Department** across Italy, and in particular in the most affected areas of Bergamo and Brescia. 16 hospitals and 3 COVID-19 Emergency Centres have benefited from the donation with the creation of 36 new hospital wards and 500 hospital beds mainly in Intensive and Sub-Intensive Care Units

€10m to support families in financial and social difficulty due to the COVID-19 crisis, of which **€5m** donated to **Ricominciamo Insieme** project of the **Diocese of Bergamo** and **€5m** donated to the **Diocese of Brescia**

€6m in donations coming from the **CEO (€1m)** and **top management's 2019 variable compensation**, to strengthen healthcare initiatives, with **additional voluntary donations** coming from **ISP people and Board**

€3.5m donated through **ForFunding** – the ISP crowdfunding platform – to support **Civil Protection Department COVID initiatives**

€1m allocated from the **ISP Charity Fund** to boost **COVID-19 scientific research**

€600k intervention by the **Fondazione Intesa Sanpaolo Onlus** to support entities that have guaranteed **primary services** and **direct assistance** to vulnerable individuals

€350k donated to **ANA⁽¹⁾** to accelerate the construction of a **field hospital** in Bergamo

€109bn⁽²⁾ suspension of existing mortgage and loan installments for families and companies (1st in Italy to launch the initiative before the regulation came into force)

€50bn in credit made available to support companies and professionals aimed at protecting jobs and managing payments during the emergency

€29.5bn⁽³⁾ in loans with a State guarantee

€10bn in new credit facilities to boost ~2,500 Italian industrial supplier value chains through enhancement of the **Sviluppo Filiere** Program

~€10bn⁽³⁾ in loans with a guarantee from SACE (1st in Italy to sign the collaboration protocol with SACE, providing immediate support to large corporates and SMEs under Liquidity Decree)

€80m Programma Rinascimento, including impact loans to micro-enterprises and start-ups, for the **recovery and to re-shape their business models** for the post COVID-19 era, leveraging on growth and innovation projects boosting economic growth and social and territorial cohesion. Launched in Bergamo (€30m, in partnership with the Municipality) and in Florence (€50m, in partnership with CR Firenze Foundation)

Construction at the two building sites of the new **Gallerie d'Italia** in **Turin** and **Naples** is well underway. In Piazza San Carlo in Turin, an avant-garde museum of **9,000 m²** with underground spaces dedicated to photography, and in Via Toledo in Naples a large area of **9,000 m²** for masterpieces (Caravaggio) and numerous cultural activities

The "**Tiepolo: Venezia, Milano, l'Europa**" exhibition at the Milan Gallery was mainly online. All organic and paid digital contents on Gallerie d'Italia and ISP social channels recorded 52.6m views and 1m interactions

After the lockdown, two original exhibitions have been open to the public: "**Los Angeles (State of Mind)**" in Naples and "**Painting is back, 80s painting in Italy**" in Milan, whose live streaming presentation reached ~800,000 people

As a demonstration of the attention that ISP pays to the world of art and culture, the prestigious "**Rosa di Brera 2021**" award was given to ISP and its President Emeritus Giovanni Bazoli for his long-term commitment and support to the cultural activities of the important museum



ISP Fund for Impact launched in 4Q18 (~€1.5bn lending capacity). Main initiatives:

- "**Per Merito**", the first line of credit without collateral dedicated to university students residing in Italy, studying in Italy or abroad; €32m granted in 1H21 (~€123m since the beginning of 2019)
- MAMMA@WORK**: a **highly-subsidised loan** launched in July 2020 to balance motherhood and work in their children's early years of life (~€0.5m granted since the launch)

Support to **working mothers** in India and **people over 50** who have **lost their jobs** or have **difficulty accessing pension schemes**

- "**Per Esempio**" – dedicated to volunteers of Civil Service, "**per Crescere**" dedicated to school age children's parents, "**per avere Cura**" for families with non-self-sufficient relatives. All 3 initiatives launched in July 2021

XME StudioStation launched in August 2020: loans to families to support distance learning (~€0.5m granted in 1H21; ~€1.7m granted since launch)

(1) Associazione Nazionale Alpini
(2) Suspensions granted until 30.6.21 (flows), including renewals, including UBI Banca considering the disposal of branches sold in H1
(3) As of 30.6.21, including UBI Banca considering the disposal of branches sold in H1

ISP Leads in the Main Sustainability Indexes and Rankings

Top ranking⁽²⁾ for Sustainability

The **only Italian bank** listed in the Dow Jones Sustainability Indices and the 2021 Corporate Knights “Global 100 Most Sustainable Corporations in the World Index”. Ranked first among peers by Bloomberg (ESG Disclosure Score) and MSCI

In 2020 ranking by Institutional Investor, ISP was **Europe’s Best Bank for overall ESG** (only Italian bank among the “Most honoured companies”) and in 2021 ISP won **Best Italian⁽¹⁾ IR in ESG** for a Large Cap company

Bloomberg	CDP	MSCI	S&P Global	SUSTAINALYTICS
ISP 68	ING A	ISP AAA	ISP 100	ING 17.2
BBVA 62	UBS A	BBVA AAA	BBVA 99	ISP 19.5
SOCIETE GENERALE 61	ISP A-	ING AA	Santander 95	Nordea 21.4
BNP PARIBAS 59	BBVA A-	SOCIETE GENERALE AA	ISP 94	UniCredit 22.1
Santander 57	BNP PARIBAS A-	ING AA	CREDIT SUISSE 93	BBVA 22.5
UBS 56	CREDIT SUISSE A-	UBS AA	BNP PARIBAS 93	HSBC 23.0
ING 55	CREDIT AGRICOLE A-	LLOYDS BANK AA	SOCIETE GENERALE 90	COMMERZBANK 23.1
CREDIT SUISSE 55	HSBC A-	COMMERZBANK AA	BARCLAYS 88	LLOYDS BANK 23.3
LLOYDS BANK 54	UniCredit A-	Nordea AA	ISP 87	BARCLAYS 23.8
UniCredit 54	SOCIETE GENERALE B	HSBC AA	ING 82	UBS 24.8
Santander 54	Santander B	HSBC AA	UniCredit 70	BNP PARIBAS 25.6
CREDIT AGRICOLE 54	LLOYDS BANK B	CREDIT AGRICOLE A	ISP 67	SOCIETE GENERALE 25.7
BARCLAYS 54	BARCLAYS B	CREDIT SUISSE A	Santander 62	Santander 27.1
HSBC 53	COMMERZBANK B	UniCredit A	HSBC 62	CREDIT AGRICOLE 28.3
COMMERZBANK 47	Nordea C	BARCLAYS A	LLOYDS BANK 60	ING 29.6
Nordea 46	ISP C	Santander BBB	COMMERZBANK 57	ISP 29.8
			Nordea 54	CREDIT SUISSE 30.0

STOXX

Member 2020/2021
ESG Leaders
Indices

EURONEXT
INDICES EUROPE120

VE
VIDEOPHINT

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CDA

SOLACTIVE
German Index Engineering

REFINITIV
TOP 100 COMPANY 2020
Dividend Aristocrat

Bloomberg
Gender-Equality
Index
2021

GLOBAL100
Corporate Knights
The Magazine for Clean Capitalism

standard
ethics

MSCI (D)

CDP
DISCLOSURE INSIGHT ACTION

EURONEXT
INDICES EUROZONE120

VE
VIDEOPHINT

Sustainability Award
Bronze Class 2021
S&P Global

FTSE4Good

SUSTAINALYTICS
a Morningstar company

ECPI
Sense in
sustainability

(1) European ranking results expected in September

(2) ISP peer group

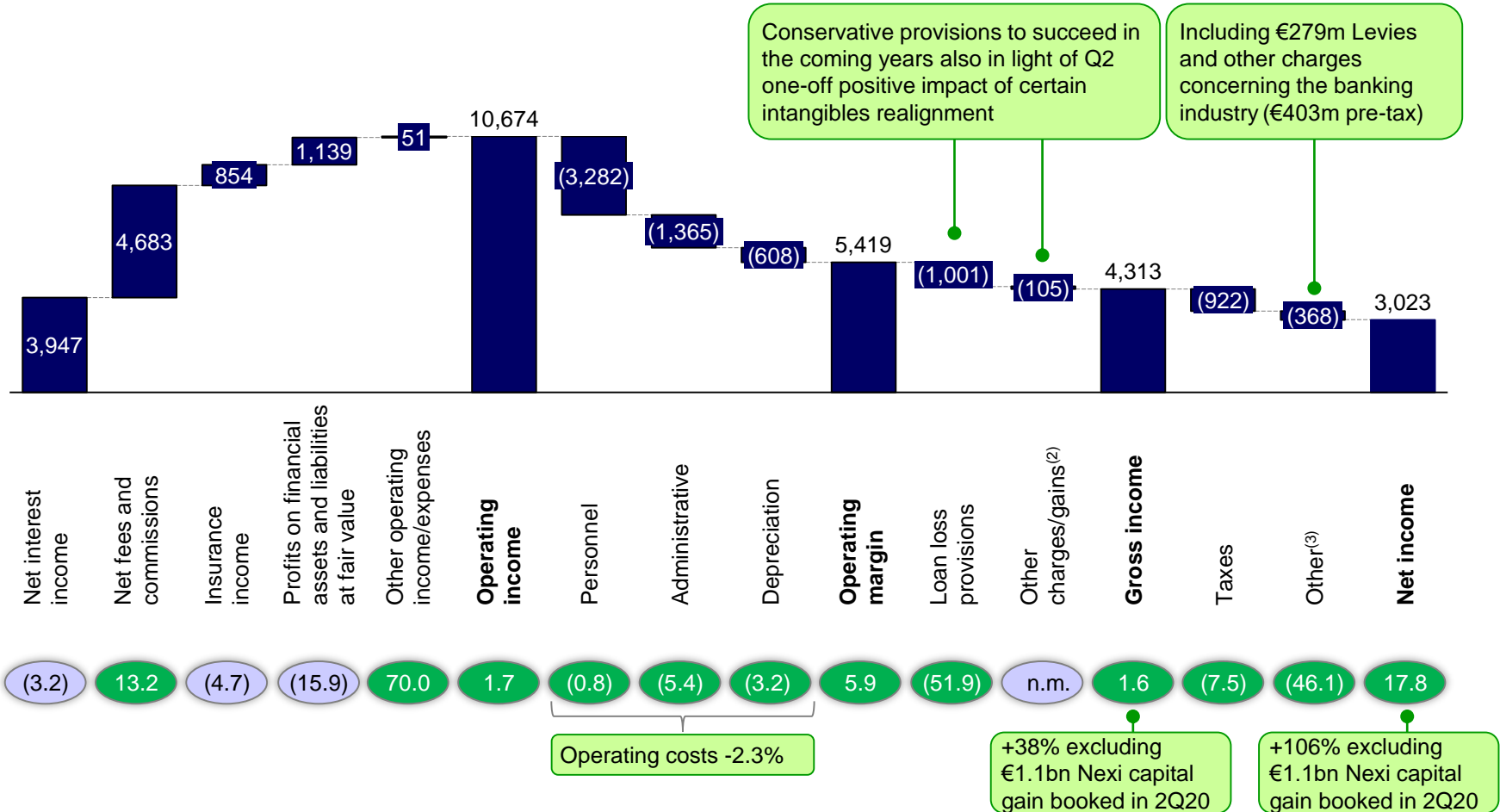
Sources: Bloomberg ESG Disclosure Score (Bloomberg as of 30.6.21); CDP Climate Change Score 2020 (<https://www.cdp.net/en/companies/companies-scores>); MSCI ESG Score (<https://www.msci.com/esg-ratings>) Data as of 30.6.21;

S&P Global (Bloomberg as of 30.6.21); Sustainalytics score (<https://www.sustainalytics.com/>); ESG Risk Rating as of 30.6.21

H1: €3bn Net Income, the Best First Half since 2008

1H21 P&L – considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

€ m



Note: figures may not add up exactly due to rounding

(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

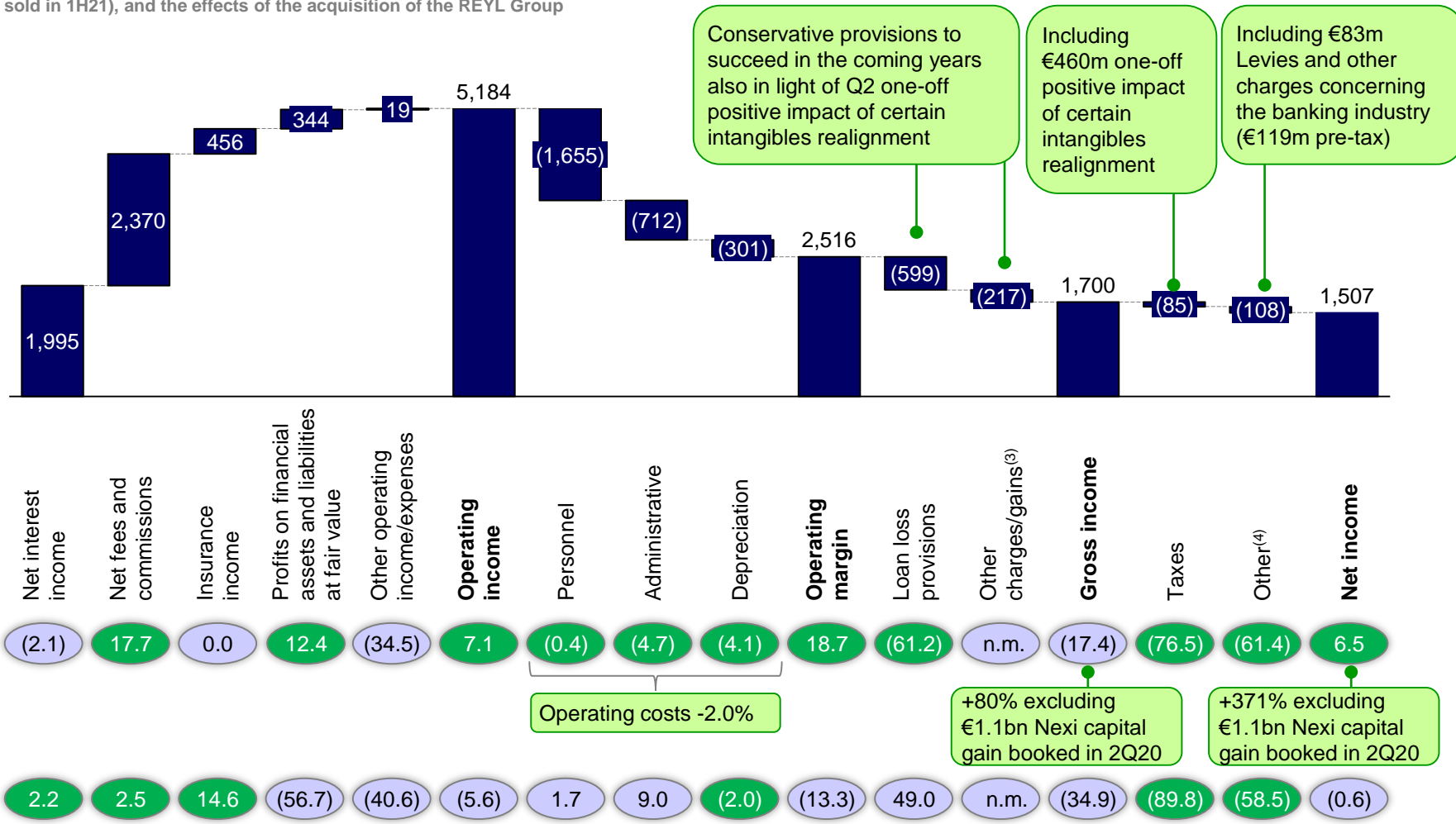
(2) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations

(3) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

Q2: The Best-ever Q2 Net Income

2Q21 P&L – considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

€ m



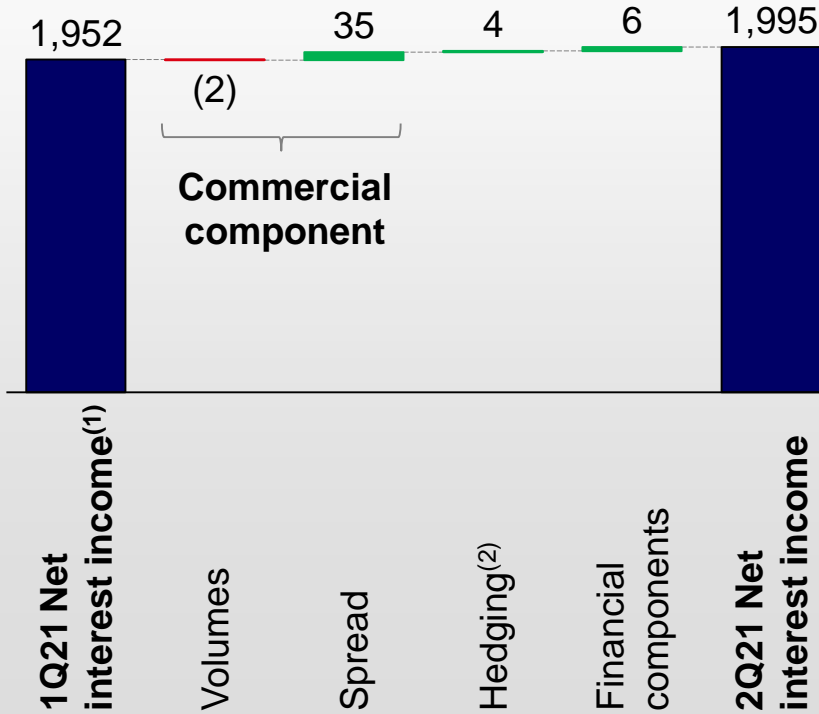
Note: figures may not add up exactly due to rounding

- (1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group
- (2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group
- (3) Net provisions and net impairment losses on other assets, Other income (expenses), Income (Loss) from discontinued operations
- (4) Charges (net of tax) for integration and exit incentives, Effect of purchase price allocation (net of tax), Levies and other charges concerning the banking industry (net of tax), Impairment (net of tax) of goodwill and other intangible assets, Minority interests

Net Interest Income: Growth on a Quarterly Basis

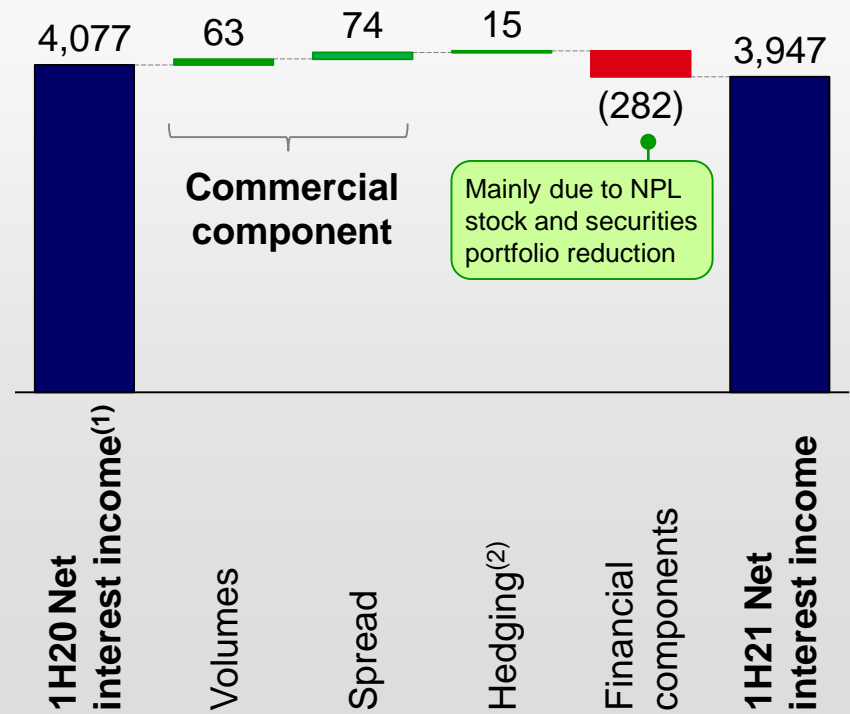
Quarterly comparison

Net interest income, Δ 2Q21 vs 1Q21
€ m



Yearly comparison

Net interest income, Δ 1H21 vs 1H20
€ m



Revenues managed in an integrated manner to create value

Note: figures may not add up exactly due to rounding

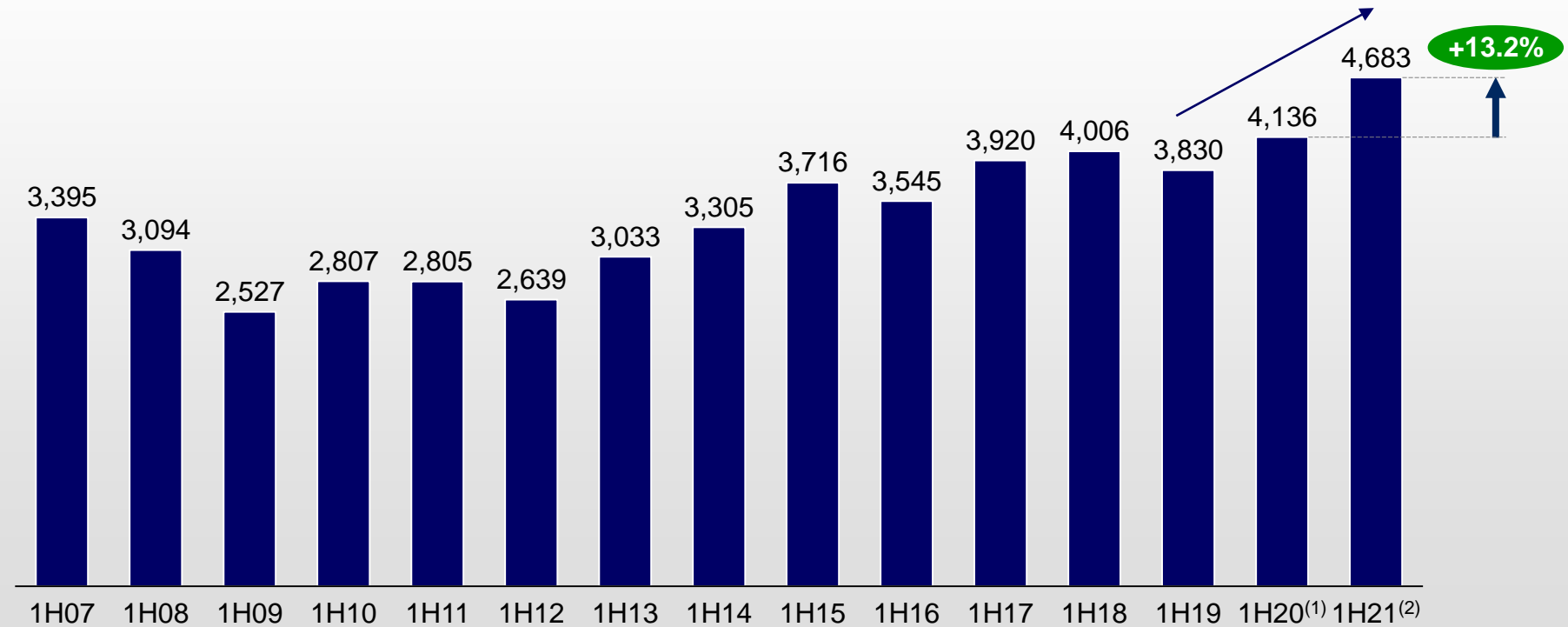
(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(2) €113m benefit from hedging on core deposits in 1H21, of which €59m in 2Q21

Best-ever H1 for Commissions Despite COVID-19 Impact

Net fees and commissions

€ m



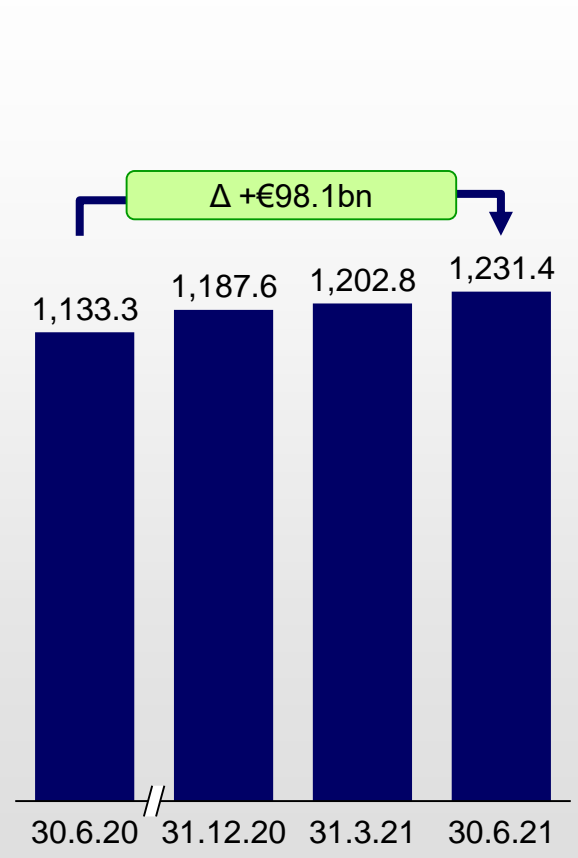
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(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

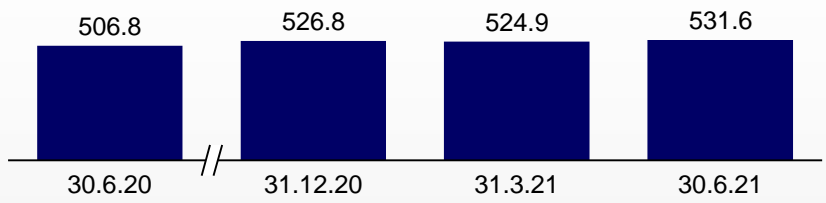
€1.2 Trillion in Customer Financial Assets, with ~€100bn Increase on a Yearly Basis

Customer financial assets⁽¹⁾⁽²⁾

€ bn

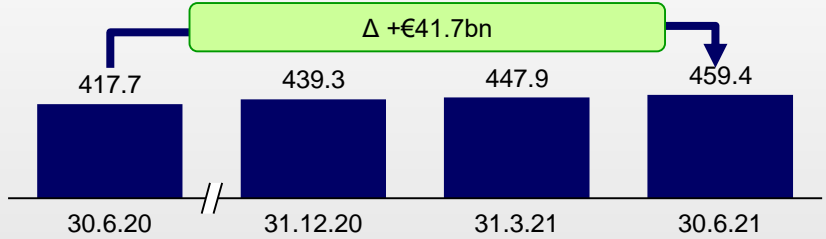


Direct deposits



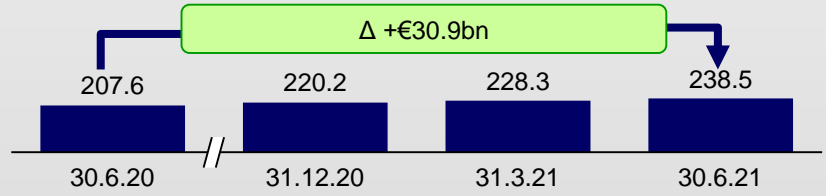
+€35.8bn in retail and corporate deposits on a yearly basis

Assets under Management

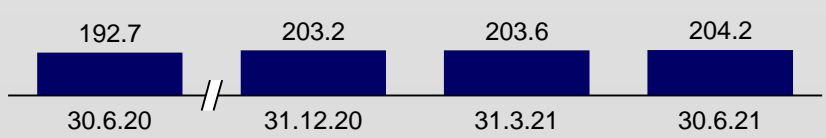


+€8.3bn of AuM Net inflow in H1

Assets under Administration



Direct deposits from Insurance Business and Technical reserves



f(x)

Note: figures may not add up exactly due to rounding

(1) Net of duplications between Direct Deposits and Indirect Customer Deposits

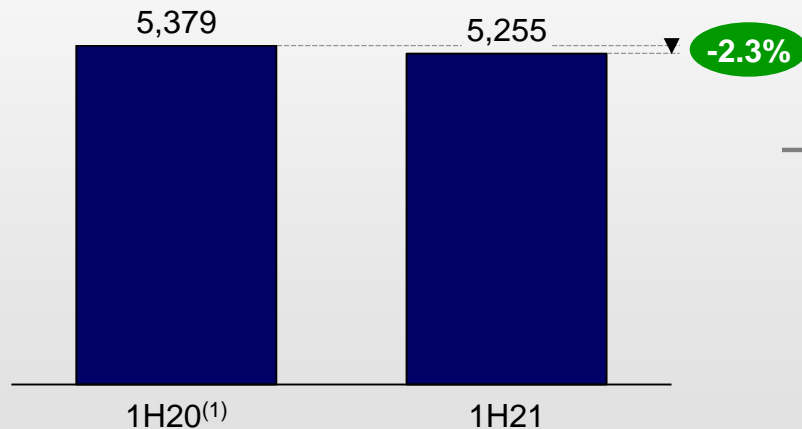
(2) Including UBI Banca, considering the disposal of branches sold in 1H21 and the full line-by-line consolidation of the REYL Group and Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21)

Continued Strong Reduction in Operating Costs while Investing for Growth

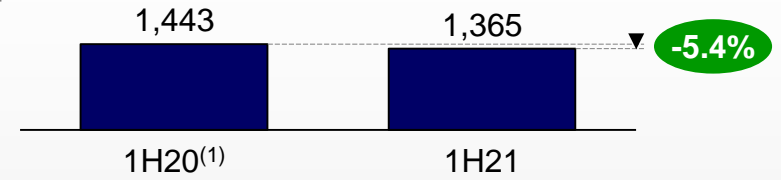
Operating costs

€ m

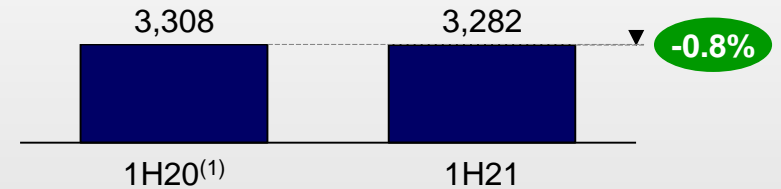
Total Operating costs



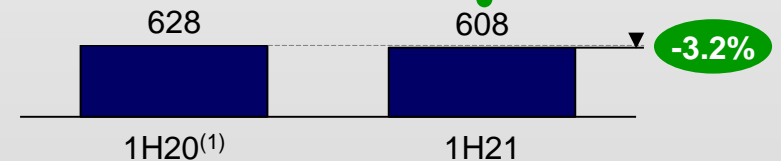
Administrative costs



Personnel costs



Depreciation



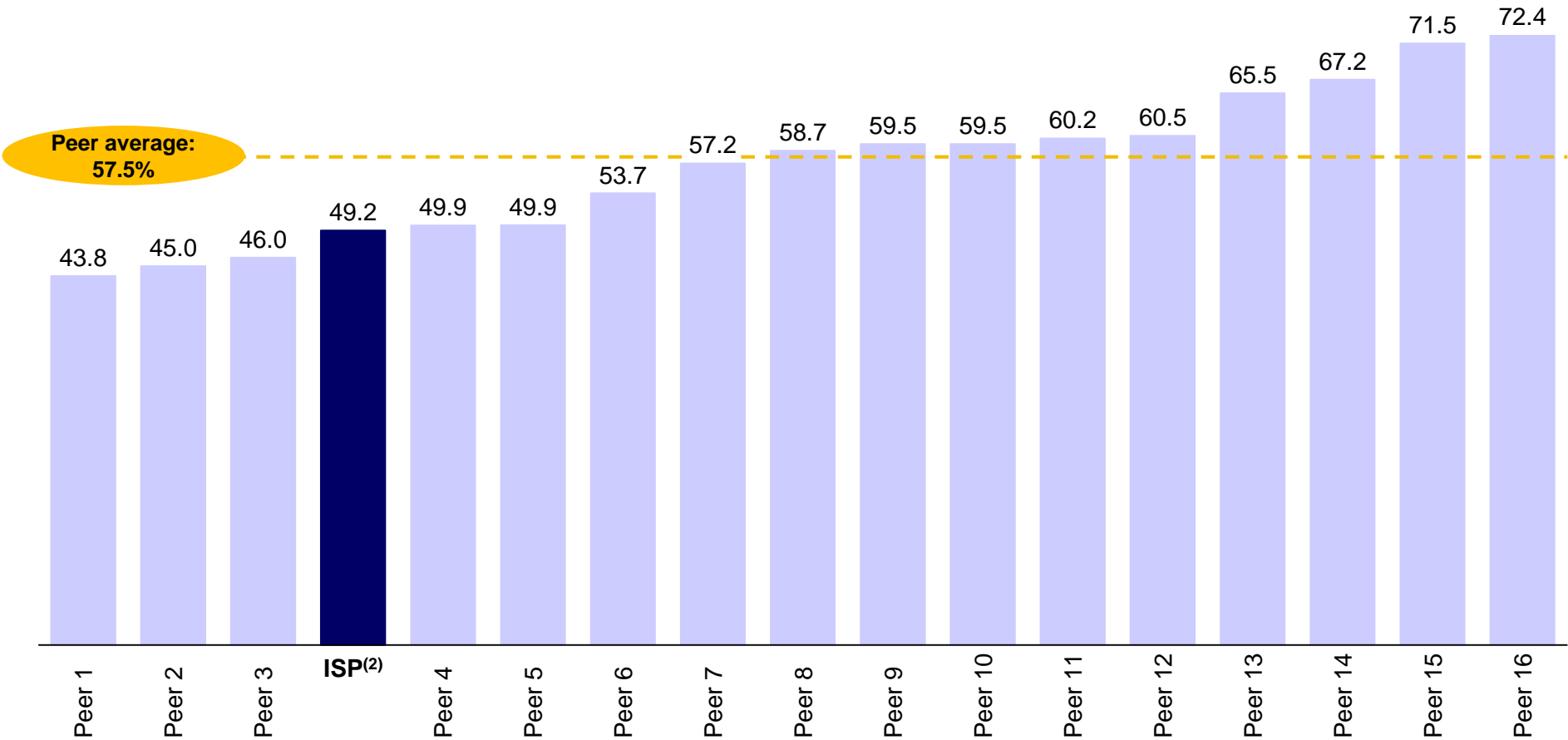
f(x)

- ~4,000 headcount reduction on a yearly basis, of which ~1,900 in H1 (~1,100 in Q2)
- ~7,200 voluntary exits by 2023 – of which 1,400 exited in H1 – related to the combination with UBI Banca, already agreed with Labour Unions and already fully provisioned (with 3,500 hires by 1H24)
- Further branch reduction in light of Mooney and combination with UBI Banca

(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

One of the Best Cost/Income Ratios in Europe

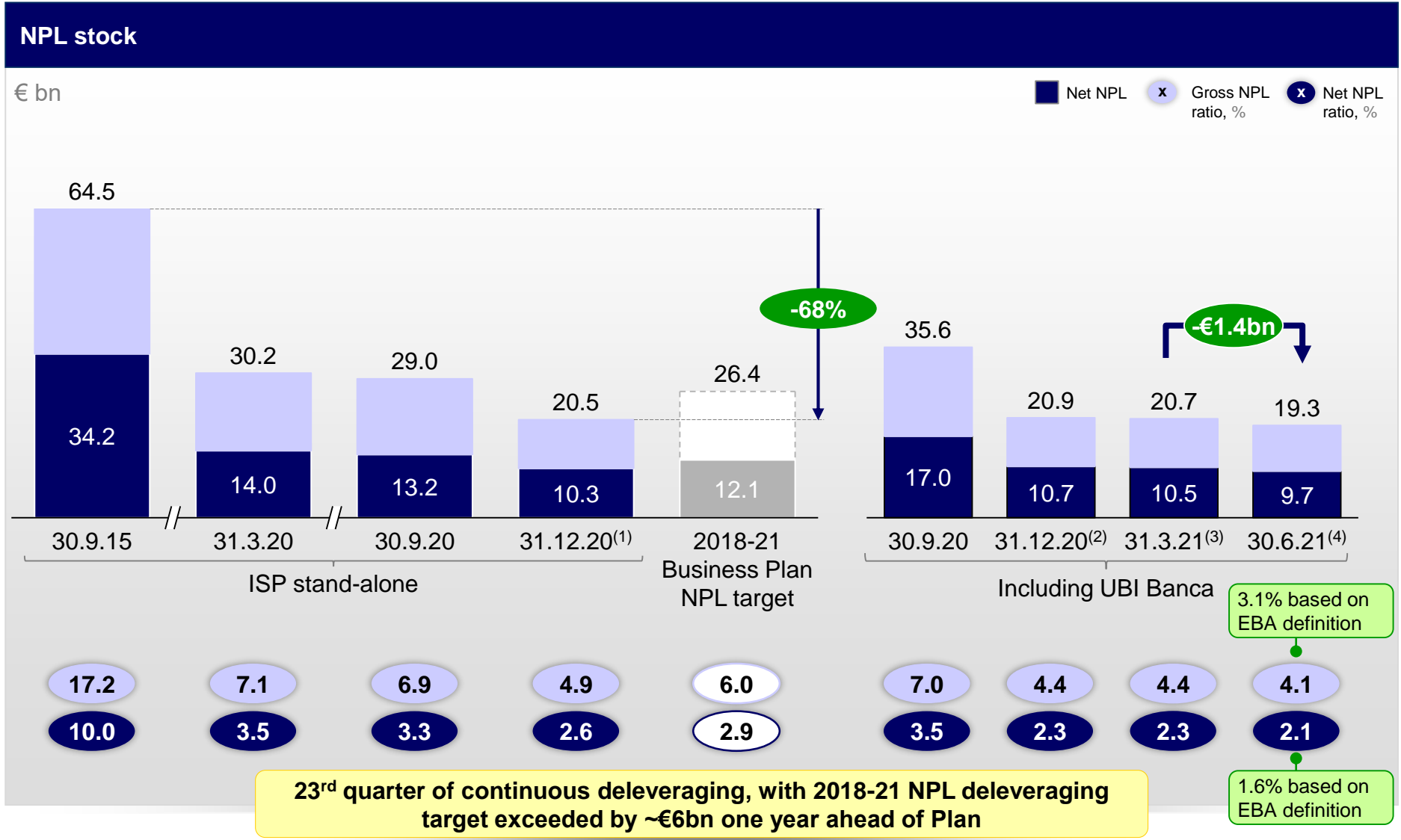
Cost/Income⁽¹⁾
%



(1) Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Société Générale, Standard Chartered, UBS and UniCredit (30.6.21 data); Commerzbank, Crédit Agricole S.A. and ING Group (31.3.21 data)

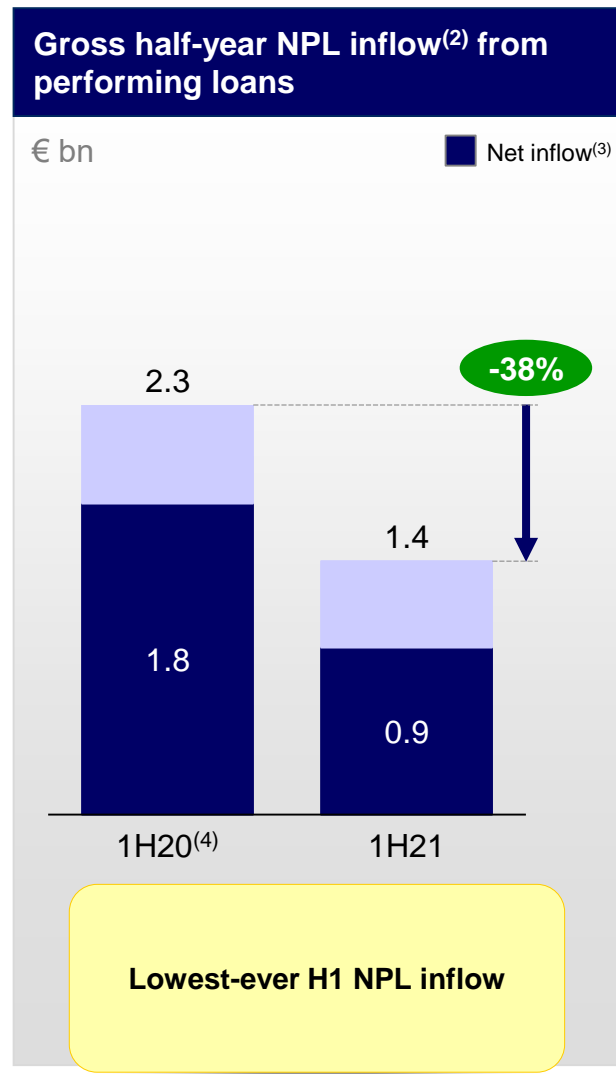
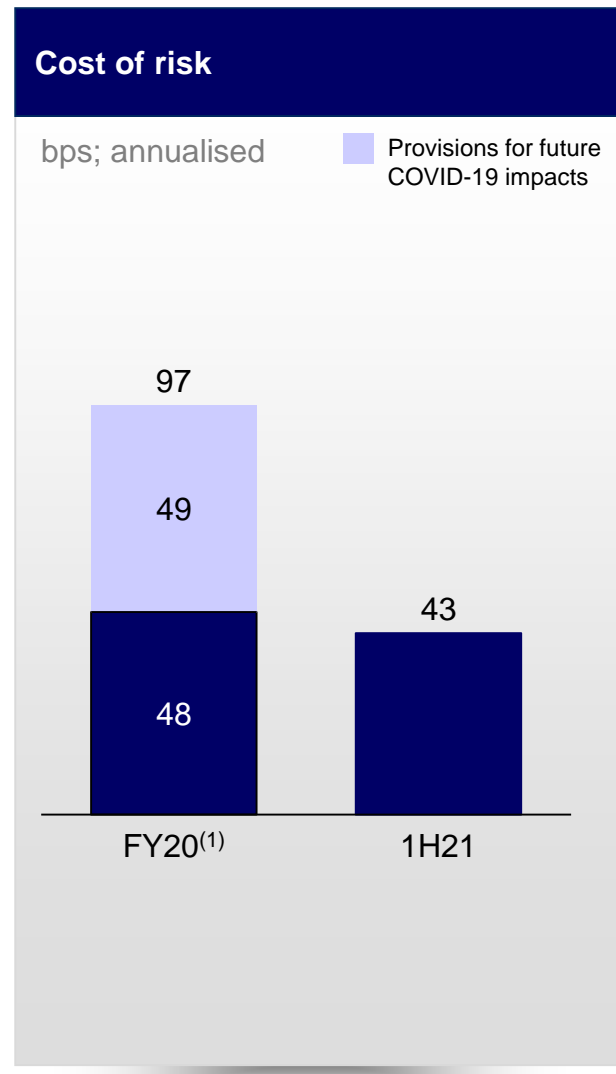
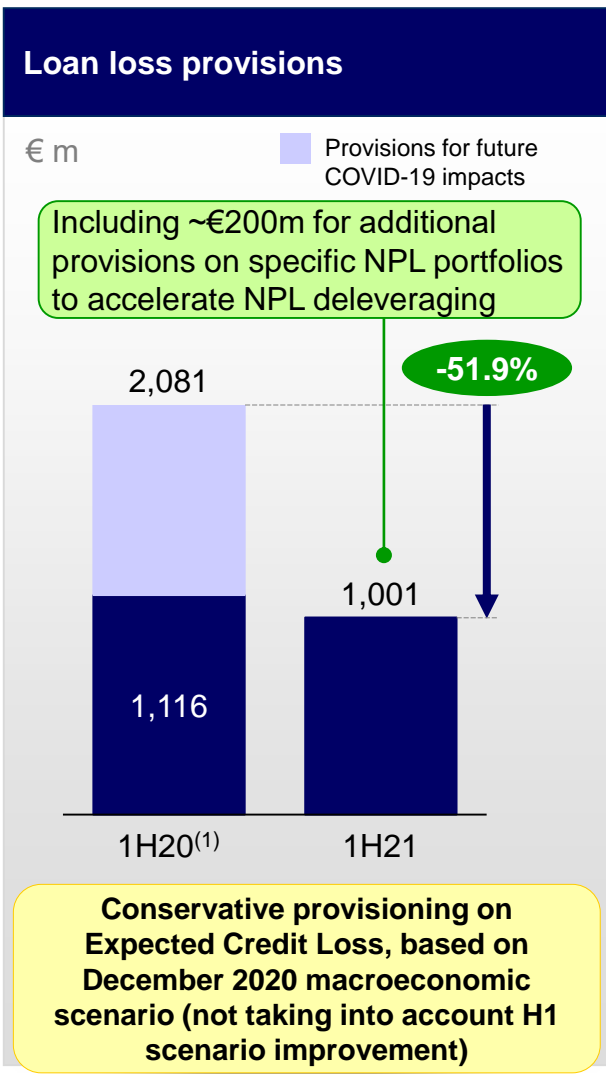
(2) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

€1.6bn Gross NPL Stock Reduction in H1



(1) Excluding €3.2bn Gross NPL (€0.5bn Net) booked in Discontinued operations
 (2) Excluding €5.4bn Gross NPL (€2.1bn Net) booked in Discontinued operations
 (3) Excluding €3.8bn Gross NPL (€1.1bn Net) booked in Discontinued operations
 (4) Excluding €5.2bn Gross NPL (€1.5bn Net) booked in Discontinued operations

Strong Reduction in Loan Loss Provisions and Cost of Risk Coupled with Lowest-ever NPL Inflow



(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(2) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans

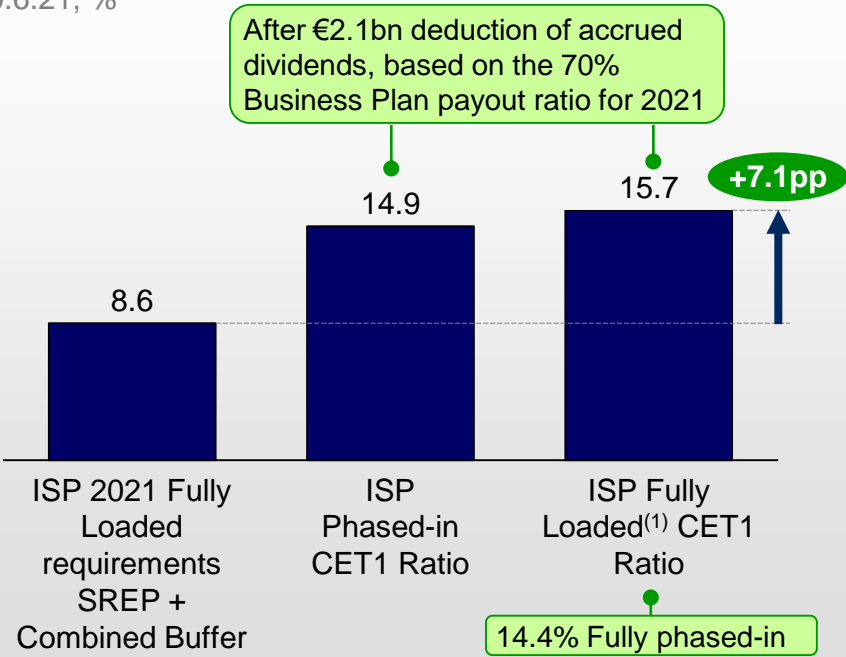
(3) Inflow to NPL (Bad Loans, Unlikely to Pay and Past Due) from performing loans minus outflow from NPL into performing loans

(4) Including UBI Banca and considering the disposal of branches sold in 1H21

Rock-Solid Capital Base, Well Above Regulatory Requirements

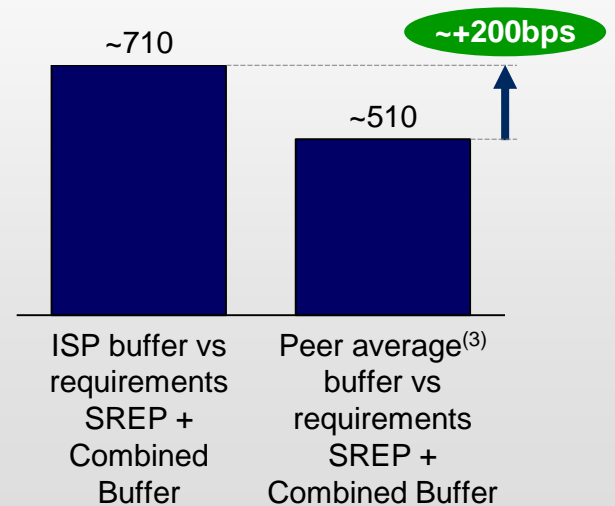
ISP CET1 Ratios vs requirements SREP + Combined Buffer

30.6.21, %



Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer⁽²⁾

30.6.21, bps

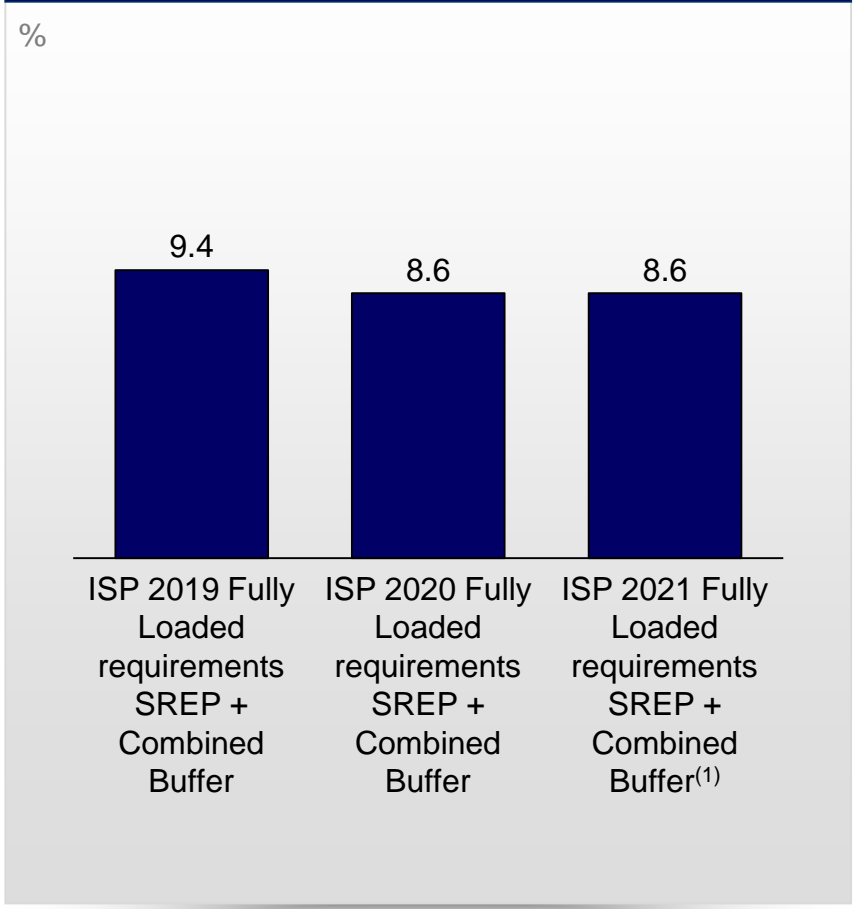


Note: figures may not add up exactly due to rounding

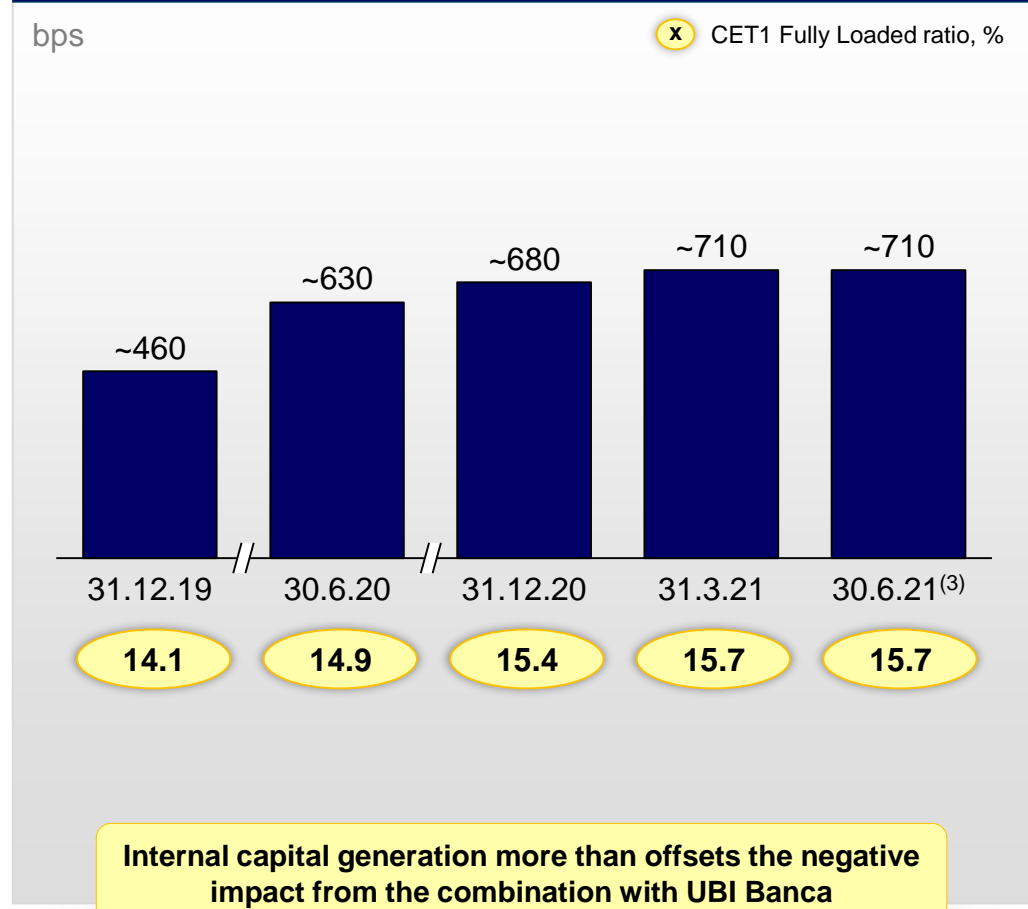
- (1) Pro-forma fully loaded Basel 3 (30.6.21 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca, the expected absorption of DTA on losses carried forward and the expected distribution of 1H21 Net income of insurance companies)
- (2) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer; only top European banks that have communicated their SREP requirement
- (3) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea, Santander, Société Générale and UniCredit (30.6.21 data); Commerzbank, Crédit Agricole Group and ING Group (31.3.21 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements

Increased Capital Buffer vs Regulatory Requirements

ISP requirements SREP + Combined Buffer



ISP Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer⁽²⁾



Note: figures may not add up exactly due to rounding

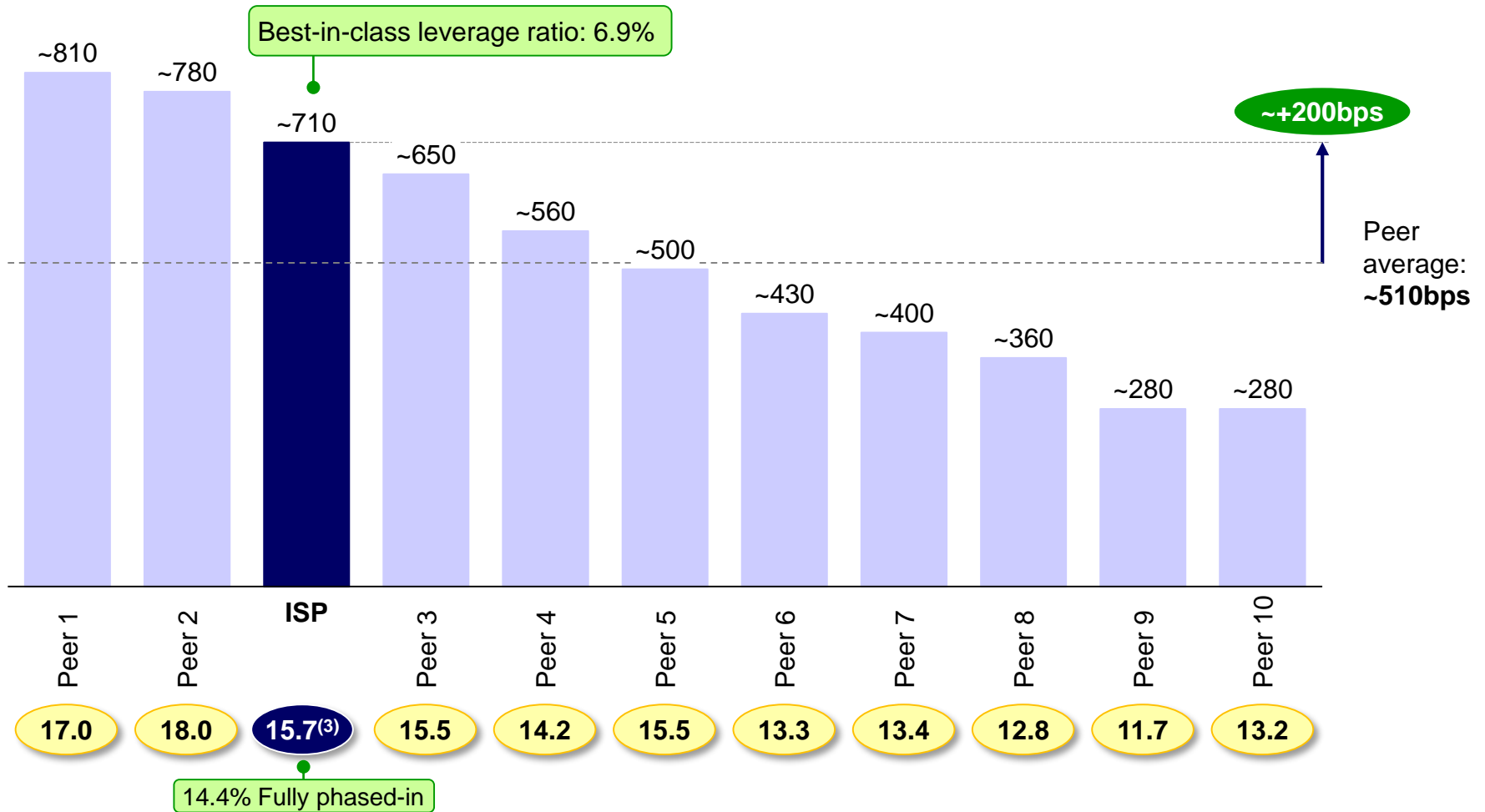
- (1) Taking into account the regulatory changes introduced by the ECB on 12.3.20, which require that the Pillar 2 requirement can be respected by partially using equity instruments other than CET1 and contextual revisions of the Countercyclical Capital Buffer by the competent national authorities in the various countries
- (2) Calculated as the difference between the Fully Loaded CET1 Ratio vs requirements SREP + Combined Buffer
- (3) Pro-forma fully loaded Basel 3 (30.6.21 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca, the expected absorption of DTA on losses carried forward and the expected distribution of 1H21 Net income of insurance companies)

Best-in-class Excess Capital in Europe

Fully Loaded CET1 Ratio Buffer vs requirements SREP + Combined Buffer⁽¹⁾⁽²⁾

bps

● Fully Loaded CET1 Ratio⁽²⁾, %

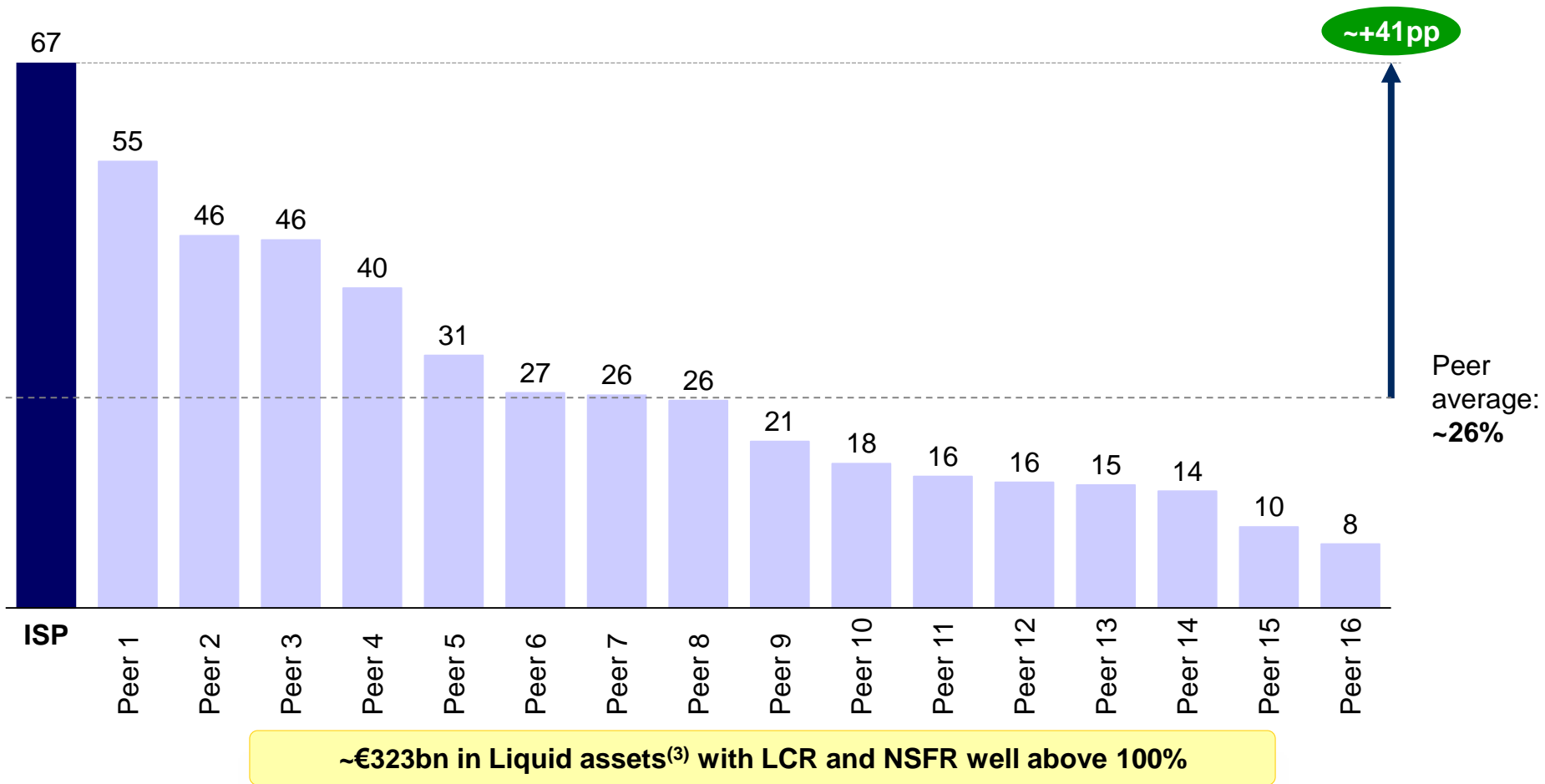


Note: figures may not add up exactly due to rounding

- (1) Calculated as the difference between the Fully Loaded CET1 ratio vs requirements SREP + Combined Buffer; the Countercyclical Capital Buffer is estimated; only top European banks that have communicated their SREP requirement
- (2) Sample: BBVA, BNP Paribas, Deutsche Bank, Nordea, Santander, Société Générale and UniCredit (30.6.21 data); Commerzbank, Crédit Agricole Group and ING Group (31.3.21 data). Source: Investor Presentations, Press Releases, Conference Calls, Financial Statements
- (3) Pro-forma fully loaded Basel 3 (30.6.21 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca, the expected absorption of DTA on losses carried forward and the expected distribution of 1H21 Net income of insurance companies)

Best-in-Class Risk Profile in Terms of Financial Illiquid Assets

Fully Loaded CET1⁽¹⁾/Total illiquid assets⁽²⁾
%



(1) Fully Loaded CET1. Sample: Barclays, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Santander, Société Générale, Standard Chartered, UBS and UniCredit (30.6.21 data); Commerzbank, Crédit Agricole Group and ING Group (31.3.21 data)

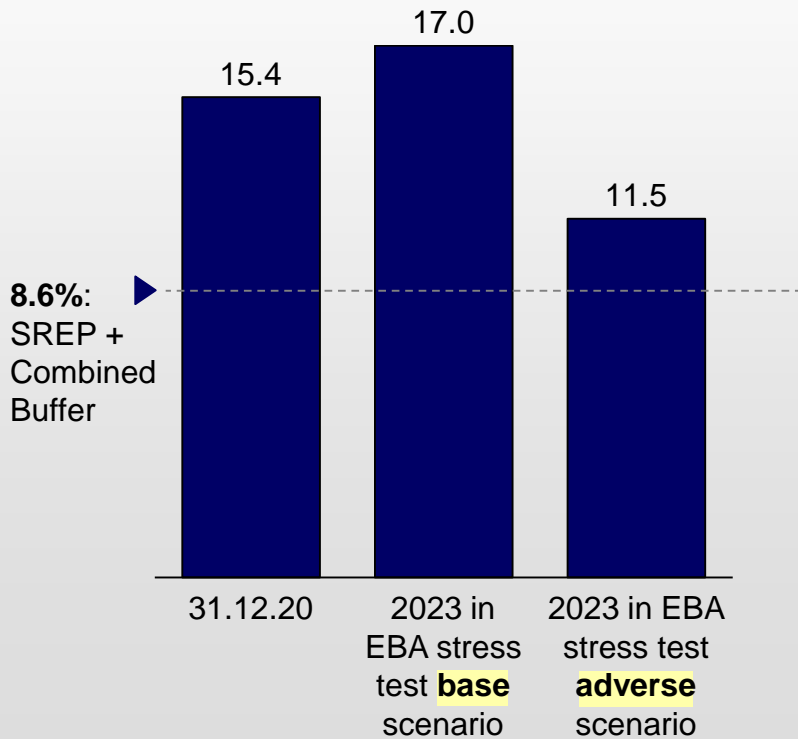
(2) Total illiquid assets include Net NPL stock, Level 2 assets and Level 3 assets. Sample: Barclays, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, Lloyds Banking Group, Nordea, Société Générale, Standard Chartered and UBS (30.6.21 data); BBVA, Santander and UniCredit (Net NPL 30.6.21 data and Level 2 and Level 3 assets 31.12.20 data); Commerzbank, Crédit Agricole Group and ING Group (Net NPL 31.3.21 data and Level 2 and Level 3 assets 31.12.20 data)

(3) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash and deposits with Central Banks

Capital Position well above Regulatory Requirements even in the EBA Stress Test Adverse Scenario

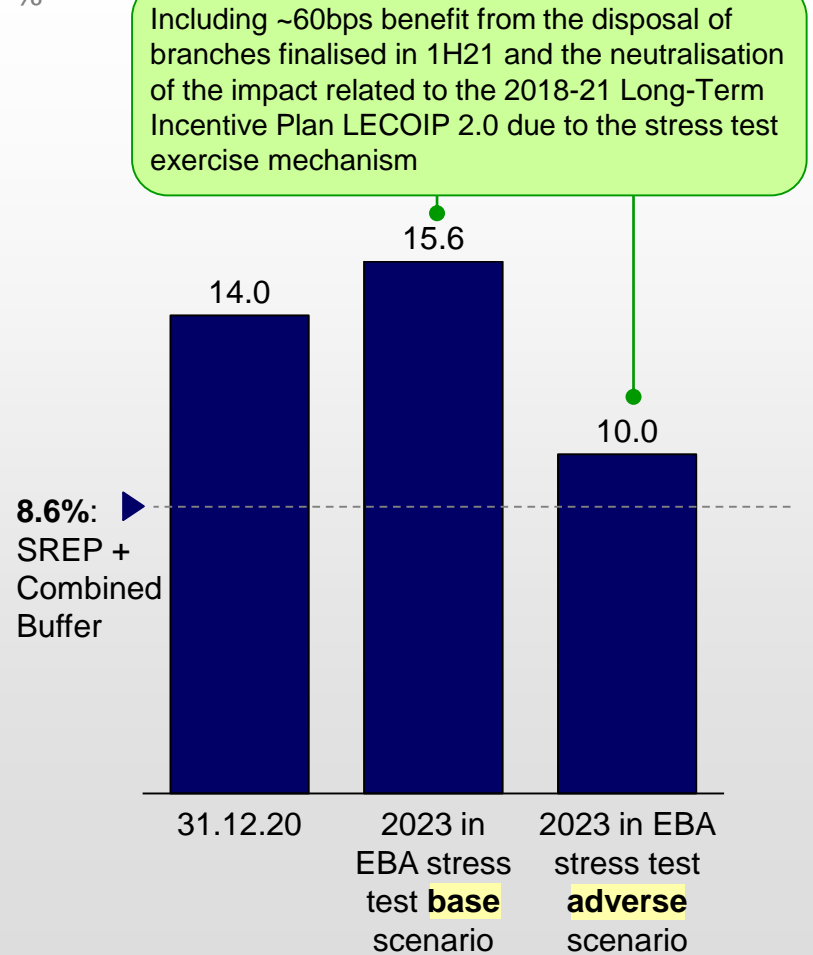
Pro-forma Fully Loaded CET1 Ratio⁽¹⁾

%



Fully phased-in CET1 Ratio⁽²⁾

%



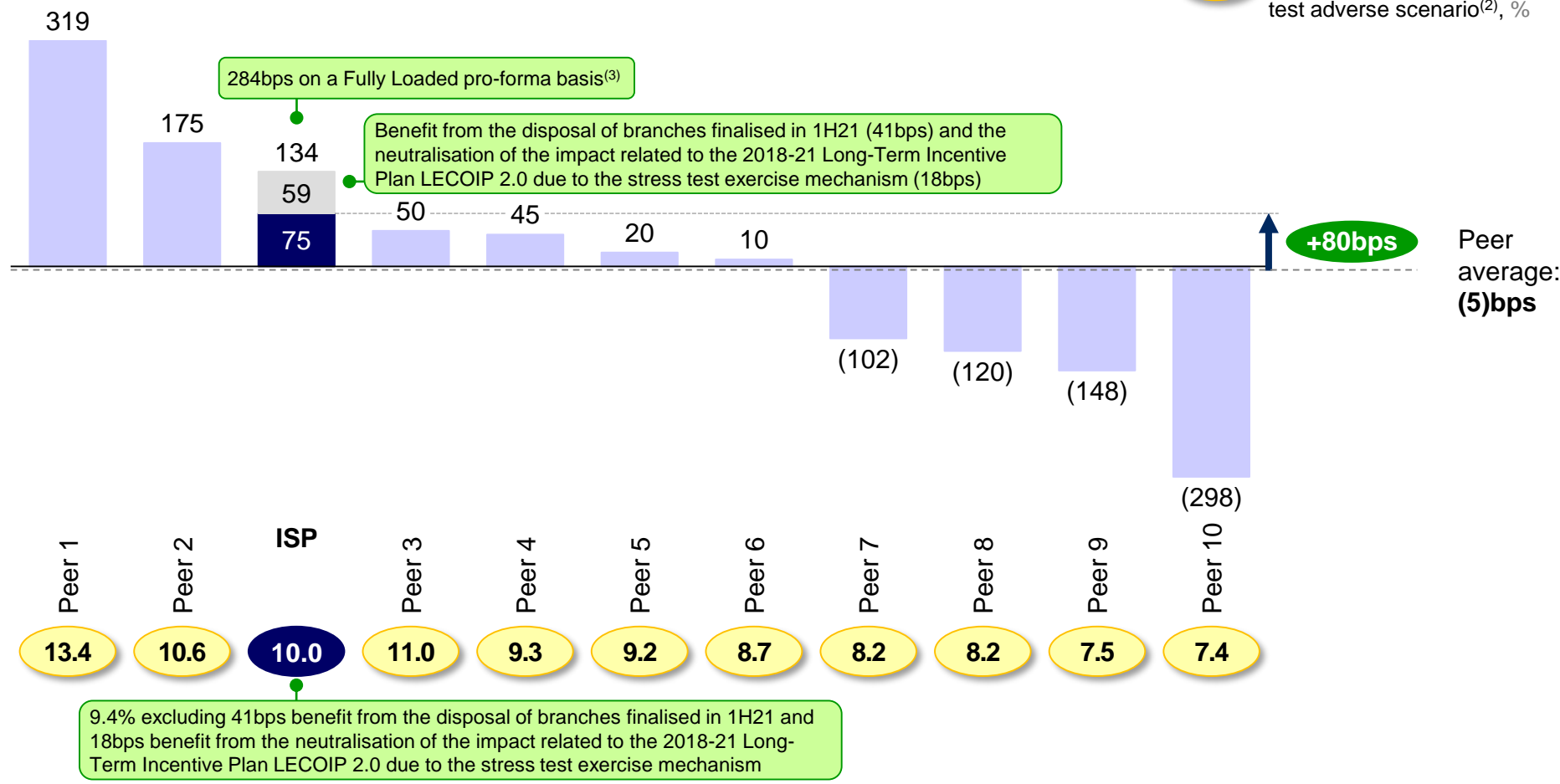
(1) Pro-forma fully loaded Basel 3 (31.12.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and DTA related to the combination with UBI Banca arising from PPA, integration charges, the expected distribution of FY20 Net income of insurance companies and – for 2023 – the disposal to BPER Banca of a portion of branches and related assets and liabilities and the neutralisation of the impact related to the 2018-21 Long-Term Incentive Plan LECOIP 2.0 due to the stress test exercise mechanism)

(2) Fully Loaded CET1 Ratio according to EBA definition

ISP Is One of the Winners of the EBA Stress Test

2023 Fully phased-in⁽¹⁾ CET1 Ratio buffer in EBA stress test **adverse** scenario vs requirements SREP + Combined Buffer
bps

% 2023 Fully phased-in⁽¹⁾ CET1 Ratio in EBA stress test adverse scenario⁽²⁾, %



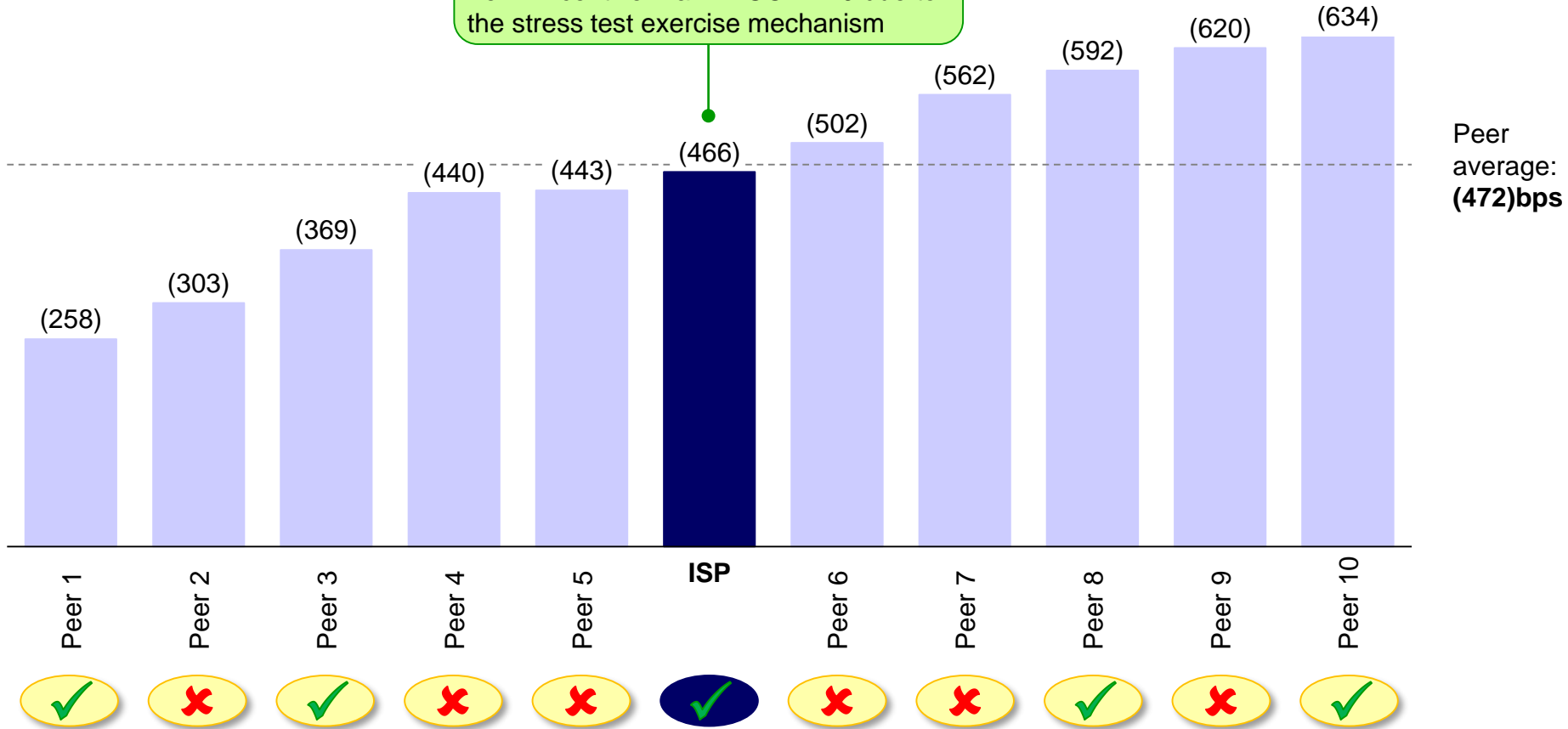
(1) Fully Loaded CET1 Ratio according to EBA definition
 (2) Sample: BBVA, BNP Paribas, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING Group, Nordea, Santander, Société Générale and UniCredit
 (3) Pro-forma fully loaded Basel 3 (31.12.20 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, the expected absorption of DTA on losses carried forward and DTA related to the combination with UBI Banca arising from PPA, integration charges, the expected distribution of FY20 Net income of insurance companies and – for 2023 – the disposal to BPER Banca of a portion of branches and related assets and liabilities and the neutralisation of the impact related to the 2018-21 Long-Term Incentive Plan LECOIP 2.0 due to the stress test exercise mechanism)

ISP Business Model Reduces Impact of the Adverse Scenario which Is Based on Very Severe Assumptions for Italy

2023 **adverse** scenario impact on Fully phased-in⁽¹⁾ CET1 Ratio⁽²⁾
bps

✓ No MDA restrictions⁽³⁾
✗ MDA restrictions⁽³⁾

448bps including the neutralisation of the impact related to the 2018-21 Long-Term Incentive Plan LECOIP 2.0 due to the stress test exercise mechanism



(1) Fully Loaded CET1 Ratio according to EBA definition

(2) Sample: BBVA, BNP Paribas, Commerzbank, Crédit Agricole Group, Deutsche Bank, ING Group, Nordea, Santander, Société Générale and UniCredit

(3) Restrictions on dividend/incentive schemes/AT1 coupon payments

ISP Is Fully Equipped for the Challenges Ahead

1H21: An Excellent First Half

Final Remarks

ISP Is Fully Equipped to Continue to Succeed in the Future

ISP delivered an excellent H1:

- Highest Net income since 2008
- Highest-ever Operating income and Commissions
- Best-ever Operating margin and Gross income
- Strong cost reduction
- €1.6bn Gross NPL stock reduction and lowest-ever NPL inflow
- Increase in Common Equity Ratio

ISP is fully equipped to succeed in the future:

- Best-in-class **excess capital**, low **leverage** and strong **liquidity**
- **Over €6bn** out of 2020 pre-tax profit and **more than €300m** from Q2 pre-tax profit allocated to **further strengthen the future sustainability of our results**
- **Low NPL stock**
- High **operating efficiency** (Cost/Income ratio at 49.2%⁽¹⁾) and **strategic flexibility in managing costs**
- **Over €1bn** yearly synergies from the combination with **UBI Banca**
- Well-diversified and resilient **business model**

- **Continue delivering best-in-class profitability with minimum €4bn Net income for 2021**
- **Delivering best-in-class distribution to shareholders with**
 - a 75%⁽²⁾ total cash payout ratio (dividends and reserves distribution) for 2020 €3.5bn adjusted Net income⁽³⁾:
 - €694m⁽⁴⁾ cash dividends paid in May 2021
 - €1.9bn additional cash distribution from reserves to be paid on 20 October 2021⁽⁵⁾, the earliest possible date following the termination of the ECB dividend ban
 - a 70%⁽²⁾ cash dividend payout ratio for 2021 Net income (€2.1bn already accrued in H1), with €1.4bn to be paid as interim dividend on 24 November 2021⁽⁶⁾
- **Maintain a solid capital position with a minimum Common Equity ratio⁽⁷⁾ of 13% (12% fully phased-in)**

- **€3.0bn Net income delivered in H1 despite COVID-19 impact and while successfully merging UBI Banca**
- **Rock-solid capital base, well above regulatory requirements even under the EBA stress test adverse scenario**
- **Firmly on track to deliver minimum €4bn Net income for 2021**

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(2) Envisaged in the 2018-21 Business Plan

(3) Excluding from 2020 stated Net income the items related to the combination with UBI Banca (effect of PPA – including negative goodwill – and integration charges) and the goodwill impairment related to the Banca dei Territori Division

(4) The maximum distributable amount according to the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 epidemic

(5) Notice of call of the shareholders' meeting for relevant approval by mid-October 2021 to be issued in due course

(6) Relevant resolution from the Board of Directors to be passed on 3 November 2021 when approving results as at 30.9.21

(7) Pro-forma fully loaded Basel 3 (considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca and the expected absorption of DTA on losses carried forward)

1H21 Results

Detailed Information



Key P&L and Balance Sheet Figures

€ m

	1H21 ⁽¹⁾		30.6.21
Operating income	10,674	Loans to Customers	463,297
Operating costs	(5,255)	Customer Financial Assets ⁽²⁾	1,231,370
Cost/Income ratio	49.2%	of which Direct Deposits from Banking Business	531,612
Operating margin	5,419	of which Direct Deposits from Insurance Business and Technical Reserves	204,198
Gross income (loss)	4,313	of which Indirect Customer Deposits	697,912
Net income	3,023	- Assets under Management	459,366
		- Assets under Administration	238,546
		RWA	329,748
		Total Assets	1,057,595

Note: figures may not add up exactly due to rounding

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(2) Net of duplications between Direct Deposits and Indirect Customer Deposits

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Liquidity, Funding and Capital Base

Asset Quality

Divisional Results and Other Information

1H21 vs 1H20: €3bn Net Income, the Best First Half since 2008

€ m

	1H20	1H21		Δ%
	redetermined ⁽¹⁾ [A]	stated ⁽²⁾ [B]	redetermined ⁽³⁾ [C]	[C]/[A]
Net interest income	4,077	4,013	3,947	(3.2)
Net fee and commission income	4,136	4,777	4,683	13.2
Income from insurance business	896	811	854	(4.7)
Profits on financial assets and liabilities at fair value	1,355	1,140	1,139	(15.9)
Other operating income (expenses)	30	65	51	70.0
Operating income	10,494	10,806	10,674	1.7
Personnel expenses	(3,308)	(3,333)	(3,282)	(0.8)
Other administrative expenses	(1,443)	(1,358)	(1,365)	(5.4)
Adjustments to property, equipment and intangible assets	(628)	(606)	(608)	(3.2)
Operating costs	(5,379)	(5,297)	(5,255)	(2.3)
Operating margin	5,115	5,509	5,419	5.9
Net adjustments to loans	(2,081)	(1,007)	(1,001)	(51.9)
Net provisions and net impairment losses on other assets	(180)	(351)	(354)	96.7
Other income (expenses)	13	191	191	n.m.
Income (Loss) from discontinued operations	1,379	0	58	(95.8)
Gross income (loss)	4,246	4,342	4,313	1.6
Taxes on income	(997)	(921)	(922)	(7.5)
Charges (net of tax) for integration and exit incentives	(37)	(107)	(107)	189.2
Effect of purchase price allocation (net of tax)	(50)	(34)	(34)	(32.0)
Levies and other charges concerning the banking industry (net of tax)	(297)	(292)	(279) ⁽⁴⁾	(6.1)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	(299)	35	52	n.m.
Net income	2,566	3,023	3,023	17.8

+38% excluding
€1.1bn Nexi capital
gain booked in 2Q20

Note: figures may not add up exactly due to rounding

(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and - on the basis of management accounts - the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(2) Including the contribution of branches sold in 1H21 and the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni from the effective date of their acquisition and REYL Group from 1.1.21

(3) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(4) €403m pre-tax of which charges for the Resolution Fund: €278m pre-tax (€192m net of tax), our commitment for the year fully funded, and additional contribution to the National Resolution Fund: €103m pre-tax (€69m net of tax)

Q2 vs Q1: €1.5bn Net Income, the Best-ever Q2

€ m

	1Q21	2Q21		Δ%
	redetermined ⁽¹⁾ [A]	stated ⁽²⁾ [B]	redetermined ⁽¹⁾ [C]	[C]/[A]
Net interest income	1,952	2,000	1,995	2.2
Net fee and commission income	2,313	2,382	2,370	2.5
Income from insurance business	398	438	456	14.6
Profits on financial assets and liabilities at fair value	795	344	344	(56.7)
Other operating income (expenses)	32	16	19	(40.6)
Operating income	5,490	5,180	5,184	(5.6)
Personnel expenses	(1,627)	(1,657)	(1,655)	1.7
Other administrative expenses	(653)	(708)	(712)	9.0
Adjustments to property, equipment and intangible assets	(307)	(300)	(301)	(2.0)
Operating costs	(2,587)	(2,665)	(2,668)	3.1
Operating margin	2,903	2,515	2,516	(13.3)
Net adjustments to loans	(402)	(599)	(599)	49.0
Net provisions and net impairment losses on other assets	(134)	(218)	(220)	64.2
Other income (expenses)	198	(7)	(7)	n.m.
Income (Loss) from discontinued operations	48	0	10	(79.2)
Gross income (loss)	2,613	1,691	1,700	(34.9)
Taxes on income	(837)	(82)	(85)	(89.8)
Charges (net of tax) for integration and exit incentives	(52)	(55)	(55)	5.8
Effect of purchase price allocation (net of tax)	(16)	(18)	(18) ⁽³⁾	12.5
Levies and other charges concerning the banking industry (net of tax)	(196)	(83)	(83)	(57.7)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	n.m.
Minority interests	4	54	48	n.m.
Net income	1,516	1,507	1,507	(0.6)

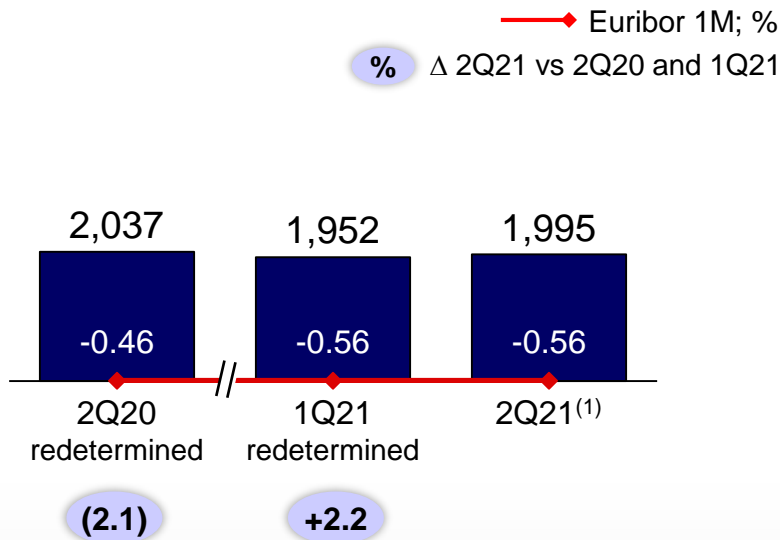
Note: figures may not add up exactly due to rounding

- (1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group
- (2) Including the contribution of branches sold in 1H21 and the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni from the effective date of their acquisition and REYL Group from 1.1.21
- (3) €119m pre-tax of which charges for the additional contribution to the National Resolution Fund: €103m pre-tax (€69m net of tax)

Net Interest Income: Quarterly Increase

Quarterly Analysis

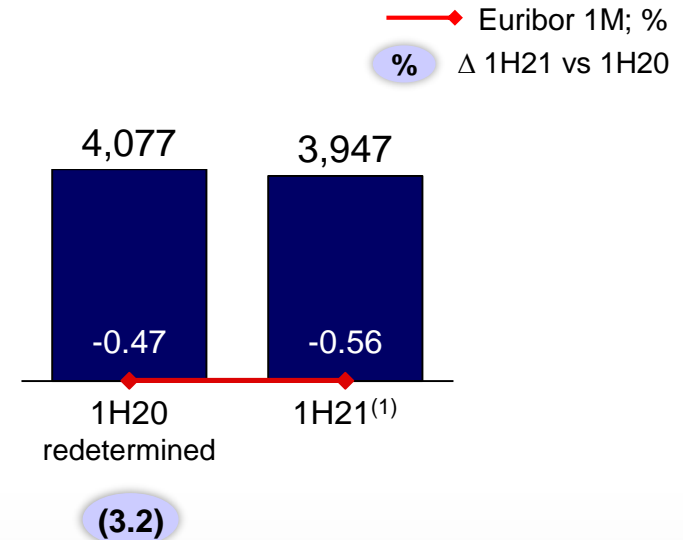
€ m



- Increase vs 1Q21 despite the challenging environment and continued all-time low interest rates
- 7.9% growth in average Direct deposits from banking business vs 2Q20 (+1.9% vs Q1)
- 1.9% growth in average Performing loans to customers vs 2Q20

Yearly Analysis

€ m



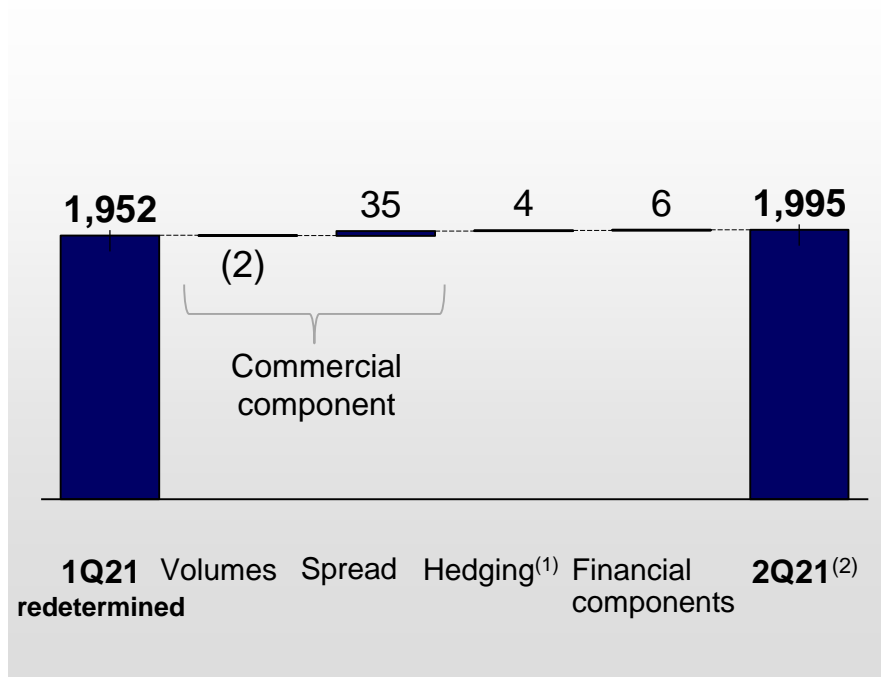
- Increase in the commercial component
- 9.8% growth in average Direct deposits from banking business
- 3.2% growth in average Performing loans to customers

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

Net Interest Income: Quarterly Increase

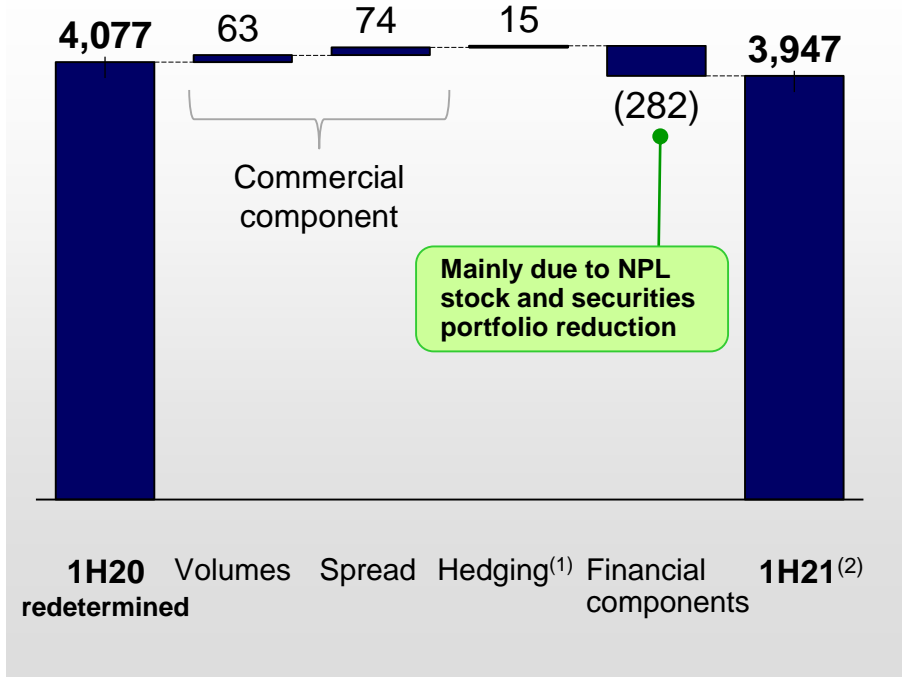
Quarterly Analysis

€ m



Yearly Analysis

€ m



Note: figures may not add up exactly due to rounding

(1) €113m benefit from hedging on core deposits in 1H21, of which €59m in 2Q21

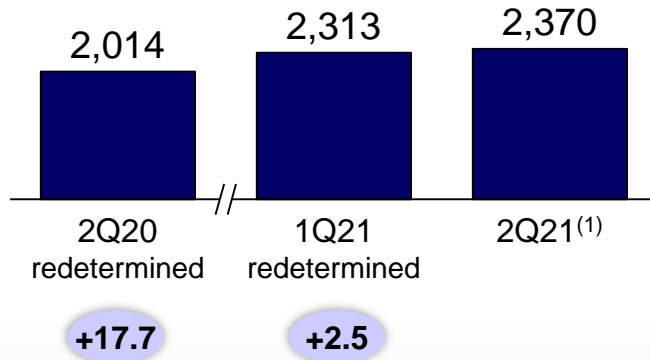
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Net Fee and Commission Income: Best-ever H1 and Q2 despite Challenging Environment

Quarterly Analysis

€ m

% Δ 2Q21 vs 2Q20 and 1Q21

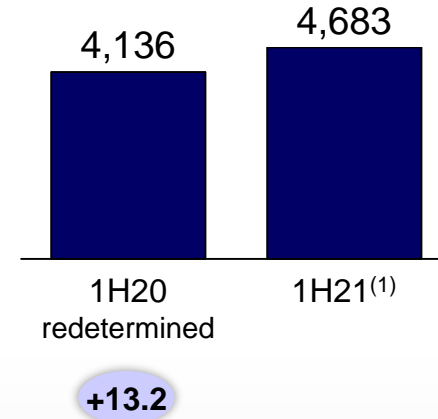


- Best Q2 ever
- Increase vs Q1 mainly due to growth in commissions from Commercial banking activities (+10.7%; +€63m)
- €4.1bn in AuM net inflows in Q2⁽¹⁾

Yearly Analysis

€ m

% Δ 1H21 vs 1H20



- 1H21, the best-ever H1 despite multiple lockdowns and while successfully merging UBI Banca
- Commissions from Commercial banking activities up 5.3% (+€62m)
- Commissions from Management, dealing and consultancy activities up 16.5% (+€423m)

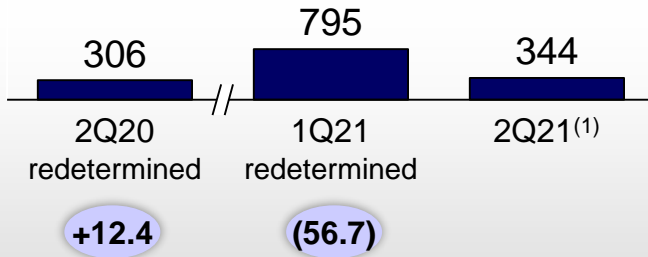
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Profits on Financial Assets and Liabilities at Fair Value: Excellent Performance

Quarterly Analysis

€ m

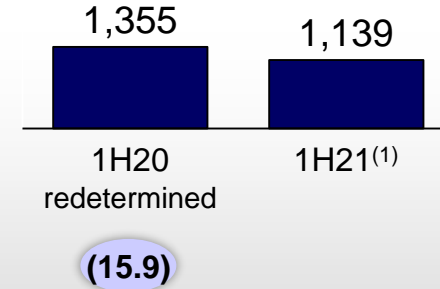
% Δ 2Q21 vs 2Q20 and 1Q21



Yearly Analysis

€ m

% Δ 1H21 vs 1H20



■ 1H21, the second-best H1 result ever

Contributions by Activity

	2Q20 redetermined	1Q21 redetermined	2Q21 ⁽¹⁾	1H20 redetermined	1H21 ⁽¹⁾
Customers	104	85	72	261	157
Capital markets	(72)	318	97	407	415
Trading and Treasury	263	387	173	713	560
Structured credit products	12	5	2	(26)	7

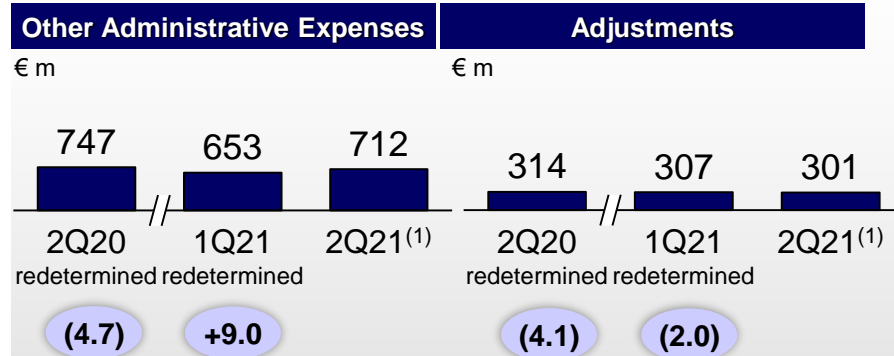
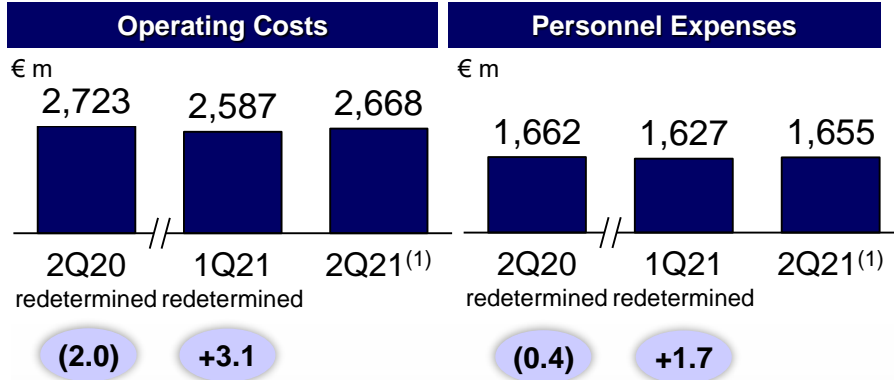
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Operating Costs: Further Significant Yearly Reduction while Investing for Growth

Quarterly Analysis

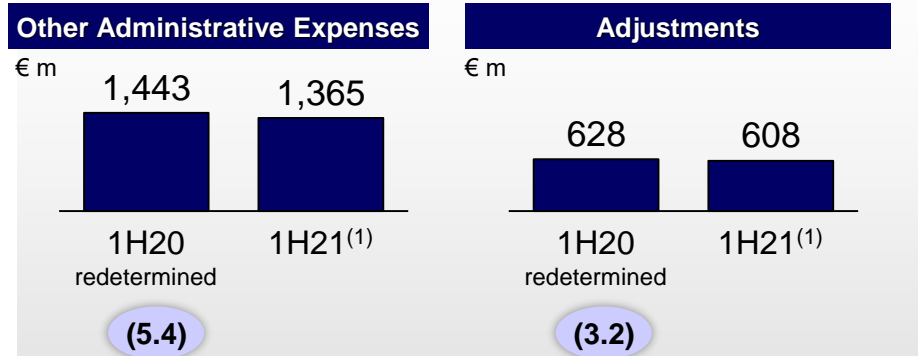
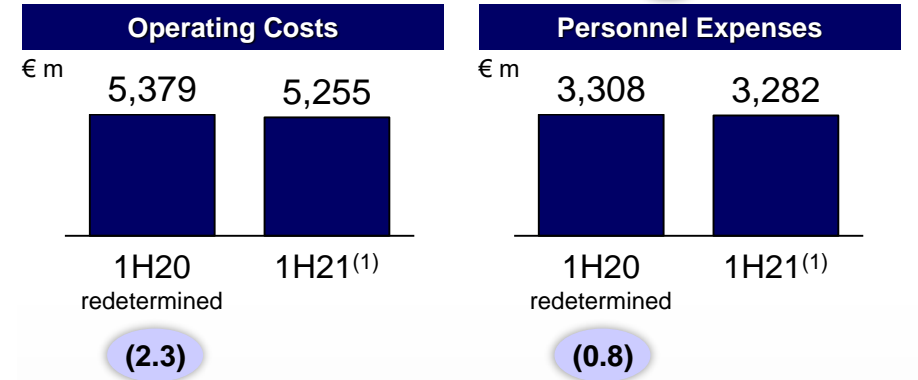
% Δ 2Q21 vs 2Q20 and 1Q21



- Strong decrease in Operating costs and Other administrative expenses vs 2Q20
- Other administrative expenses increase vs Q1 mainly due to seasonal effects
- ~1,100⁽²⁾ headcount reduction in Q2

Yearly Analysis

% Δ 1H21 vs 1H20



- Strong reduction (-5.4%) in Other administrative expenses
- Cost/Income ratio at 49.2%⁽¹⁾
- ~4,000⁽²⁾ headcount reduction
- Decrease in Adjustments due to the 4Q20 write-off of UBI Banca IT investments

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

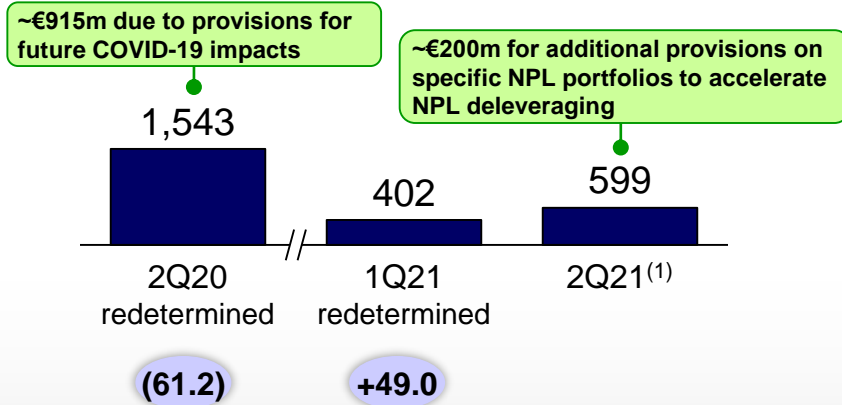
(2) Including UBI Banca and not considering the disposal of branches sold in 1H21

Net Adjustments to Loans: Significant Yearly Reduction Coupled with a Strong Decrease in NPL Stock and Inflows

Quarterly Analysis

€ m

% Δ 2Q21 vs 2Q20 and 1Q21

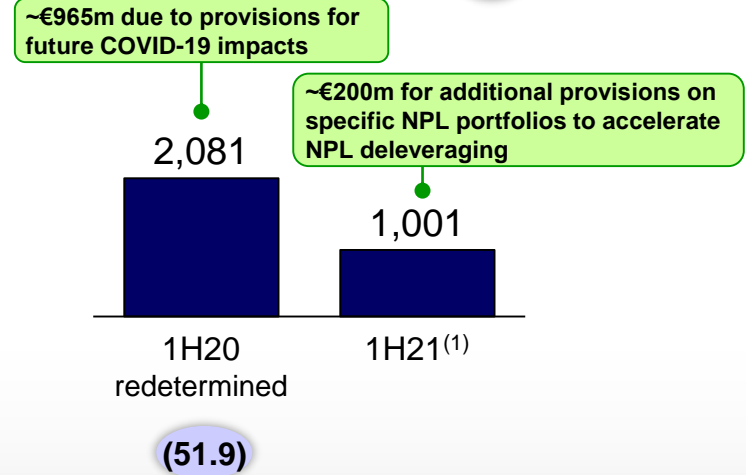


- Twenty-third consecutive quarterly reduction in gross NPL stock

Yearly Analysis

€ m

% Δ 1H21 vs 1H20



- Annualised cost of credit at 43bps⁽¹⁾
- Lowest-ever NPL inflows
- €15.3bn⁽²⁾ gross NPL reduction on a yearly basis

(1) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombardia Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

(2) Vs 30.6.20 data including UBI Banca and taking into account the disposal of branches sold in 1H21 and including €5.2bn gross NPL booked in Discontinued operations as of 30.6.21

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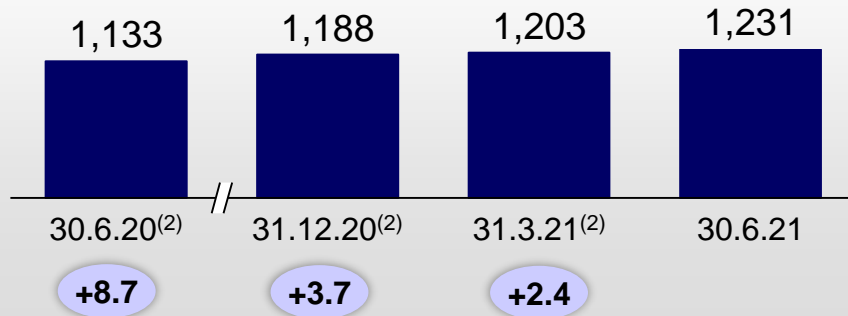
Divisional Results and Other Information

Strong Growth in Customer Financial Assets

% Δ 30.6.21 vs 30.6.20, 31.12.20 and 31.3.21

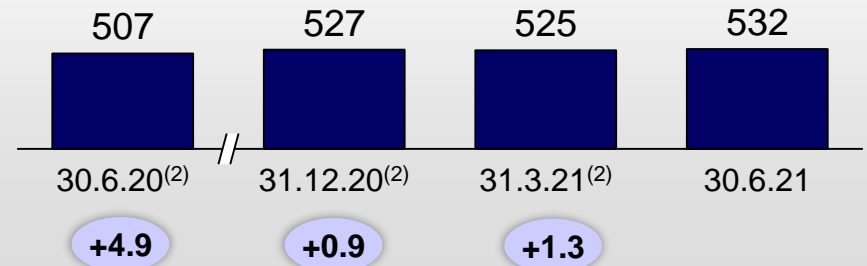
Customer Financial Assets⁽¹⁾

€ bn



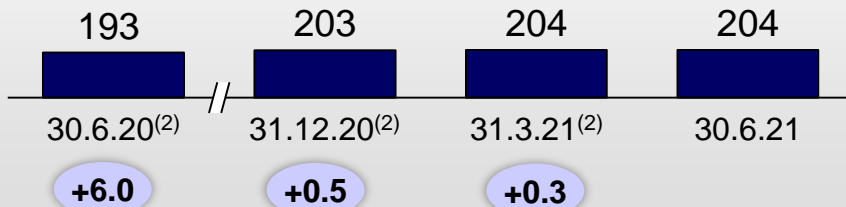
Direct Deposits from Banking Business

€ bn



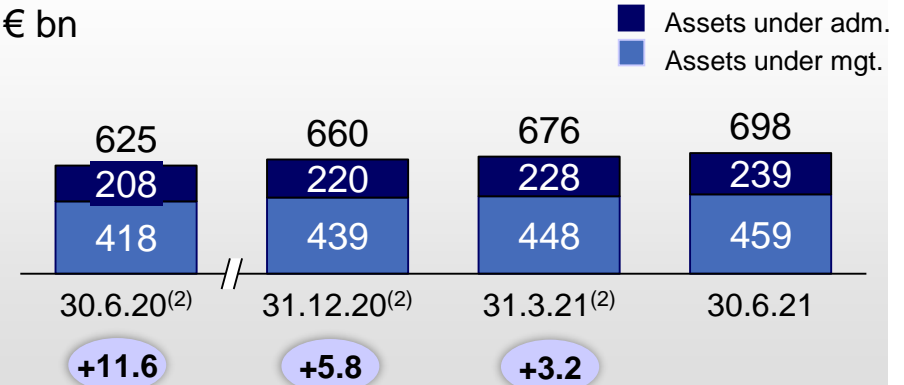
Direct Deposits from Insurance Business and Technical Reserves

€ bn



Indirect Customer Deposits

€ bn



■ €11.5bn increase in AuM in 2Q21

Note: figures may not add up exactly due to rounding

(1) Net of duplications between Direct Deposits and Indirect Customer Deposits

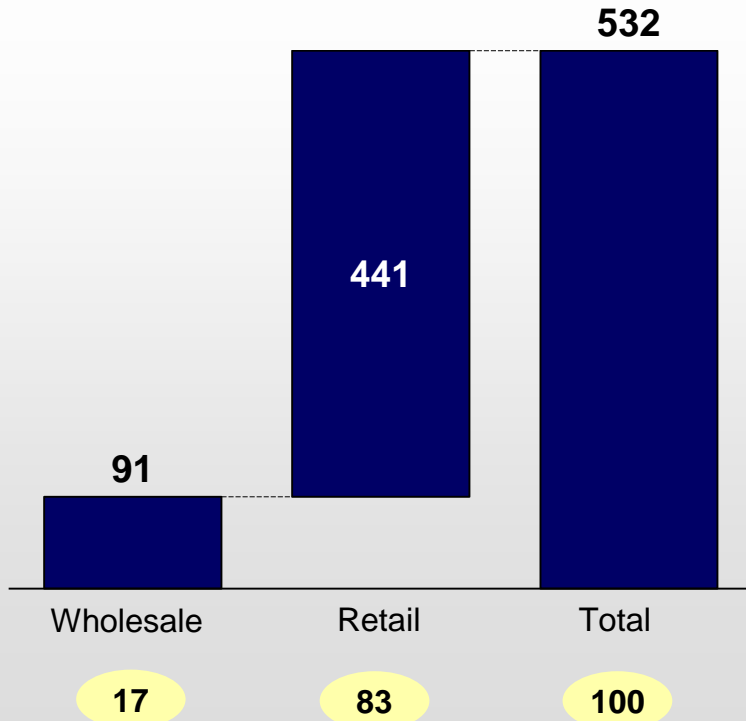
(2) Including UBI Banca, considering the disposal of branches sold in 1H21 and the full line-by-line consolidation of the REYL Group and Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21)

Funding Mix

Breakdown of Direct Deposits from Banking Business

€ bn; 30.6.21

% Percentage of total



	Wholesale	Retail
■ Current accounts and deposits	8	409
■ Repos and securities lending	3	-
■ Senior bonds ⁽¹⁾	38	8
■ Covered bonds	18	-
■ Short-term institutional funding	11 ⁽²⁾	-
■ Subordinated liabilities	10	3
		Placed with Private Banking clients
■ Other deposits	3	21 ⁽³⁾

Retail funding represents 83% of Direct deposits from banking business

Note: figures may not add up exactly due to rounding

(1) Including Senior non-preferred

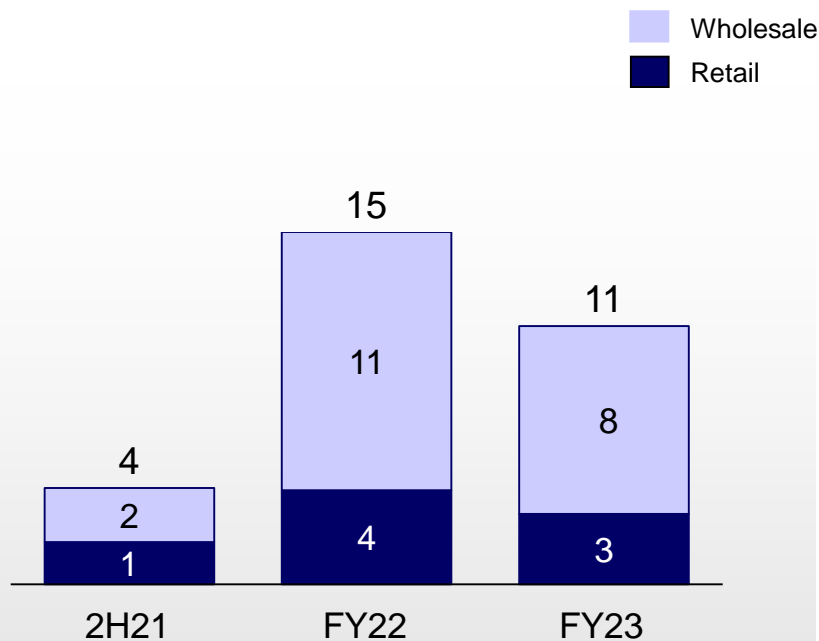
(2) Certificates of deposit + Commercial papers

(3) Including Certificates

Strong Funding Capability: Broad Access to International Markets

2021-2023 MLT Maturities

€ bn



Main Wholesale Issues

2020⁽¹⁾

- **GBP350m senior unsecured, €3bn AT1 and €1.25bn senior unsecured placed. On average 85% demand from foreign investors; orderbooks average oversubscription ~3.5x**
 - **January: GBP350m 10y senior unsecured issue, first GBP transaction by an Italian bank since 2010**
 - **February: €1.5bn dual-tranche 5/10y Additional Tier 1 issue, first ever dual-tranche AT1 in the Euro market**
 - **May: €1.25bn 5y senior unsecured issue, first Italian bank transaction since the COVID-19 outbreak**
 - **August: €1.5bn dual-tranche 7.5/11y Additional Tier 1 issue, second ISP issue of this kind in 2020**

2021⁽¹⁾

- **€1.75bn senior non-preferred, €1.25bn green bond and \$1.5bn Tier 2 placed. On average 92% demand from foreign investors; orderbooks average oversubscription ~3.9x**
 - **February: inaugural €1.75bn dual-tranche 5/10y senior non-preferred, the coupons represent the lowest-ever of any Italian SNP in their respective maturity buckets**
 - **March: €1.25bn 7y senior unsecured green bond, confirming ISP's aim of fostering its ESG profile and its role as a regular player in the green and sustainable bond market**
 - **May: \$750m 11NC10 and \$750m 21NC20 Tier 2 issue, first ever dual-tranche \$ structure with 1y MREL-style call**

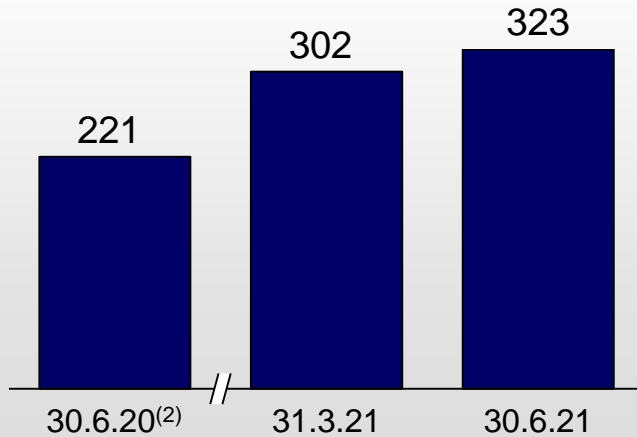
Note: figures may not add up exactly due to rounding

(1) ISP stand-alone

High Liquidity: LCR and NSFR Well Above Regulatory Requirements

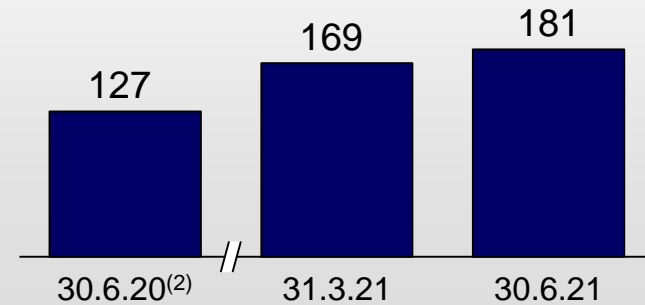
Liquid assets⁽¹⁾

€ bn



Unencumbered eligible assets with Central Banks⁽³⁾ (net of haircuts)

€ bn



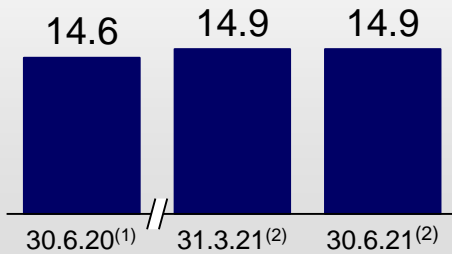
- **Refinancing operations with the ECB: ~€130bn⁽⁴⁾ consisting entirely of TLTRO III, out of a maximum allowance of ~€133bn**
- **Loan to Deposit ratio⁽⁵⁾ at 87%**

(1) Stock of own-account eligible assets (including assets used as collateral and excluding eligible assets received as collateral) and cash & deposits with Central Banks
 (2) ISP stand-alone
 (3) Eligible assets freely available (excluding assets used as collateral and including eligible assets received as collateral) and cash & deposits with Central Banks
 (4) €36bn borrowed in March (settlement date 27.3.21) and €11bn borrowed in June (settlement date 24.6.21)
 (5) Loans to Customers/Direct Deposits from Banking Business

Solid Capital Base

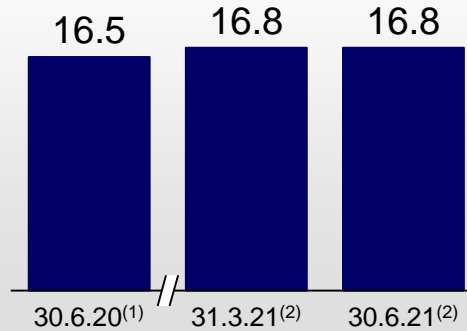
Phased-in Common Equity Ratio

%



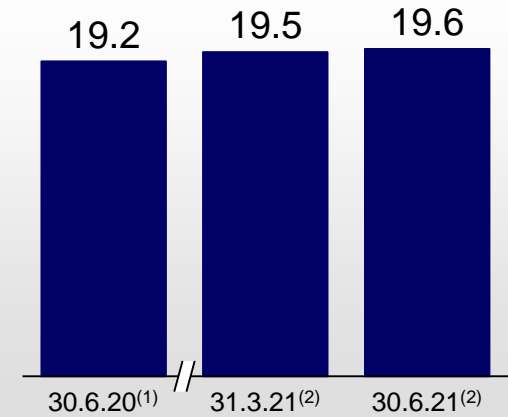
Phased-in Tier 1 Ratio

%



Phased-in Total Capital Ratio

%



- **15.7%⁽³⁾ pro-forma fully loaded Common Equity Tier 1 ratio (14.4% fully phased-in)**
- **6.9% leverage ratio**

(1) ISP stand-alone

(2) Considering the ECB recommendation dated 15.12.20 on dividend policy in the aftermath of the COVID-19 epidemic, the impact from IFRS9 FTA phasing-in (~20bps in 1Q21) and after the deduction of accrued dividends (€2.1bn in 1H21), assumed equal to 70% of the Net income for the period, and coupons accrued on the Additional Tier 1 issues

(3) Pro-forma fully loaded Basel 3 (30.6.21 financial statements considering the total absorption of DTA related to IFRS9 FTA, goodwill realignment/adjustments to loans/non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the operations of the two former Venetian banks, DTA related to the combination with UBI Banca, the expected absorption of DTA on losses carried forward and the expected distribution of 1H21 Net income of insurance companies)

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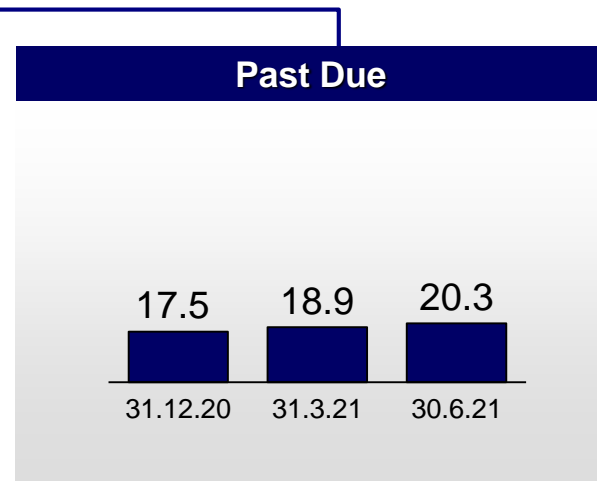
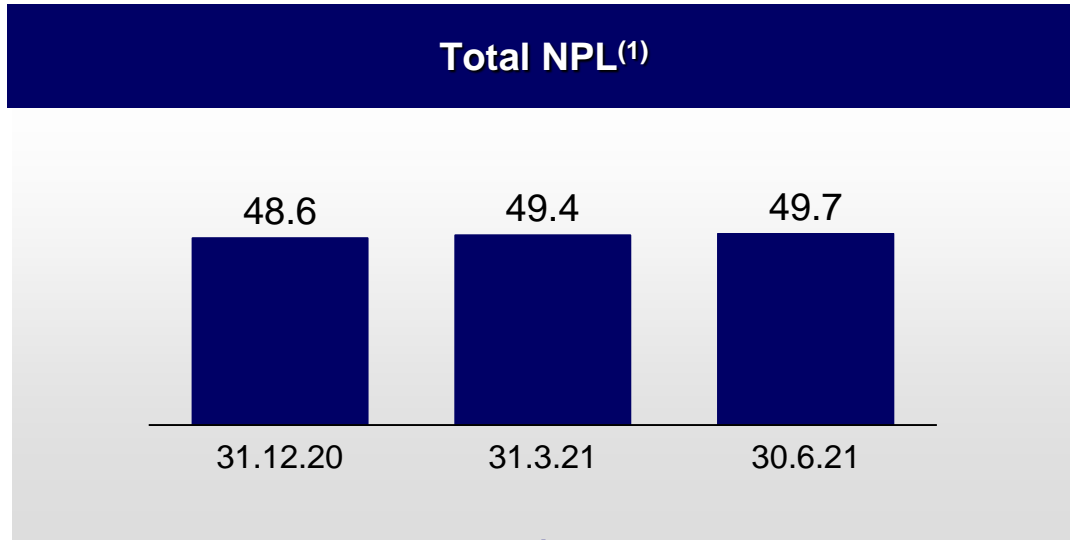
Liquidity, Funding and Capital Base

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Divisional Results and Other Information

Non-performing Loans: Sizeable and Increased Coverage after Impressive Deleveraging

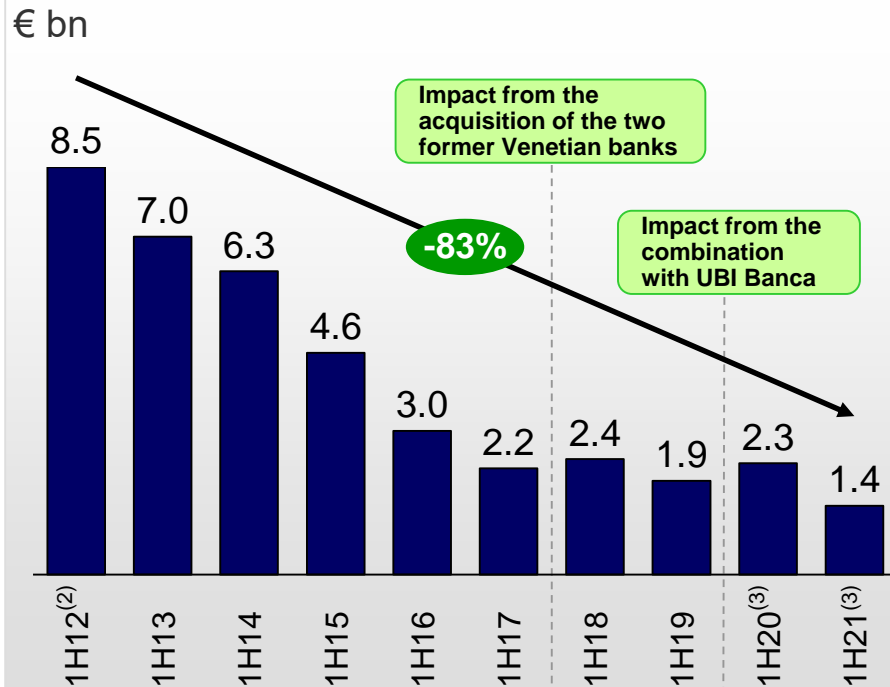
Cash coverage; %



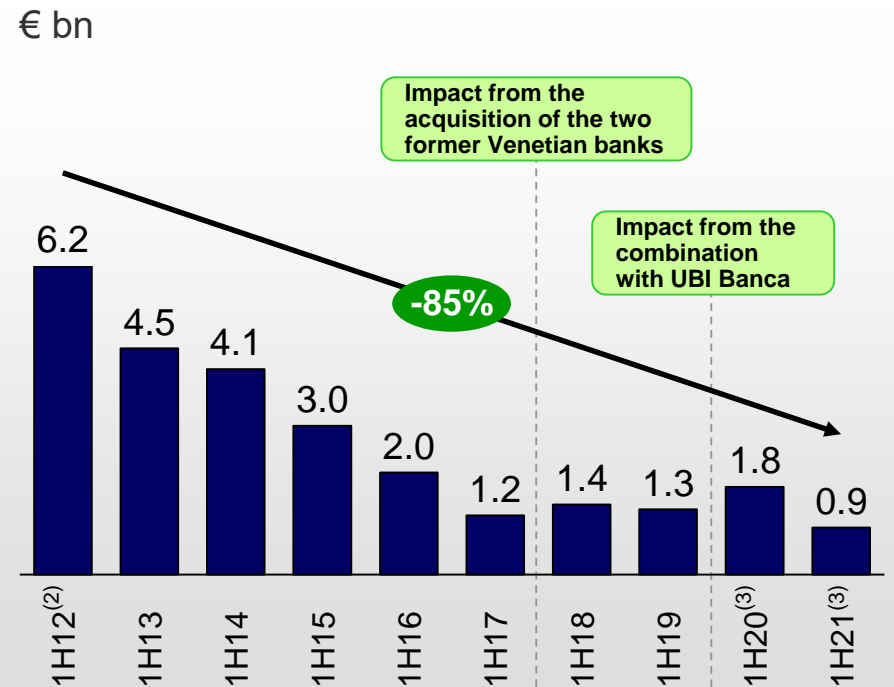
(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

Non-performing Loans: Lowest-ever H1 Inflows

Gross inflow of new NPL⁽¹⁾ from Performing Loans



Net inflow of new NPL⁽¹⁾ from Performing Loans



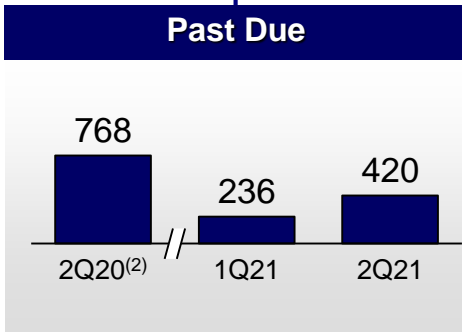
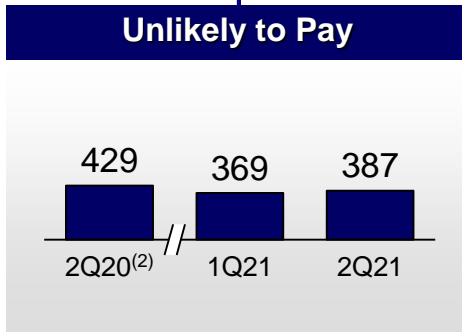
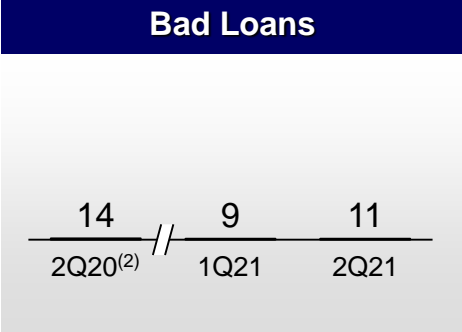
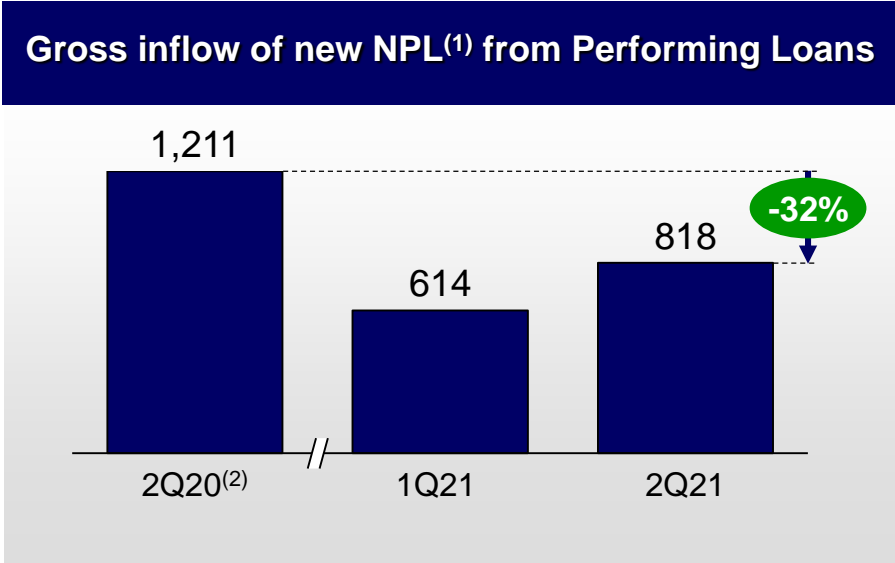
(1) Bad Loans (Sofferenze), Unlikely to pay (Inadempienze probabili) and Past Due (Scaduti e sconfinanti)

(2) 2012 figures recalculated to take into consideration the regulatory changes to Past Due classification criteria introduced by the Bank of Italy (90 days since 2012 vs 180 days up until 31.12.11)

(3) Including UBI Banca and considering the disposal of branches sold in 1H21

Non-performing Loans: Strong Decrease in Gross Inflow vs 2Q20

€ m

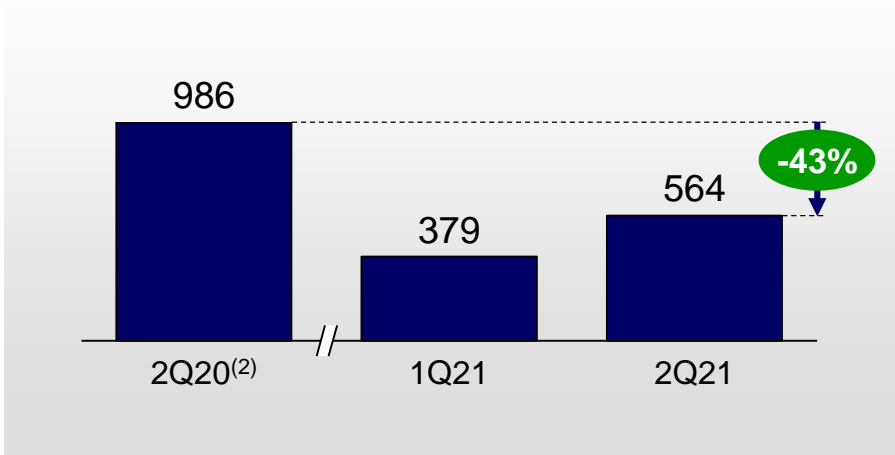


Note: figures may not add up exactly due to rounding
 (1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
 (2) Including UBI Banca and considering the disposal of branches sold in 1H21

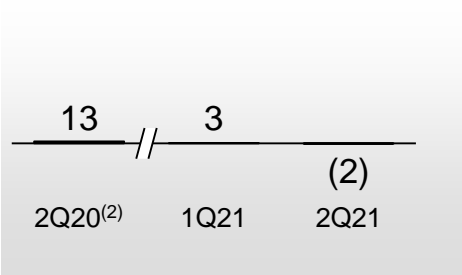
Non-performing Loans: Strong Decrease in Net Inflow vs 2Q20

€ m

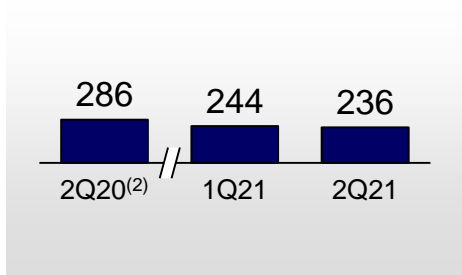
Net inflow of new NPL⁽¹⁾ from Performing Loans



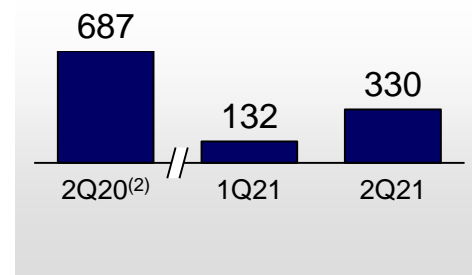
Bad Loans



Unlikely to Pay



Past Due



Note: figures may not add up exactly due to rounding
 (1) Bad Loans (*Sofferenze*), Unlikely to pay (*Inadempienze probabili*) and Past Due (*Scaduti e sconfinanti*)
 (2) Including UBI Banca and considering the disposal of branches sold in 1H21

Non-performing Loans: Lowest Stock and Ratios since 2007

x Gross NPL ratio, %

x Net NPL ratio, %

Gross NPL				
€ bn	30.6.20 ⁽¹⁾	31.12.20 ⁽²⁾	31.3.21 ⁽³⁾	30.6.21 ⁽⁴⁾
Bad Loans	19.9	9.6	9.8	9.3
- of which forborne	3.2	1.6	1.8	1.9
Unlikely to pay	13.4	10.7	10.4	9.4
- of which forborne	6.3	4.2	4.5	3.9
Past Due	1.3	0.6	0.5	0.6
- of which forborne	0.1	-	-	-
Total	34.6	20.9	20.7	19.3
	7.1	4.4	4.4	4.1

3.1% according to EBA definition

Net NPL				
€ bn	30.6.20 ⁽¹⁾	31.12.20 ⁽⁵⁾	31.3.21 ⁽⁶⁾	30.6.21 ⁽⁷⁾
Bad Loans	7.5	4.0	4.0	3.7
- of which forborne	1.5	0.7	0.8	0.8
Unlikely to pay	8.3	6.2	6.1	5.5
- of which forborne	4.2	2.8	3.0	2.7
Past Due	1.1	0.5	0.4	0.5
- of which forborne	0.1	-	-	-
Total	16.8	10.7	10.5	9.7
	3.6	2.3	2.3	2.1

1.6% according to EBA definition

Note: figures may not add up exactly due to rounding

(1) Including UBI Banca and considering the disposal of branches sold in 1H21

(2) Not including €5.4bn gross NPL booked in Discontinued operations

(3) Not including €3.8bn gross NPL booked in Discontinued operations

(4) Not including €5.2bn gross NPL booked in Discontinued operations

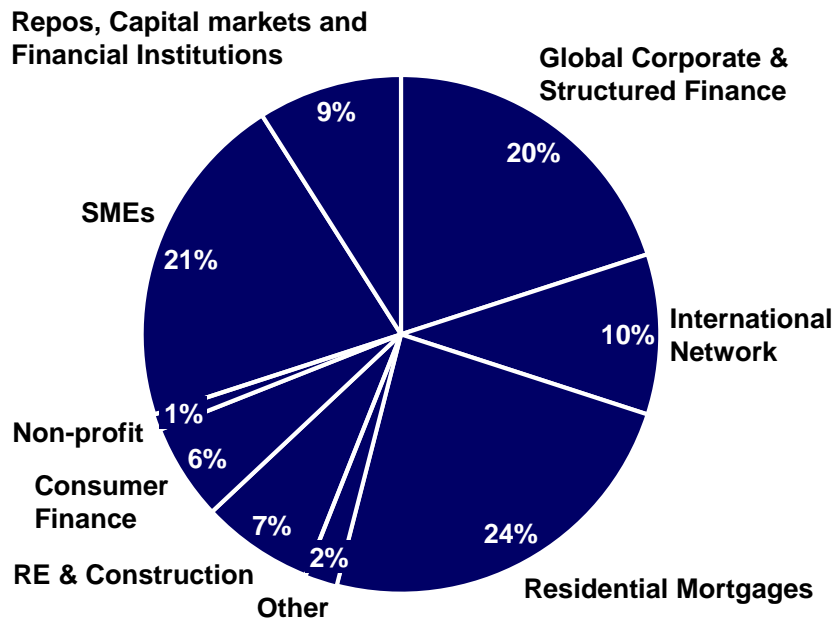
(5) Not including €2.1bn net NPL booked in Discontinued operations

(6) Not including €1.1bn net NPL booked in Discontinued operations

(7) Not including €1.5bn net NPL booked in Discontinued operations

Loans to Customers: A Well-diversified Portfolio

Breakdown by business area (data as at 30.6.21)



■ Low risk profile of residential mortgage portfolio

- Instalment/available income ratio at 31%
- Average Loan-to-Value equal to ~60%
- Original average maturity equal to ~24 years
- Residual average life equal to ~19 years

Breakdown by economic business sector

	30.6.21
Loans of the Italian banks and companies of the Group	
Households	30.2%
Public Administration	4.2%
Financial companies	8.3%
Non-financial companies	44.8%
<i>of which:</i>	
SERVICES	4.5%
UTILITIES	4.3%
TRANSPORTATION MEANS	3.6%
CONSTRUCTION AND MATERIALS FOR CONSTR.	3.4%
DISTRIBUTION	3.3%
REAL ESTATE	3.2%
TRANSPORT	2.5%
FOOD AND DRINK	2.4%
FASHION	2.2%
METALS AND METAL PRODUCTS	2.2%
ENERGY AND EXTRACTION	1.9%
AGRICULTURE	1.9%
INFRASTRUCTURE	1.7%
TOURISM	1.6%
CHEMICALS, RUBBER AND PLASTICS	1.4%
MECHANICAL	1.3%
PHARMACEUTICAL	0.8%
FURNITURE AND WHITE GOODS	0.8%
ELECTRICAL COMPONENTS AND EQUIPMENT	0.8%
MEDIA	0.5%
WOOD AND PAPER	0.5%
OTHER CONSUMPTION GOODS	0.2%
Loans of international banks and companies of the Group	10.4%
Non-performing loans	2.1%
TOTAL	100.0%

Moratoria Volumes: Enterprises Accounting for ~87%

Moratoria stock as at 30.6.21			
Segments	# Clients (k)	Volumes (€ bn)	% of total net loan portfolio
Households	18	2	-
Enterprises	37	14	3%
Total	55	17 ⁽¹⁾	4%

€42bn expired moratoria with 1.9% default rate

Note: figures may not add up exactly due to rounding
 (1) €3.5bn according to EBA criteria

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Divisional Financial Highlights

	Divisions							Total redetermined ⁽⁶⁾
	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks ⁽¹⁾	Private Banking ⁽²⁾	Asset Management ⁽³⁾	Insurance ⁽⁴⁾	Corporate Centre / Others ⁽⁵⁾	
Operating Income (€ m)	4,434	2,456	967	1,192	633	820	172	10,674
Operating Margin (€ m)	1,247	1,810	461	761	528	631	(19)	5,419
Net Income (€ m)	352	1,220	251	631	376	439	(246)	3,023
Cost/Income (%)	71.9	26.3	52.3	36.2	16.6	23.0	n.m.	49.2
RWA (€ bn)	100.0	109.5	33.7	12.0	1.9	0.0	72.7	329.7
Direct Deposits from Banking Business (€ bn)	281.3	88.1	47.7	49.6	0.0	0.0	64.8	531.6
Loans to Customers (€ bn)	252.8	149.6	37.3	12.9	0.4	0.0	10.4	463.3

Note: figures may not add up exactly due to rounding

(1) Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

(2) Fideuram, Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Bank (Suisse) Morval, REYL Group, and Siref Fiduciaria

(3) Eurizon

(4) Assicurazioni Vita (former Aviva Vita), Cargeas Assicurazioni, Fideuram Vita, Intesa Sanpaolo Assicura, Intesa Sanpaolo Life, Intesa Sanpaolo RBM Salute, Intesa Sanpaolo Vita, and Lombarda Vita

(5) Treasury Department, Central Structures and consolidation adjustments

(6) Considering, on the basis of management accounts, the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

Banca dei Territori: 1H21 vs 1H20

€ m

	1H20 redetermined	1H21	Δ%
Net interest income	2,138	1,976	(7.6)
Net fee and commission income	2,190	2,401	9.6
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	49	50	2.0
Other operating income (expenses)	6	7	16.7
Operating income	4,383	4,434	1.2
Personnel expenses	(1,795)	(1,744)	(2.8)
Other administrative expenses	(1,485)	(1,440)	(3.0)
Adjustments to property, equipment and intangible assets	(3)	(3)	0.0
Operating costs	(3,283)	(3,187)	(2.9)
Operating margin	1,100	1,247	13.4
Net adjustments to loans	(1,613)	(667)	(58.6)
Net provisions and net impairment losses on other assets	(33)	(24)	(27.3)
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	(546)	556	n.m.
Taxes on income	196	(185)	n.m.
Charges (net of tax) for integration and exit incentives	(5)	(16)	220.0
Effect of purchase price allocation (net of tax)	0	(2)	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	(1)	n.m.
Net income	(355)	352	n.m.

Note: figures may not add up exactly due to rounding

Banca dei Territori: Q2 vs Q1

€ m

	1Q21 redetermined	2Q21	Δ%
Net interest income	987	989	0.2
Net fee and commission income	1,203	1,197	(0.5)
Income from insurance business	0	0	96.9
Profits on financial assets and liabilities at fair value	29	21	(28.0)
Other operating income (expenses)	7	1	(91.3)
Operating income	2,226	2,208	(0.8)
Personnel expenses	(877)	(867)	(1.2)
Other administrative expenses	(715)	(725)	1.4
Adjustments to property, equipment and intangible assets	(2)	(2)	16.2
Operating costs	(1,594)	(1,594)	(0.0)
Operating margin	632	615	(2.7)
Net adjustments to loans	(285)	(381)	33.7
Net provisions and net impairment losses on other assets	(17)	(7)	(58.0)
Other income (expenses)	0	(0)	n.m.
Income (Loss) from discontinued operations	0	(0)	n.m.
Gross income (loss)	330	226	(31.4)
Taxes on income	(108)	(76)	(29.8)
Charges (net of tax) for integration and exit incentives	(2)	(13)	461.4
Effect of purchase price allocation (net of tax)	(2)	(1)	(54.7)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(0)	(1)	257.0
Net income	217	135	(37.8)

Note: figures may not add up exactly due to rounding

IMI Corporate & Investment Banking: 1H21 vs 1H20

€ m

	1H20 redetermined	1H21	Δ%
Net interest income	958	1,058	10.4
Net fee and commission income	519	576	11.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	1,156	821	(29.0)
Other operating income (expenses)	6	1	(83.3)
Operating income	2,639	2,456	(6.9)
Personnel expenses	(222)	(233)	5.0
Other administrative expenses	(413)	(402)	(2.7)
Adjustments to property, equipment and intangible assets	(12)	(11)	(8.3)
Operating costs	(647)	(646)	(0.2)
Operating margin	1,992	1,810	(9.1)
Net adjustments to loans	(265)	(54)	(79.6)
Net provisions and net impairment losses on other assets	2	2	0.0
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	1,729	1,758	1.7
Taxes on income	(573)	(548)	(4.4)
Charges (net of tax) for integration and exit incentives	(5)	(10)	100.0
Effect of purchase price allocation (net of tax)	0	20	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	1,151	1,220	6.0

Note: figures may not add up exactly due to rounding

IMI Corporate & Investment Banking: Q2 vs Q1

€ m

	1Q21 redetermined	2Q21	Δ%
Net interest income	539	519	(3.6)
Net fee and commission income	281	294	4.7
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	567	254	(55.3)
Other operating income (expenses)	1	(0)	n.m.
Operating income	1,389	1,067	(23.2)
Personnel expenses	(109)	(124)	13.6
Other administrative expenses	(197)	(206)	4.6
Adjustments to property, equipment and intangible assets	(5)	(6)	14.0
Operating costs	(311)	(335)	7.9
Operating margin	1,078	732	(32.1)
Net adjustments to loans	(66)	12	n.m.
Net provisions and net impairment losses on other assets	(3)	5	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	1,009	749	(25.8)
Taxes on income	(318)	(230)	(27.6)
Charges (net of tax) for integration and exit incentives	(5)	(5)	17.1
Effect of purchase price allocation (net of tax)	20	0	(100.0)
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	707	514	(27.3)

Note: figures may not add up exactly due to rounding

International Subsidiary Banks: 1H21 vs 1H20

€ m

	1H20 redetermined	1H21	Δ%
Net interest income	652	649	(0.5)
Net fee and commission income	239	263	10.0
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	63	73	15.9
Other operating income (expenses)	(16)	(18)	12.5
Operating income	938	967	3.1
Personnel expenses	(261)	(264)	1.1
Other administrative expenses	(190)	(186)	(2.1)
Adjustments to property, equipment and intangible assets	(54)	(56)	3.7
Operating costs	(505)	(506)	0.2
Operating margin	433	461	6.5
Net adjustments to loans	(125)	(78)	(37.6)
Net provisions and net impairment losses on other assets	0	(16)	n.m.
Other income (expenses)	6	4	(33.3)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	314	371	18.2
Taxes on income	(67)	(84)	25.4
Charges (net of tax) for integration and exit incentives	(18)	(19)	5.6
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	(44)	(17)	(61.4)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	0	n.m.
Net income	185	251	35.7

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

International Subsidiary Banks: Q2 vs Q1

€ m

	1Q21 redetermined	2Q21	Δ%
Net interest income	323	326	0.8
Net fee and commission income	122	141	16.1
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	30	43	40.3
Other operating income (expenses)	(7)	(11)	(54.5)
Operating income	468	499	6.5
Personnel expenses	(130)	(134)	3.5
Other administrative expenses	(93)	(93)	0.2
Adjustments to property, equipment and intangible assets	(28)	(29)	2.0
Operating costs	(250)	(256)	2.1
Operating margin	218	243	11.5
Net adjustments to loans	(47)	(31)	(35.4)
Net provisions and net impairment losses on other assets	(6)	(9)	45.9
Other income (expenses)	2	2	31.5
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	166	205	23.7
Taxes on income	(44)	(40)	(7.9)
Charges (net of tax) for integration and exit incentives	(9)	(10)	3.6
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	(9)	(8)	(5.3)
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	0	(0)	n.m.
Net income	104	147	41.1

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

Private Banking: 1H21 vs 1H20

€ m

	1H20 redetermined	1H21	Δ%
Net interest income	129	106	(17.8)
Net fee and commission income	943	1,040	10.3
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	21	32	52.4
Other operating income (expenses)	2	14	600.0
Operating income	1,095	1,192	8.9
Personnel expenses	(225)	(226)	0.4
Other administrative expenses	(163)	(170)	4.3
Adjustments to property, equipment and intangible assets	(34)	(35)	2.9
Operating costs	(422)	(431)	2.1
Operating margin	673	761	13.1
Net adjustments to loans	(21)	1	n.m.
Net provisions and net impairment losses on other assets	(23)	(17)	(26.1)
Other income (expenses)	12	194	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	641	939	46.5
Taxes on income	(197)	(287)	45.7
Charges (net of tax) for integration and exit incentives	(8)	(10)	25.0
Effect of purchase price allocation (net of tax)	(1)	(11)	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(2)	0	n.m.
Net income	433	631	45.7

Note: figures may not add up exactly due to rounding

Private Banking: Q2 vs Q1

€ m

	1Q21 redetermined	2Q21	Δ%
Net interest income	52	53	2.1
Net fee and commission income	522	518	(0.7)
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	20	12	(38.0)
Other operating income (expenses)	7	7	(7.1)
Operating income	601	591	(1.7)
Personnel expenses	(110)	(116)	5.4
Other administrative expenses	(79)	(91)	16.3
Adjustments to property, equipment and intangible assets	(18)	(17)	(5.0)
Operating costs	(207)	(224)	8.6
Operating margin	395	366	(7.2)
Net adjustments to loans	(0)	1	n.m.
Net provisions and net impairment losses on other assets	(7)	(9)	30.6
Other income (expenses)	194	0	(100.0)
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	582	358	(38.5)
Taxes on income	(181)	(106)	(41.3)
Charges (net of tax) for integration and exit incentives	(4)	(6)	38.1
Effect of purchase price allocation (net of tax)	(0)	(11)	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(1)	2	n.m.
Net income	395	237	(40.0)

Note: figures may not add up exactly due to rounding

Asset Management: 1H21 vs 1H20

€ m

	1H20 redetermined	1H21	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	448	595	32.8
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(4)	(2)	(50.0)
Other operating income (expenses)	16	40	150.0
Operating income	460	633	37.6
Personnel expenses	(44)	(50)	13.6
Other administrative expenses	(54)	(51)	(5.6)
Adjustments to property, equipment and intangible assets	(4)	(4)	0.0
Operating costs	(102)	(105)	2.9
Operating margin	358	528	47.5
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	0	0	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	358	528	47.5
Taxes on income	(94)	(141)	50.0
Charges (net of tax) for integration and exit incentives	0	(1)	n.m.
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(21)	(10)	(52.4)
Net income	243	376	54.7

Note: figures may not add up exactly due to rounding

Asset Management: Q2 vs Q1

€ m

	1Q21 redetermined	2Q21	Δ%
Net interest income	(0)	(0)	16.6
Net fee and commission income	286	310	8.4
Income from insurance business	0	0	n.m.
Profits on financial assets and liabilities at fair value	(1)	(1)	58.1
Other operating income (expenses)	17	23	41.4
Operating income	301	332	10.5
Personnel expenses	(23)	(27)	15.2
Other administrative expenses	(26)	(26)	0.7
Adjustments to property, equipment and intangible assets	(2)	(2)	1.4
Operating costs	(51)	(55)	7.4
Operating margin	250	278	11.2
Net adjustments to loans	0	(0)	n.m.
Net provisions and net impairment losses on other assets	(0)	0	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	250	278	11.4
Taxes on income	(68)	(73)	8.3
Charges (net of tax) for integration and exit incentives	(0)	(1)	477.0
Effect of purchase price allocation (net of tax)	0	0	n.m.
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(10)	(0)	(97.5)
Net income	172	204	18.4

Note: figures may not add up exactly due to rounding

Insurance: 1H21 vs 1H20

€ m

	1H20 redetermined	1H21	Δ%
Net interest income	0	0	n.m.
Net fee and commission income	(1)	1	n.m.
Income from insurance business	837	825	(1.4)
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(1)	(6)	500.0
Operating income	835	820	(1.8)
Personnel expenses	(67)	(71)	6.0
Other administrative expenses	(105)	(108)	2.9
Adjustments to property, equipment and intangible assets	(10)	(10)	0.0
Operating costs	(182)	(189)	3.8
Operating margin	653	631	(3.4)
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(19)	(132)	594.7
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	634	499	(21.3)
Taxes on income	(178)	(110)	(38.2)
Charges (net of tax) for integration and exit incentives	(8)	(7)	(12.5)
Effect of purchase price allocation (net of tax)	(8)	(12)	50.0
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	(106)	69	n.m.
Net income	334	439	31.4

Note: figures may not add up exactly due to rounding

Insurance: Q2 vs Q1

€ m

	1Q21 redetermined	2Q21	Δ%
Net interest income	(0)	(0)	12.5
Net fee and commission income	0	0	6.0
Income from insurance business	386	439	13.6
Profits on financial assets and liabilities at fair value	0	0	n.m.
Other operating income (expenses)	(3)	(2)	29.7
Operating income	383	437	14.0
Personnel expenses	(34)	(38)	10.6
Other administrative expenses	(48)	(59)	22.2
Adjustments to property, equipment and intangible assets	(5)	(5)	12.7
Operating costs	(87)	(102)	17.2
Operating margin	296	335	13.0
Net adjustments to loans	0	0	n.m.
Net provisions and net impairment losses on other assets	(3)	(128)	n.m.
Other income (expenses)	0	0	n.m.
Income (Loss) from discontinued operations	0	0	n.m.
Gross income (loss)	293	207	(29.4)
Taxes on income	(80)	(30)	(62.5)
Charges (net of tax) for integration and exit incentives	(1)	(6)	433.9
Effect of purchase price allocation (net of tax)	(5)	(7)	45.3
Levies and other charges concerning the banking industry (net of tax)	0	0	n.m.
Impairment (net of tax) of goodwill and other intangible assets	0	0	n.m.
Minority interests	18	51	180.4
Net income	225	214	(4.7)

Note: figures may not add up exactly due to rounding

Quarterly P&L

€ m

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
	redetermined ⁽¹⁾					
Net interest income	2,040	2,037	2,129	2,072	1,952	1,995
Net fee and commission income	2,122	2,014	2,147	2,442	2,313	2,370
Income from insurance business	440	456	353	436	398	456
Profits on financial assets and liabilities at fair value	1,049	306	127	193	795	344
Other operating income (expenses)	1	29	1	6	32	19
Operating income	5,652	4,842	4,757	5,149	5,490	5,184
Personnel expenses	(1,646)	(1,662)	(1,646)	(1,744)	(1,627)	(1,655)
Other administrative expenses	(696)	(747)	(744)	(898)	(653)	(712)
Adjustments to property, equipment and intangible assets	(314)	(314)	(313)	(315)	(307)	(301)
Operating costs	(2,656)	(2,723)	(2,703)	(2,957)	(2,587)	(2,668)
Operating margin	2,996	2,119	2,054	2,192	2,903	2,516
Net adjustments to loans	(538)	(1,543)	(972)	(1,440)	(402)	(599)
Net provisions and net impairment losses on other assets	(431)	251	(64)	(121)	(134)	(220)
Other income (expenses)	13	0	22	62	198	(7)
Income (Loss) from discontinued operations	149	1,230	80	129	48	10
Gross income (loss)	2,189	2,057	1,120	822	2,613	1,700
Taxes on income	(635)	(362)	(322)	(191)	(837)	(85)
Charges (net of tax) for integration and exit incentives	(15)	(22)	(27)	(1,485)	(52)	(55)
Effect of purchase price allocation (net of tax)	(26)	(24)	3,237	(1,227)	(16)	(18)
Levies and other charges concerning the banking industry (net of tax)	(206)	(91)	(178)	(38)	(196)	(83)
Impairment (net of tax) of goodwill and other intangible assets	0	0	0	(912)	0	0
Minority interests	(156)	(143)	(20)	(68)	4	48
Net income	1,151	1,415	3,810	(3,099)	1,516	1,507

€546m and €393m respectively when excluding the accounting effect of the combination with UBI Banca and of the impairment of goodwill

Note: figures may not add up exactly due to rounding

(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and - on the basis of management accounts - the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita(former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

Net Fee and Commission Income: Quarterly Development Breakdown

€ m

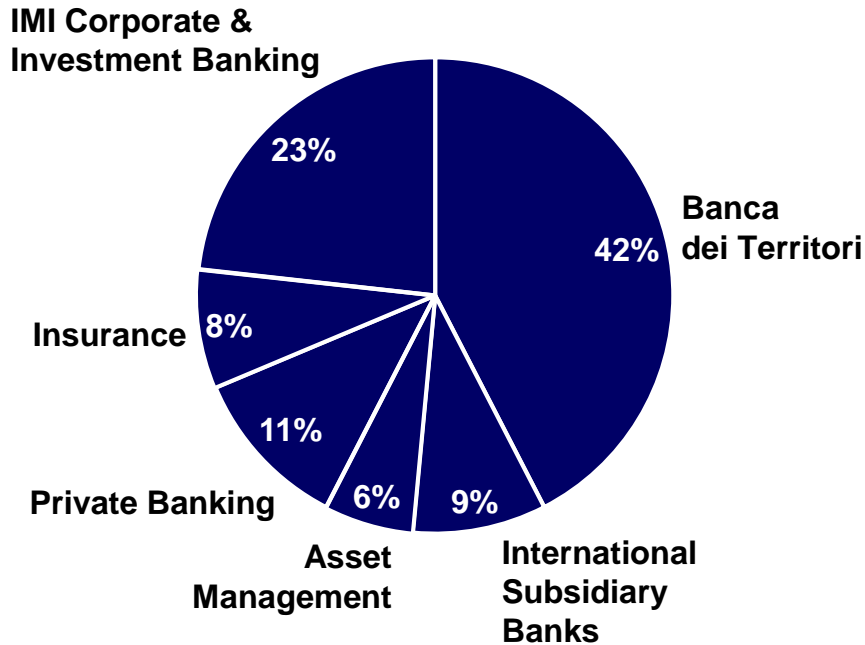
Net Fee and Commission Income						
	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
	redetermined⁽¹⁾					
Guarantees given / received	51	48	47	50	47	55
Collection and payment services	124	113	115	140	137	139
Current accounts	352	353	360	366	344	352
Credit and debit cards	65	73	85	89	61	106
Commercial banking activities	592	587	607	645	589	652
Dealing and placement of securities	199	168	193	229	295	288
Currency dealing	1	1	2	2	3	3
Portfolio management	663	649	687	844	733	781
Distribution of insurance products	388	365	396	418	406	383
Other	73	60	67	68	53	45
Management, dealing and consultancy activities	1,324	1,243	1,345	1,561	1,490	1,500
Other net fee and commission income	206	184	195	236	234	218
Net fee and commission income	2,122	2,014	2,147	2,442	2,313	2,370

Note: figures may not add up exactly due to rounding

(1) Data redetermined - where necessary and material - considering the changes in the scope of consolidation following the inclusion of UBI Banca and - on the basis of management accounts - the reallocation of the contribution of branches sold in 1H21 to Income (Loss) from discontinued operations, the full line-by-line consolidation of Assicurazioni Vita (former Aviva Vita), Lombarda Vita and Cargeas Assicurazioni (not considering, on the basis of management accounts, the contribution of branches sold in 1H21), and the effects of the acquisition of the REYL Group

Market Leadership in Italy

1H21 Operating Income Breakdown by business area⁽¹⁾

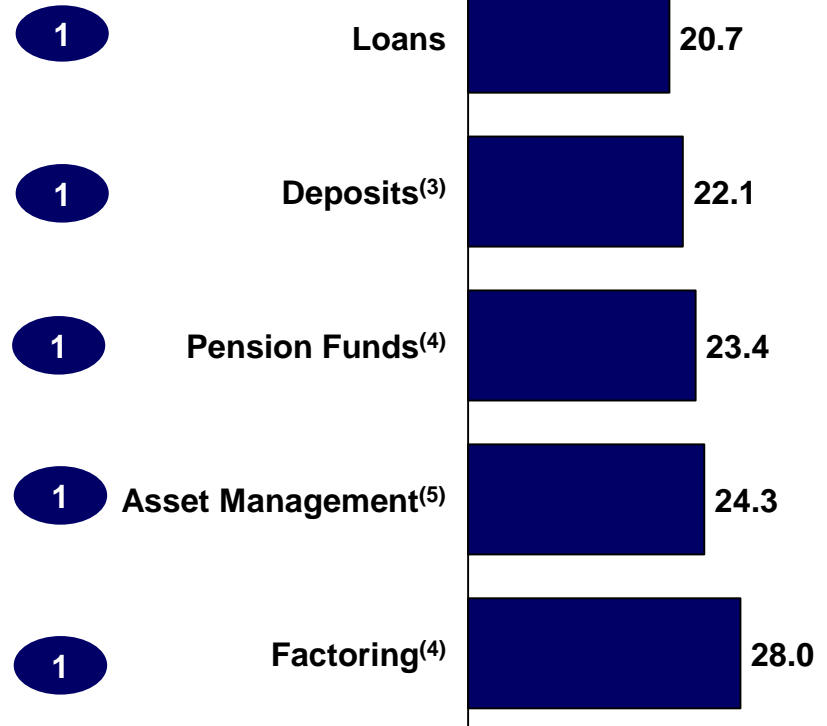


Leader in Italy

Ranking

Market share⁽²⁾

%



Note: figures may not add up exactly due to rounding

(1) Excluding Corporate Centre

(2) Data as at 30.6.21

(3) Including bonds

(4) Data as at 31.3.21

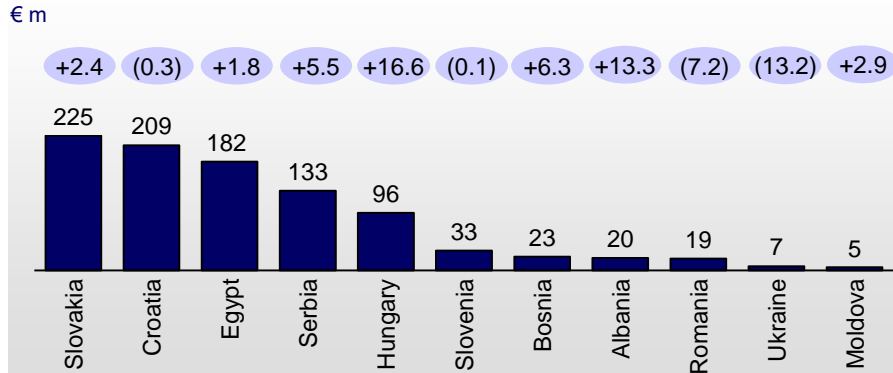
(5) Mutual funds; data as at 31.3.21

International Subsidiary Banks: Key P&L Data by Country

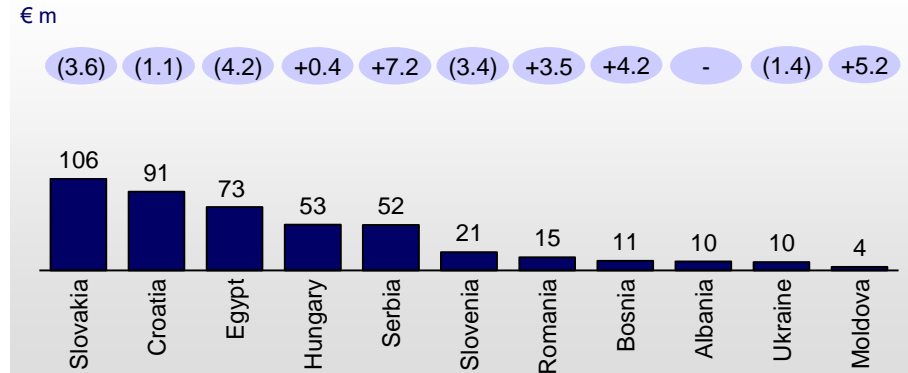
Data as at 30.6.21

(Δ% vs 1H20)

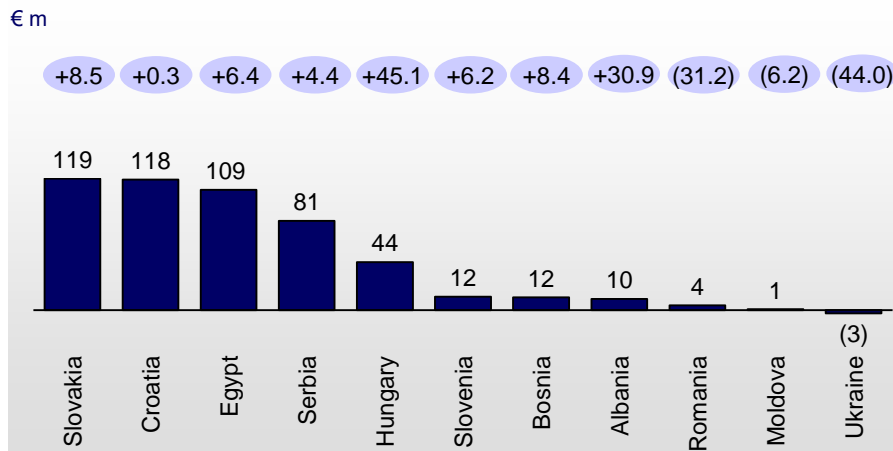
Operating Income



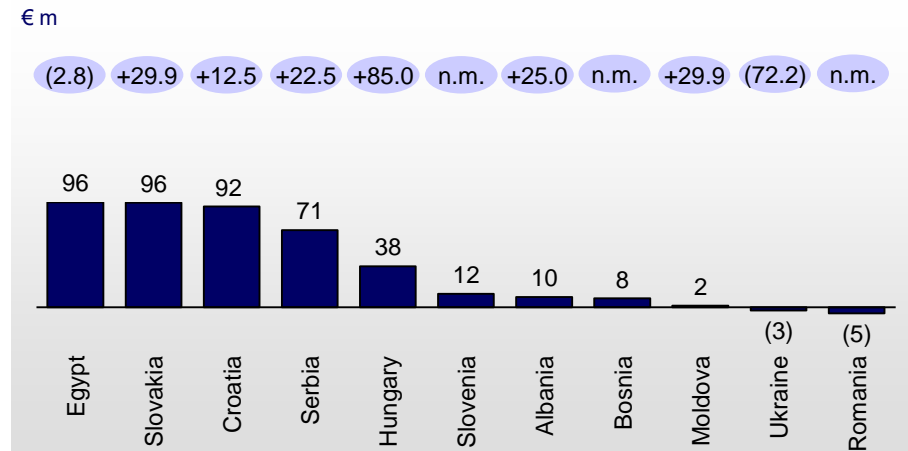
Operating Costs



Operating Margin



Gross Income



Note: excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

International Subsidiary Banks by Country: 8% of the Group's Total Loans

Data as at 30.6.21

											Total CEE		Total
	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	
Oper. Income (€ m)	96	225	33	209	23	133	20	19	5	7	771	182	953
% of Group total	0.9%	2.1%	0.3%	2.0%	0.2%	1.2%	0.2%	0.2%	0.0%	0.1%	7.2%	1.7%	8.9%
Net income (€ m)	15	61	7	69	6	50	6	(7)	1	(3)	206	64	270
% of Group total	0.5%	2.0%	0.2%	2.3%	0.2%	1.6%	0.2%	n.m.	0.0%	n.m.	6.8%	2.1%	8.9%
Customer Deposits (€ bn)	4.8	16.8	2.7	10.1	0.8	4.9	1.3	0.9	0.2	0.2	42.6	4.8	47.4
% of Group total	0.9%	3.2%	0.5%	1.9%	0.2%	0.9%	0.3%	0.2%	0.0%	0.0%	8.0%	0.9%	8.9%
Customer Loans (€ bn)	3.5	15.7	1.9	7.3	0.8	3.9	0.4	0.9	0.1	0.1	34.6	2.7	37.3
% of Group total	0.7%	3.4%	0.4%	1.6%	0.2%	0.8%	0.1%	0.2%	0.0%	0.0%	7.5%	0.6%	8.1%
Total Assets (€ bn)	6.8	20.5	3.4	13.0	1.2	6.5	1.6	1.4	0.2	0.2	54.9	6.0	60.8
% of Group total	0.6%	1.9%	0.3%	1.2%	0.1%	0.6%	0.1%	0.1%	0.0%	0.0%	5.2%	0.6%	5.8%
Book value (€ m)	728	1,733	320	1,835	172	978	194	174	32	57	6,223	627	6,851
- intangibles	31	127	6	24	2	39	4	4	2	3	241	8	249

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

International Subsidiary Banks by Country: Loan Breakdown and Coverage

Data as at 30.6.21

											Total CEE		Total
	Hungary	Slovakia	Slovenia	Croatia	Bosnia	Serbia	Albania	Romania	Moldova	Ukraine		Egypt	
Performing loans (€ bn)	3.4	15.6	1.9	7.1	0.8	3.8	0.4	0.9	0.1	0.1	34.0	2.6	36.7
of which:													
Retail local currency	48%	61%	42%	32%	33%	24%	22%	13%	57%	35%	46%	58%	47%
Retail foreign currency	0%	0%	0%	20%	14%	29%	14%	15%	0%	1%	8%	0%	8%
Corporate local currency	25%	33%	57%	24%	14%	6%	14%	46%	15%	40%	29%	29%	29%
Corporate foreign currency	27%	5%	0%	25%	39%	42%	50%	26%	28%	25%	17%	13%	17%
Bad loans⁽¹⁾ (€ m)	10	97	2	59	5	19	4	8	0	0	204	0	204
Unlikely to pay⁽²⁾ (€ m)	57	67	18	165	9	26	4	23	1	0	370	64	434
Performing loans coverage	1.5%	0.6%	1.1%	1.8%	2.1%	1.7%	1.5%	2.1%	2.6%	1.1%	1.2%	1.5%	1.2%
Bad loans⁽¹⁾ coverage	58%	65%	87%	68%	72%	71%	56%	53%	68%	n.m.	67%	100%	68%
Unlikely to pay⁽²⁾ coverage	43%	45%	49%	34%	36%	49%	43%	43%	59%	n.m.	40%	46%	41%
Annualised cost of credit⁽³⁾ (bps)	34	29	12	53	82	37	71	236	n.m.	n.m.	41	52	42

Note: figures may not add up exactly due to rounding. Excluding the Russian subsidiary Banca Intesa which is included in IMI C&IB

(1) *Sofferenze*
 (2) Including Past due
 (3) Net adjustments to loans/Net customer loans

Common Equity Tier 1 Ratio as at 30.6.21: from Phased-in to Pro-forma Fully Loaded



	~€ bn	~bps
Direct-deduction relevant items		
DTA on losses carried forward ⁽¹⁾	1.9	58
IFRS9 transitional adjustment	(1.5)	(45)
Total	0.3	13
Cap relevant items^(*)(2)		
Total	0.0	23
(*) as a memo, constituents of deductions subject to cap:		
- Other DTA ⁽³⁾	1.6	
- Investments in banking and financial companies	2.9	
RWA from 100% weighted DTA⁽⁴⁾	(9.4)	44
Total estimated impact		81
Pro-forma fully loaded Common Equity Tier 1 ratio		15.7%

Note: figures may not add up exactly due to rounding

(1) Considering the expected absorption of DTA on losses carried forward (€2.1bn as at 30.6.21)

(2) Following the application of the Danish Compromise, insurance investments are risk weighted instead of being deducted from capital. In the amount of insurance investments, the expected distribution of 1H21 Net income of insurance companies is considered, which for the sake of simplicity is left included in the benefit allocated to this caption

(3) Other DTA: mostly related to provisions for risks and charges, considering the total absorption of DTA related to IFRS9 FTA (€1.2bn as at 30.06.21) and DTA related to the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of operations of the two former Venetian banks (€0.2bn as at 30.06.21) and DTA related to the acquisition of UBI Banca (€0.7bn as at 30.06.21). DTA related to goodwill realignment and adjustments to loans are excluded due to their treatment as credits to tax authorities

(4) Considering the total absorption of DTA convertible into tax credit related to goodwill realignment (€6.2bn as at 30.6.21) and adjustments to loans (€3.2bn as at 30.6.21)

Total Exposure⁽¹⁾ by Main Countries

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	
	AC	FVTOCI	FVTPL ⁽²⁾	Total			
EU Countries	36,486	45,507	8,952	90,945	83,861	174,806	429,588
Austria	157	175	-149	183	415	598	728
Belgium	836	3,009	255	4,100	728	4,828	1,071
Bulgaria			-1	-1	95	94	28
Croatia	72	1,026	171	1,269	239	1,508	7,368
Cyprus					100	100	32
Czech Republic	99			99	32	131	811
Denmark	33	20	10	63	77	140	54
Estonia					2	2	6
Finland	15	82	94	191	174	365	258
France	3,048	5,139	-476	7,711	5,050	12,761	11,961
Germany	1,307	2,288	-648	2,947	2,887	5,834	7,484
Greece	25		72	97	6	103	275
Hungary	398	839	11	1,248	57	1,305	3,139
Ireland	502	1,251	492	2,245	168	2,413	508
Italy	24,799	17,915	10,733	53,447	66,093	119,540	364,364
Latvia			3	3	21	24	33
Lithuania							1
Luxembourg	131	603	195	929	159	1,088	7,055
Malta							122
The Netherlands	233	897	73	1,203	1,410	2,613	1,893
Poland	50	167		217	62	279	1,130
Portugal	203	1,086	-268	1,021	728	1,749	153
Romania	66	350	8	424	437	861	1,042
Slovakia		406	15	421	47	468	13,829
Slovenia	1	232	-16	217	63	280	1,849
Spain	4,487	9,803	-1,623	12,667	4,654	17,321	4,197
Sweden	24	219	1	244	157	401	197
Albania	190	384	1	575		575	418
Egypt		1,733	1	1,734	84	1,818	3,227
Japan	55	2,366	140	2,561	278	2,839	635
Russia		117	16	133	66	199	5,438
Serbia	2	706	6	714		714	4,140
United Kingdom	555	531	35	1,121	2,043	3,164	16,485
U.S.A.	2,270	5,340	263	7,873	3,368	11,241	7,111
Other Countries	1,447	6,242	211	7,900	3,714	11,614	25,260
Total	41,005	62,926	9,625	113,556	93,414	206,970	492,302

Note: management accounts. Figures may not add up exactly due to rounding

(1) Exposure to sovereign risks (central and local governments), banks and other customers. Book Value of Debt Securities and Net Loans as at 30.6.21

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Sovereign Risks⁽¹⁾ by Main Countries

€ m

	DEBT SECURITIES							LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	FVTOCI/AFS Reserve ⁽⁴⁾	
	AC	FVTOCI	FVTPL ⁽²⁾	Total				
EU Countries	24,303	37,214	6,257	67,774	72,741	140,515	343	11,942
Austria		76	-153	-77	286	209	-1	
Belgium	790	1,989	-12	2,767	512	3,279	-30	
Bulgaria			-4	-4	63	59		
Croatia	11	1,026	171	1,208	229	1,437	3	1,236
Cyprus					100	100		
Czech Republic								
Denmark								
Estonia								
Finland		13	94	107	44	151	-12	
France	2,544	3,717	-483	5,778	2,110	7,888	-54	4
Germany	513	1,481	-668	1,326	1,570	2,896	1	
Greece			72	72	6	78		
Hungary	217	813	11	1,041	43	1,084	10	112
Ireland	145	345	6	496	124	620		
Italy	15,836	15,862	9,152	40,850	62,801	103,651	419	10,130
Latvia			3	3	21	24		29
Lithuania								
Luxembourg		146		146		146	-1	
Malta								
The Netherlands	52	241	-36	257	350	607		
Poland	50	69		119	26	145	-1	
Portugal	84	1,069	-297	856	656	1,512	12	
Romania	66	350	8	424	414	838		6
Slovakia		378	15	393		393	3	204
Slovenia	1	224	-16	209	63	272	1	174
Spain	3,994	9,391	-1,606	11,779	3,323	15,102	-7	47
Sweden		24		24		24		
Albania	190	384	1	575		575	4	1
Egypt		1,733	1	1,734	84	1,818	18	369
Japan		2,103	137	2,240		2,240	9	
Russia		101	16	117		117	-1	
Serbia	2	706	6	714		714	6	77
United Kingdom		136	-3	133	106	239	-4	
U.S.A.	1,297	4,186	168	5,651	6	5,657	-130	
Other Countries	1,171	3,958	174	5,303	1,387	6,690	-44	5,082
Total	26,963	50,521	6,757	84,241	74,324	158,565	201	17,471

Banking Business Government bond
duration: 6.5y
Adjusted duration due to hedging: 0.4y

Note: management accounts. Figures may not add up exactly due to rounding

(1) Exposure to central and local governments. Book Value of Debt Securities and Net Loans as at 30.6.21

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

(4) Net of tax and allocation to insurance products under separate management

Exposure to Banks by Main Countries⁽¹⁾

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	
	AC	FVTOCI	FVTPL ⁽²⁾	Total			
EU Countries	1,986	4,749	959	7,694	4,311	12,005	24,233
Austria	139	44	4	187	97	284	354
Belgium	11	1,011	265	1,287	74	1,361	421
Bulgaria							
Croatia	44			44		44	101
Cyprus							
Czech Republic							15
Denmark	20	8	10	38	54	92	42
Estonia							
Finland	9	22		31	66	97	52
France	245	762	-18	989	1,389	2,378	10,009
Germany	75	490	17	582	344	926	5,965
Greece							56
Hungary	129	26		155	12	167	42
Ireland		28		28		28	254
Italy	960	1,139	551	2,650	1,431	4,081	4,964
Latvia							
Lithuania							
Luxembourg		314	188	502	10	512	783
Malta							62
The Netherlands	100	302	3	405	354	759	208
Poland		89		89		89	12
Portugal		17	1	18		18	1
Romania							67
Slovakia		28		28		28	
Slovenia		8		8		8	4
Spain	236	320	-63	493	462	955	816
Sweden	18	141	1	160	18	178	5
Albania							10
Egypt							56
Japan	28	100		128	64	192	97
Russia							80
Serbia							66
United Kingdom	155	211	13	379	599	978	4,605
U.S.A.	291	503	26	820	1,721	2,541	884
Other Countries	74	1,843	16	1,933	631	2,564	5,988
Total	2,534	7,406	1,014	10,954	7,326	18,280	36,019

Note: management accounts. Figures may not add up exactly due to rounding

(1) Book Value of Debt Securities and Net Loans as at 30.6.21

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Exposure to Other Customers by Main Countries⁽¹⁾

€ m

	DEBT SECURITIES						LOANS
	Banking Business				Insurance Business ⁽³⁾	Total	
	AC	FVTOCI	FVTPL ⁽²⁾	Total			
EU Countries	10,197	3,544	1,736	15,477	6,809	22,286	393,413
Austria	18	55		73	32	105	374
Belgium	35	9	2	46	142	188	650
Bulgaria			3	3	32	35	28
Croatia	17			17	10	27	6,031
Cyprus							32
Czech Republic	99			99	32	131	796
Denmark	13	12		25	23	48	12
Estonia					2	2	6
Finland	6	47		53	64	117	206
France	259	660	25	944	1,551	2,495	1,948
Germany	719	317	3	1,039	973	2,012	1,519
Greece	25			25		25	219
Hungary	52			52	2	54	2,985
Ireland	357	878	486	1,721	44	1,765	254
Italy	8,003	914	1,030	9,947	1,861	11,808	349,270
Latvia							4
Lithuania							1
Luxembourg	131	143	7	281	149	430	6,272
Malta							60
The Netherlands	81	354	106	541	706	1,247	1,685
Poland		9		9	36	45	1,118
Portugal	119		28	147	72	219	152
Romania					23	23	969
Slovakia					47	47	13,625
Slovenia							1,671
Spain	257	92	46	395	869	1,264	3,334
Sweden	6	54		60	139	199	192
Albania							407
Egypt							2,802
Japan	27	163	3	193	214	407	538
Russia		16		16	66	82	5,358
Serbia							3,997
United Kingdom	400	184	25	609	1,338	1,947	11,880
U.S.A.	682	651	69	1,402	1,641	3,043	6,227
Other Countries	202	441	21	664	1,696	2,360	14,190
Total	11,508	4,999	1,854	18,361	11,764	30,125	438,812

Note: management accounts. Figures may not add up exactly due to rounding

(1) Book Value of Debt Securities and Net Loans as at 30.6.21

(2) Taking into account cash short positions

(3) Excluding securities in which money is collected through insurance policies where the total risk is retained by the insured

Disclaimer

“The manager responsible for preparing the company’s financial reports, Fabrizio Dabbene, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records”.

* * *

This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group’s ability to achieve its projected objectives or results is dependent on many factors which are outside management’s control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

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