
Report of the Board of Directors

Ordinary Part - Item 1 on the agenda

2023 financial statements:

- a) Approval of the Parent Company's 2023 financial statements
- b) Allocation of net income for the year and distribution of dividend and part of the Share premium reserve to shareholders

Distinguished Shareholders,

pursuant to Article 2364 of the Italian Civil Code and Articles 7.3 and 29.3 of the Company's Articles of Association, we hereby submit for your approval the financial statements of the Parent Company Intesa Sanpaolo S.p.A. as at 31 December 2023 and the related proposal for allocation of net income for the year and distribution of reserves.

The reclassifications made to the shareholders' equity items are described in section 12 of Part B - Liabilities of the Notes to the Financial Statements. You are also reminded that, pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005 currently in force, a portion of net income corresponding to capital gains recognised in the income statement, net of the related tax charge and other than the gains from trading financial instruments and foreign exchange and hedging transactions, arising from application of the fair value criterion, must be recorded in an unavailable reserve. As at 31 December 2023, this portion amounted to 275,743,257.91 euro. Also as a result of the application of the above-mentioned article, following the realisation of gains or the recognition of losses, the unavailable reserve was reduced, through a transfer to the Extraordinary Reserve, by 476,069,717.42 euro, making this amount available for distribution.

On 3 November 2023, in compliance with the provisions of paragraph 4 of Article 2433-bis of the Italian Civil Code, the Board of Directors approved the distribution of an interim dividend from the 2023 net income, totalling 2,628,985,341.02 euro¹, corresponding to a unit amount of 14.40 euro cents for each of the 18,256,842,646 ordinary shares outstanding on the record date of 21 November 2023. The dividend was paid out on 22 November 2023 (with coupon presentation on 20 November 2023).

In addition, please note that Article 26 of Law Decree no. 104 of 10 August 2023, converted with amendments by Law no. 136 of 9 October 2023, included a provision for a one-off tax for the year 2023 calculated on the increase in net interest income, for the banks identified in Article 1 of the Consolidated Law on Banking (Legislative Decree no. 385 of 1 September 1993). According to this provision, the tax must be determined by applying a rate of 40% to the amount of net interest income, included in caption 30 of the income statement prepared in accordance with the formats for bank financial statements approved by the Bank of Italy and related to the financial year prior to 1 January 2024 (2023 for entities with a tax period coinciding with the calendar year), which exceeds the net interest income in the financial year prior to 1 January 2022 (2021 for entities with a tax period coinciding with the calendar year) by at least 10%. The amount of the one-off tax cannot exceed 0.26% of the total amount of the risk exposure determined in accordance with paragraphs 3 and 4 of Article 92 of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 16 June 2013, with reference to the closing date of the financial year prior to 1 January 2023. The one-off tax must be paid by the end of the sixth month following the end of the financial year prior to 1 January 2024 and is not deductible for income tax and regional business tax purposes.

The same provision establishes that, in lieu of the payment as determined above, when approving the financial statements for the financial year prior to 1 January 2024 banks may allocate an amount of no less than 2.5 times the tax calculated as described above to a non-distributable reserve identified for

¹ It does not include the interim dividend on the 25,956,343 own shares held at the record date, equal to 3,737,713.40 euro.

this purpose. The provision also establishes that, if the reserve is used for the distribution of profits, the tax provided for by the above-mentioned Law Decree, plus an amount equal to the annual interest rate on deposits with the European Central Bank, must be paid within 30 days of the approval of the relative resolution.

For Intesa Sanpaolo, the amount of the one-off tax above came to 796,578,510.44 euro, determined on the basis of 0.26% of the risk exposure, because the charge calculated on the basis of the increase in net interest income was higher.

In consideration of the opportunity granted by the law to strengthen the company's capital base, we propose to allocate the amount of 1,991,446,276.10 euro (equal to 2.5 times the one-off tax) to a specific reserve.

Given the above, and taking into account the deferral of eligibility for distribution of the gains recognised in the income statement, other than those relating to financial instruments held for trading and to foreign exchange and hedging transactions, at the time they are realised or no longer existing, the following proposals are submitted for your approval:

	(euro)
Net income for the year	7,292,121,182.96
Allocation to the Reserve pursuant to Article 26, paragraph 5-bis of Law Decree no. 104 of 10 August 2023, converted with amendments by Law no. 136 of 9 October 2023	1,991,446,276.10
Allocation to the Reserve pursuant to Article 6 paragraph 1, letter a) of Legislative Decree no. 38/2005	275,743,257.91
Interim dividend for 2023 of 14.40 euro cents, as approved by the Board of Directors on 3 November 2023 and distributed on 22 November 2023, for each of the 18,256,842,646 ordinary shares outstanding on the record date of 21 November 2023, for a total of	2,628,985,341.02
Allocation of a dividend of 12.98 euro cents per share to the 18,282,798,989 ordinary shares currently constituting the share capital, for a total of	2,373,107,308.77
Assignment to the Allowance for charitable, social and cultural contributions	22,000,000.00
Assignment to the Extraordinary reserve of the residual net income	838,999.16
Distribution from the Share premium reserve of a unit amount of 2.22 euro cents, totalling	405,878,137.56

Therefore, the dividend for the year 2023 – considering the interim dividend of 2,629 million euro already paid and the remaining dividend of 2,373 million euro yet to be paid – and the distribution of reserves of 406 million euro would result in a total distributed amount of 5,408 million euro, corresponding to a payout ratio of 70% of consolidated net income.

If this proposal is approved, the consolidated capital requirements would show a Common Equity Tier 1 ratio of 13.7% and a Total Capital Ratio of 19.2%, both amply meeting the requirements of the EU Bodies and the Supervisory Authority. At Parent Company level as well, the capital requirements would be well above the minimum requirements.

We propose that the remaining dividend for 2023, as well as the distribution of reserves, be paid, in compliance with the legal provisions, with effect from 22 May 2024 (payment date), with record date pursuant to Article 83-terdecies of the Consolidated Law on Finance on 21 May 2024 and coupon presentation date on 20 May 2024.

Any own shares held by the Bank on the record date will not be entitled to dividends or distributions from the Share premium reserve, and the related amounts will be transferred to the Extraordinary reserve.

If the proposal submitted is approved by you, and taking into account the reclassification to the Extraordinary reserve of the total net positive amount of 2,909,042.65 euro relating to the merger

difference arising from the annulment of the shares of the subsidiary Intesa Sanpaolo Provis S.p.A., merged during the year (in this regard it should be noted that, pursuant to Article 172, paragraph 5, of the Consolidated Law on Income Taxes, in relation to the above-mentioned merger difference, suspended tax reserves will be re-established for an amount of 111,840.44 euro), the shareholders' equity of Intesa Sanpaolo S.p.A. will be as shown in the table below.

(millions of euro)

Shareholders' equity	Annual report 2023	Changes	Share capital and reserves of Annual Report 2023 after the Shareholders' Meeting resolutions
Share capital	10,369	-	10,369
Share premium reserve	28,162	-406	27,756
Reserves (*)	4,807	2,268	7,075
Valuation reserves	175	-	175
Equity instruments	7,925	-	7,925
Interim dividend	-2,629	2,629	-
Own shares	-61	-	-61
Total reserves	38,379	4,491	42,870
TOTAL	48,748	4,491	53,239

(*) The change in Reserves includes the allocation to the Reserve pursuant to Article 26, paragraph 5-bis of Law Decree no. 104 of 10 August 2023, converted with amendments by Law no. 136 of 9 October 2023, for the amount of 1,991 million euro.

Distinguished Shareholders,

you are therefore invited to resolve on the following:

- a) the proposal of approval of the Parent Company's 2023 financial statements,
- b) the proposal of allocation of net income for the year and distribution of dividend and part of the Share premium reserve to shareholders,

all in accordance with the terms set out above.

27 February 2024

For the Board of Directors
The Chair - Gian Maria Gros-Pietro

This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.