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Testo del comunicato

Vedi allegato

INTESA SANPAOLO

PRESS RELEASE

INTESA SANPAOLO: CONSOLIDATED RESULTS AS AT 30 JUNE 2024

THE RESULTS FOR THE FIRST HALF OF 2024 HIGHLIGHT THAT INTESA SANPAOLO IS ABLE TO GENERATE SOLID SUSTAINABLE PROFITABILITY, WITH NET INCOME OF €4.8 BILLION AND EXPECTED TO EXCEED €8.5 BILLION IN FULL-YEAR 2024.

SIGNIFICANT CASH RETURN TO SHAREHOLDERS: €3.3 BILLION OF DIVIDENDS ACCRUED IN H1 2024 (IN ADDITION TO THE BUYBACK OF €1.7 BILLION LAUNCHED IN JUNE 2024).

THE SOLID PERFORMANCE OF INCOME STATEMENT AND BALANCE SHEET IN THE FIRST HALF OF THE YEAR TRANSLATED INTO SIGNIFICANT VALUE CREATION FOR ALL THE STAKEHOLDERS, NOT ONLY FOR THE SHAREHOLDERS, WHICH IS ALSO GROUNDED IN THE GROUP'S STRONG ESG COMMITMENT. SPECIFICALLY, €3.1 BILLION TAXES WERE GENERATED (UP BY €0.5 BILLION ON H1 2023 DUE TO GROWTH IN NET INTEREST INCOME), THE FOOD AND SHELTER PROGRAMME FOR PEOPLE IN NEED WAS EXPANDED (OVER 41.8 MILLION INTERVENTIONS IN THE PERIOD 2022 - H1 2024), INITIATIVES WERE ENHANCED TO FIGHT INEQUALITIES AND FOSTER FINANCIAL, SOCIAL, EDUCATIONAL AND CULTURAL INCLUSION (€17.2 BILLION OF SOCIAL LENDING AND URBAN REGENERATION IN THE PERIOD 2022 - H1 2024), AROUND €1.5 BILLION TO BE CONTRIBUTED IN 2023-2027 TO ADDRESS SOCIAL NEEDS (AROUND €0.5 BILLION OF WHICH ALREADY CONTRIBUTED IN 2023 - H1 2024).

INTESA SANPAOLO CONTINUES TO OPERATE AS A GROWTH ACCELERATOR IN THE REAL ECONOMY IN ITALY: IN H1 2024, MEDIUM/LONG-TERM NEW LENDING GRANTED BY THE GROUP TO ITALIAN HOUSEHOLDS AND BUSINESSES AMOUNTED TO AROUND €20 BILLION. IN H1 2024, THE GROUP FACILITATED THE RETURN TO PERFORMING STATUS OF AROUND 1,500 COMPANIES, THUS SAFEGUARDING AROUND 7,300 JOBS. THIS BROUGHT THE TOTAL TO AROUND 142,000 COMPANIES SINCE 2014, WITH AROUND 711,000 JOBS SAFEGUARDED OVER THE SAME PERIOD.

INTESA SANPAOLO IS FULLY EQUIPPED TO CONTINUE SUCCEEDING IN THE FUTURE THANKS TO:
- **THE GROUP'S KEY STRENGTHS, NOTABLY: RESILIENT PROFITABILITY, A SOLID CAPITAL POSITION, THE ZERO-NPL BANK STATUS, SIGNIFICANT INVESTMENT IN TECHNOLOGY AND HIGH FLEXIBILITY IN MANAGING OPERATING COSTS;**
- **ITS LEADERSHIP IN WEALTH MANAGEMENT, PROTECTION & ADVISORY WITH AROUND €100 BILLION IN CUSTOMER FINANCIAL ASSETS IDENTIFIED TO FUEL GROWTH IN ASSETS UNDER MANAGEMENT FACILITATED BY DECLINING INTEREST RATES.**

THE CAPITAL POSITION AS AT 30 JUNE 2024 WAS SOLID AND WELL ABOVE REGULATORY REQUIREMENTS: THE COMMON EQUITY TIER 1 RATIO WAS 13.5% AFTER DEDUCTING FROM CAPITAL THE DIVIDENDS ACCRUED IN H1 2024 AND THE BUYBACK LAUNCHED IN JUNE 2024, NOT CONSIDERING A BENEFIT OF AROUND 120 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs), OF WHICH AROUND 25 BASIS POINTS WITHIN THE Q3 2024 - 2025 HORIZON.

GROSS INCOME WAS UP 14.7% AND OPERATING MARGIN WAS UP 16.6% ON H1 2023, WITH OPERATING INCOME UP 9.6% (NET INTEREST INCOME +16.2%, NET FEE AND COMMISSION INCOME +6.9%, INCOME FROM INSURANCE BUSINESS +5.5%) AND OPERATING COSTS DOWN 0.1%.

CREDIT QUALITY:
- **NPL RATIO WAS 1.1% NET AND 2.2% GROSS, RESPECTIVELY 1% AND 1.9% ACCORDING TO THE EBA METHODOLOGY;**
- **ANNUALISED COST OF RISK IN H1 2024 STOOD AT 26 BASIS POINTS.**

- **NET INCOME OF €4,766M IN H1 2024, UP 12.9% COMPARED WITH €4,222M IN H1 2023**
- **GROSS INCOME UP 14.7% ON H1 2023**
- **OPERATING MARGIN UP 16.6% ON H1 2023**
- **OPERATING INCOME UP 9.6% ON H1 2023 (NET INTEREST INCOME +16.2%, NET FEE AND COMMISSION INCOME +6.9%, INCOME FROM INSURANCE BUSINESS +5.5%)**
- **OPERATING COSTS DOWN 0.1% ON H1 2023**
- **CREDIT QUALITY:**
  - **NPL RATIO OF 1.1% NET AND 2.2% GROSS, RESPECTIVELY 1% AND 1.9% ACCORDING TO THE EBA METHODOLOGY**
  - **ANNUALISED COST OF RISK IN H1 2024 AT 26 BASIS POINTS**
- **A SOLID CAPITAL POSITION, WELL ABOVE REGULATORY REQUIREMENTS:**
  - **COMMON EQUITY TIER 1 RATIO AT 13.5% (°), AFTER DEDUCTING FROM CAPITAL (°°) €3.3BN OF DIVIDENDS ACCRUED IN H1 2024 AND €1.7BN OF BUYBACK LAUNCHED IN JUNE 2024, NOT CONSIDERING THE BENEFIT OF AROUND 120 BASIS POINTS DERIVING FROM THE ABSORPTION OF DEFERRED TAX ASSETS (DTAs) OF WHICH AROUND 25 WITHIN THE Q3 2024 - 2025 HORIZON**

(°) Estimated pro-forma Common Equity Tier 1 ratio of 14.9%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the H1 2024 net income of insurance companies.

(°°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

HIGHLIGHTS:

OPERATING INCOME:	Q2 2024	+1.8%	TO €6,856M FROM €6,732M IN Q1 2024
	H1 2024	+9.6%	TO €13,588M FROM €12,398M IN H1 2023
OPERATING COSTS:	Q2 2024	+2.6%	TO €2,637M FROM €2,570M IN Q1 2024
	H1 2024	-0.1%	TO €5,207M FROM €5,211M IN H1 2023
OPERATING MARGIN:	Q2 2024	+1.4%	TO €4,219M FROM €4,162M IN Q1 2024
	H1 2024	+16.6%	TO €8,381M FROM €7,187M IN H1 2023
GROSS INCOME:	Q2 2024	€3,807M	FROM €3,930M IN Q1 2024
	H1 2024	€7,737M	FROM €6,744M IN H1 2023
NET INCOME:	Q2 2024	€2,465M	FROM €2,301M IN Q1 2024
	H1 2024	€4,766M	FROM €4,222M IN H1 2023

CAPITAL RATIOS: COMMON EQUITY TIER 1 RATIO AT 13.5% (°) AFTER DEDUCTING DIVIDENDS ACCRUED IN H1 2024 (°°) AND THE BUYBACK LAUNCHED IN JUNE 2024

(°) Estimated pro-forma Common Equity Tier 1 ratio of 14.9%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the H1 2024 net income of insurance companies.

(°°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

Turin - Milan, 30 July 2024 – At its meeting today, the Board of Directors of Intesa Sanpaolo approved the consolidated half-yearly report as at 30 June 2024 (*).

The results for the first half of 2024 highlight that the Intesa Sanpaolo Group is able to generate solid sustainable profitability, with net income of €4.8bn and expected to exceed €8.5bn in full-year 2024.

The solid performance of income statement and balance sheet in the first half of the year translated into significant value creation for all stakeholders, which is also grounded in the Group's strong ESG commitment. Specifically:
- **significant cash return to shareholders: €3.3bn of dividends accrued in H1 2024 (in addition to the buyback of €1.7bn launched in June 2024)**;
- **€3.1bn taxes** (°) generated and **increased by €0.5bn on H1 2023** (°°) as a consequence of the growth in net interest income which drove the increase of €1bn in gross income;
- **expansion of the food and shelter programme for people in need** (over **41.8 million interventions** in the period 2022 - H1 2024);
- **enhancement of initiatives to fight inequalities and foster financial, social, educational and cultural inclusion** (**€17.2bn of social lending and urban regeneration** in the period 2022 - H1 2024);
- an **amount equal to around €1.5bn** total costs **to be contributed in the five-year period 2023-2027 to support initiatives addressing social needs** (**around €0.5bn already included in the results for 2023 and H1 2024** and the remaining portion included, on a pro-rata basis, in the outlook for net income for full-year 2024 and for 2025), with around **1,000 people devoted to supporting these initiatives**.

Intesa Sanpaolo is fully equipped to continue operating successfully in the future thanks to:
- **the Group's key strengths**, notably resilient profitability, a solid capital position, the zero-NPL bank status, significant investment in technology and high flexibility in managing operating costs;
- **its leadership in Wealth Management, Protection & Advisory with around €100bn in customer financial assets identified** (^) **to fuel growth**.

(*) Methodological note on the scope of consolidation on page 25.
(°) Direct and indirect taxes.
(°°) Entirely in direct taxes.
(^) Out of direct deposits and assets held under administration.

Factors to succeed include:

- as regards **technology**, generating **additional contribution to 2025 gross income of around €500m not envisaged in the 2022-2025 Business Plan** (*):
  - **new cloud-native technological platform (isytech)**, already available to mass market retail customers with the new digital bank, Isybank, and to be progressively extended to the entire Group: **€3.2bn in IT investments already deployed and around 2,100 IT specialists already hired**, with an **additional contribution to 2025 gross income of around €150m** not envisaged in the Business Plan;
  - **new digital channels**:
    - **Isybank**, **the Group's digital bank** with a **lower-than-30% cost/income** business model and around **one million new customers by 2025 - with an additional contribution to gross income of around €200m by 2025 -** not envisaged in the Business Plan: **over 100,000 new** non-Intesa Sanpaolo **customers already acquired** and around 350,000 Intesa Sanpaolo customers already migrated;
    - **Fideuram Direct**, **the digital Wealth Management platform for Private Banking**, with around **150,000 customers in 2025 (around 20% of the current customer base of Fideuram)**: **already around 74,000 customers and over €2.75bn in customer financial assets** as at 30 June 2024;
  - **artificial intelligence**, with around **150 Apps and 300 specialists in 2025** (already 80 Apps and around 170 specialists as at 30 June 2024) and an **additional contribution to 2025 gross income of** around **€100m** not envisaged in the Business Plan, **not including potential upside** from the adoption of **Generative AI** solutions;
- as regards **the leadership in Wealth Management, Protection & Advisory**:
  - **top-notch digital tools, distinctive advisory networks with over 16,000 people dedicated**(°)**, fully owned product factories (asset management and insurance) and over €1,350bn in the Group's customer financial assets empower Intesa Sanpaolo with a unique set of enablers for revenue growth from Wealth Management, Protection & Advisory**;
  - **customer financial assets, managed through the 360-degree advisory services provided by the Banca dei Territori Division and the Private Banking Division, amounted to €128bn as at 30 June 2024, increasing by €23bn compared with 30 June 2023**;
  - in the first quarter of 2024, **a Wealth Management Divisions structure** was **established**, to which the pre-existing Private Banking, Asset Management and Insurance divisions report, **providing a single unit overseeing the wealth management activities, with the aim of accelerating growth and increasing the integration of product factories**;
  - furthermore, in the first quarter of 2024, **a "Fees & Commissions" Steering Committee** was **established, chaired directly by the Managing Director and CEO, focused on monitoring, overseeing and coordinating strategies to increase revenues from commissions across all the Group's Divisions**.

(*) Additional contribution to 2025 gross income from isytech, Isybank, Fideuram Direct and Artificial Intelligence, which offsets the impact from higher inflation and the renewal of the labour contract.

(°) Digital branch relationship managers, relationship managers for Exclusive and Affluent customers, private bankers and financial advisors.

The implementation of the Plan is proceeding at full speed. Specifically:

- **massive de-risking, slashing cost of risk**:
  - massive deleveraging, with a €5.6bn gross NPL stock reduction in 2022 - H1 2024, reducing the net NPL ratio to 1% [(°)];
  - the Balance Sheet Optimisation unit continued expanding the credit risk hedging schemes to optimise capital absorption. In Q2 2024, three new synthetic securitisations were completed for a total amount of €4.6bn. At end of June 2024, the outstanding securitised portfolio of synthetic securitisations included in the GARC Program (Active Credit Risk Management) was equal to around €26bn;
  - capital efficiency initiatives further strengthened and scope of credit strategy to ESG criteria extended, shifting over €18bn of new lending in 2023 and €7.8bn in the first half of 2024 to more sustainable economic sectors with the best risk/return profile;
- **structural cost reduction enabled by technology**:
  - isytech operational with around 470 dedicated specialists;
  - insourcing of core capabilities in IT ongoing with around 2,100 people already hired;
  - 839 branches closed since Q4 2021 in light of the launch of the new Digital Bank;
  - digital platform for analytical cost management up and running, with 42 efficiency initiatives already identified;
  - rationalisation of real estate in Italy in progress, with a reduction of around 500,000 square metres since Q4 2021;
  - around 5,400 voluntary exits since 2022;
  - digitalisation projects related to Artificial Intelligence and Digital Ledger Technology launched at Eurizon;
  - the Intesa Sanpaolo Mobile App recognised by Forrester as the “Global Mobile Banking Apps Leader” and “Global Digital Experience Leader” for the second consecutive year, ranking first worldwide among all banking apps evaluated;
- **growth in commissions, driven by Wealth Management, Protection & Advisory**:
  - enhancement of the product offering (new asset management and insurance products) and further growth of the advanced advisory service “Valore Insieme” for Affluent and Exclusive customers: around 58,000 new contracts and €18.4bn in customer financial asset inflows in 2023, around 37,000 new contracts and €10bn in customer financial asset inflows in the first half of 2024;
  - Intesa Sanpaolo was the first bank in Italy to offer Nexi SoftPOS in 2023, a solution allowing contactless digital payments from smartphones/tablets without a card payment machine (POS terminal);
  - “Soluzione Domani”, the commercial offer dedicated to Senior customers (over 65 years old and caregivers), was enriched through the launch of the Senior Hub (“SpazioxNoi”), an initiative which, in the first phase, envisages the opening of a multi-service centre dedicated to active aging, well-being and social aggregation;
  - since 1 January 2024, InSalute Servizi has been the TPA (Third Party Administrator) of the Intesa Sanpaolo Group Health Fund and – managing also all the Banca dei Territori Division customers with Intesa Sanpaolo RBM Salute health insurance policies – ranks fourth as TPA in Italy with over 1.5 million reimbursement claims per year;

(°) According to the EBA methodology.

- an ESG value proposition initiative was launched for the corporate and SME segments of the Group's banks in Slovakia, Hungary, Croatia, Serbia and Egypt. Priority sectors have been identified for which a commercial strategy is being defined, with the aim of improving the ESG offer in markets where the International Subsidiary Banks Division operates. As part of the S-Loan offer, a project for the creation of a financing (multi-country) product dedicated to the achievement of green objectives is in the final stage;
- in October 2023, a contract was signed for the acquisition of 99.98% of First Bank, a Romanian commercial bank focused on SME and retail customers; the acquisition, finalised at the end of May 2024, has strengthened Intesa Sanpaolo Group's presence in Romania and offers new opportunities to Italian corporates;

- **significant ESG commitment, with a world-class position in social impact and a strong focus on climate** and reinforcement of the ESG governance with:
  - the Risks Committee which in April 2022 became the Risks Sustainability Committee with enhanced ESG responsibilities;
  - the appointment, in April 2024, of a **Chief Sustainability Officer** to head a governance area created to consolidate ESG activities and enhance ESG business steering, with a strong commitment to social matters and the fight against inequalities, a continuous support for culture and a significant contribution to sustainability through innovation projects and investment in startups:
  - □ **unparalleled support to address social needs**:
    - **expanding food and shelter programme for people in need** to counter poverty by providing concrete aid throughout the Italian territory and abroad, with over **41.8 million interventions** carried out in the period 2022 - H1 2024, providing around 34.5 million meals, over 3.5 million beds, over 3.3 million medicine prescriptions and over 490,000 items of clothing;
    - **employability**: "**Giovani e Lavoro**" programme aimed at **training and introducing over 3,000 young people to the Italian labour market** over the 2022-2025 Business Plan horizon: in H1 2024, over 8,000 students aged between 18 and 29 applied for the programme, over 1,400 students were interviewed and over 600 trained/in training through 25 courses (over 4,500 trained/in training since 2019) and over 2,430 companies involved since its inception in 2019;
    - **inequalities and educational inclusion**: **educational inclusion** programme, with **partnerships strengthened with the main Italian universities and schools**. In H1 2024, over 450 schools and around 14,000 students were involved to promote educational inclusion, supporting merit and social mobility (around 2,700 schools involved in the period 2022 - H1 2024);
    - **social housing**: the Group's ongoing initiatives in terms of promoting housing units have been enhanced, also identifying some new partnerships with leading operators in the sector, to achieve the Business Plan targets (promotion of 6-8 thousand units of social housing and student bed places);
    - an **amount equal to around €1.5bn** total costs **expected to be contributed in the five-year period 2023-2027 to support initiatives addressing social needs** (**around €0.5bn already included in the 2023 - H1 2024 results** and the remaining portion included, on a pro-rata basis, in the outlook for 2024-2025 net income), of which around **€1bn from sums allocated to the initiatives** and around €500m from the structure costs of around **1,000 people devoted to supporting these initiatives**;
    - an **organisational unit** set up, **named** "**Intesa Sanpaolo for Social Impact**" and based in Brescia with steering function in the Group's social impact activities, to strengthen the bank's social impact strategy for the country, the territory and the communities;

- **strong focus on financial inclusion**:
  - **€2.5bn in social lending and urban regeneration** disbursed in H1 2024 (€17.2bn in the period 2022 - H1 2024);
- **continuous commitment to culture**:
  - **Gallerie d'Italia**, the four venues of Intesa Sanpaolo's museum in Milan, Naples, Turin and Vicenza, across a total of 30,000 square metres, welcomed over **385,000 visitors** in H1 2024, reaching a total of around 1.6 million since 2022 (free admission for people up to the age of 18);
- **promoting innovation**:
  - **innovation projects: 123 innovation projects released by Intesa Sanpaolo Innovation Center** in H1 2024 for a total of 528 since 2022;
  - **Neva SGR**: over **€22m investments in start-ups** in H1 2024 for a total amount of over €105m since 2022;
- **accelerating on commitment to net-zero emissions**:
  - following the Group's participation in the **NetZero Banking Alliance (NZBA)**, the **Net Zero Asset Managers Initiative (NZAMI)**, the **Net Zero Asset Owner Alliance (NZAOA)** and the **Forum for Insurance Transition to Net Zero (FIT)**:
    - interim 2030 targets set for four high-emitting sectors (Oil & Gas, Power Generation, Automotive and Coal Mining) were published in the 2022-2025 Business Plan; in 2023, targets were set for two additional sectors (Iron & Steel and Commercial Real Estate) and targets for Power Generation and Automotive were revised in line with the value chain and scope chosen for the SBTi submission. In 2023, absolute financed emissions for the aforementioned six NZBA sectors showed a reduction of over 22% versus 2022.
    - documentation for validation submitted in March 2024 to obtain the SBTi;
  - **100% of the energy acquired in Italy deriving from renewable sources**;
- **supporting customers through the ESG/climate transition**:
  - **around €59bn disbursed** in the period 2021 - H1 2024, out of the €76bn in new lending available **for the green economy, circular economy and green transition** (°);
  - around **€1.8bn of Green Mortgages** in H1 2024 (€6.7bn in the period 2022 - H1 2024), out of the €12bn of new Green lending to individuals over the 2022-2025 Business Plan;
  - **€8bn circular economy credit facility** announced in the 2022-2025 Business Plan: **€1.3bn disbursed** in H1 2024 (around €10bn in the period 2022 - H1 2024);
  - **15 ESG Laboratories** activated (in Venice, Padua, Brescia, Bergamo, Cuneo, Bari-Taranto, Rome, Naples-Palermo, Milan, Turin, Florence, Macerata and Chieti), physical and virtual meeting points to support SMEs in approaching sustainability, and evolution of advisory services offered by partners (e.g. Circularity, Nativa, CE Lab and others);
  - in 2024, the **S-Loan** product range dedicated to SMEs to finance projects aimed at improving their sustainability profile has been redesigned from six to three lines (S-Loan ESG, S-Loan CER and S-Loan Diversity): €0.7bn disbursed in H1 2024 (around €5.9bn since the launch in July 2020);
  - enhancement of **ESG investment products** for asset management, with penetration increasing to 76.4% of total assets under management for Eurizon; investment options (articles 8 and 9 of SFDR) underlying the insurance products available to customers equal to 81%;

(°) For 2021-2026, including new lending for the transition in relation to the National Recovery and Resilience Plan.

- strong commitment to Stewardship activities: in H1 2024, Eurizon Capital SGR took part in 1,248 shareholders' meetings (issuers listed abroad accounted for 91%) and 530 engagements (of which 37% on ESG issues) and Fideuram took part in 45 shareholders' meetings and 88 engagements (of which 80% on ESG issues).
- **14 green and social bonds for a total amount of €9.8bn issued** in the period 2022 - H1 2024.

Intesa Sanpaolo is the **only Italian bank listed in the Dow Jones Sustainability Indices**, ranks **first bank in Europe and second worldwide in the 2024 Corporate Knights "Global 100 Most Sustainable Corporations in the World Index"** and **first among the banks of the peer group by Sustainalytics**. Furthermore, Intesa Sanpaolo:

- has been **included for the sixth consecutive year in the Bloomberg Gender-Equality Index 2023**, **obtaining a score well above the average** of the global financial sector and of Italian companies;
- has been recognized **in the Refinitiv Global Diversity and Inclusion Index 2023** as the **first bank in Europe, and the only one in Italy** among the **top 100 companies for diversity and inclusion**;
- has ranked **first in the global ESG Corporate Award ranking**, in the Best Company for Diversity Equity & Inclusion category, among large cap companies;
- has been the **first major Italian banking group to obtain the certification for gender parity "Prassi di Riferimento (PDR) 125:2022"** envisaged by the National Recovery and Resilience Plan, thanks to its commitment to diversity and inclusion;
- has been the first bank in Italy and among the first banks in Europe to obtain **the Gender Equality European & International Standard (GEEIS) - Diversity** certification;

- **Group's people are its most important asset**:
  - around 3,850 professionals hired since 2021;
  - around 5,350 people reskilled and around 31.3 million training hours delivered since 2022;
  - around 270 talented people have already completed their development path as part of the International Talent Program, which is still ongoing for around other 220 people;
  - around 470 key people selected mostly among middle management for dedicated development and training initiatives;
  - monitoring of the diversity, equity & inclusion targets implemented for each Division and Governance Area; collaboration strengthened with ISPROUD, the first employee-based community within the Group (currently over 1,500 LGBTQ+ people and allies); cooperation started with the new community "ARTICOLO19" on disability topics;
  - Intesa Sanpaolo People satisfaction index continues to grow and has reached its highest level of the past 10 years (84% in 2023 vs 79% in 2021 and 66% in 2013);
  - Intesa Sanpaolo has been recognised as Top Employer 2024 for the third consecutive year by Top Employers Institute, has received the Best Talent Acquisition Team prize in the 2023 LinkedIn Talent Awards, and ranks first in the LinkedIn Top Companies 2024 which has recognised Intesa Sanpaolo as the top company in Italy for career development and professional growth.

In the first half of 2024, the Group recorded:

- **growth in net income of 12.9% to €4,766m** from €4,222m in H1 2023;
- **growth in gross income** of 14.7% to €7,737m from €6,744m in H1 2023;
- **growth in operating margin** of 16.6% on H1 2023;
- **growth in operating income** of 9.6% on H1 2023 (net interest income +16.2%, net fee and commission income +6.9%, income from insurance business +5.5%);
- **operating costs** down 0.1% on H1 2023;
- **high level of efficiency**, with a **cost/income of 38.3%**, **a level among the best in the top tier European banks**;
- annualised **cost of risk** at **26bps,** with **overlays equal to €0.9bn**;
- **credit quality** (°):
  - **NPL ratio** (°°) at end of June 2024 was **1.1% net** and 2.2% gross. According to the **EBA methodology**, the **NPL ratio** was **1% net** and 1.9% gross;
  - the exposure to **Russia** (^) was further reduced: down by around 86% (over €3.1bn) on end of June 2022 to 0.1% of the Group's total customer loans. Cross-border loans to Russia were largely performing and classified in Stage 2;
- **sizeable NPL coverage**:
  - **NPL cash coverage ratio of 50.7%** at end of June 2024, **with a cash coverage ratio of 70.8% for the bad loan component**;
  - **robust reserve buffer on performing loans**, amounting to 0.6% at end of June 2024;

(°) No material payment suspension at the end of June 2024. The amount of loans backed by a state guarantee was €19.7bn (€2.9bn from SACE and €16.8bn from SME Fund).

(°°) NPLs at the end of June 2024 did not include portfolios classified as ready to be sold, accounted under non-current assets held for sale and discontinued operations, which amounted to around €0.9bn gross and around €0.5bn net.

(^) On-balance credit exposure to customers, both cross-border and at the Russian subsidiary Banca Intesa, net of guarantees by Export Credit Agencies and after adjustments. As at 30 June 2024, after adjustments, the on-balance cross-border credit exposure to Russia amounted to €0.44bn of which €0.43bn to customers, net of €0.8bn guarantees by Export Credit Agencies (no off-balance to customers and off-balance of €0.07bn to banks, net of €0.3bn guarantees by ECA) and the on-balance credit exposure of the subsidiaries amounted to €0.89bn, of which €0.10bn to customers, for Banca Intesa in Russia and €0.06bn, to banks, for Pravex Bank in Ukraine (off-balance, to customers, of €0.04bn for the Russian subsidiary and €0.03bn for the Ukrainian subsidiary). The credit exposure to Russian counterparties currently included in the SDN lists of names to which sanctions apply amounted to €0.24bn.

- **<u>very solid capital position</u>**, with capital ratios well above regulatory requirements. As at 30 June 2024, after deducting from capital (°) €3.3bn of dividends accrued in H1 2024 and €1.7bn of buyback launched in June 2024, the **Common Equity Tier 1 ratio came in at 13.5%** (°°)**, not considering the benefit of around 120bps from the DTA absorption, of which around 25bps within the Q3 2024 - 2025 horizon**. This compares with a SREP requirement for 2024, comprising Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer (*), equal to 9.35% (**).

- **<u>strong liquidity position and funding capability</u>**, with **liquid assets of €280bn** and **high available unencumbered liquid assets of €210bn at end of June 2024. Regulatory requirements for the Liquidity Coverage Ratio (at 163%** (^)**) and the Net Stable Funding Ratio (at 124%) have been comfortably complied with**;

- **<u>Minimum Requirement for own funds and Eligible Liabilities (MREL) comfortably complied with</u>**: at end of June 2024 (#), calculated on risk-weighted assets, the **total MREL ratio was 41.1% and the subordination component was 22.8%**, **compared with requirements of 25.7% and 18%, respectively, comprising a Combined Buffer Requirement of 4%**;

- **<u>support provided to the real economy</u>**, with around **€31bn of medium/long-term new lending** in H1 2024. **Loans** amounting to around **€20bn were granted in Italy**, of which around **€18bn was granted to households and SMEs**. **In H1 2024**, the Group facilitated the return from non-performing **to performing status** of around **1,500 Italian companies thus safeguarding around 7,300 jobs**. This brought the total to around **142,000 companies since 2014**, **thus safeguarding around 711,000 jobs over the same period**.

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

(°°) Estimated pro-forma Common Equity Tier 1 ratio of 14.9%, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs related to the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on H1 2024 the net income of insurance companies.

(*) Countercyclical Capital Buffer calculated taking into account the exposure as at 30 June 2024 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for the first nine months of 2024).

(**) Applying the regulatory change introduced by the ECB with effect from 12 March 2020, which establishes that the capital instruments not qualifying as Common Equity Tier 1 may be partially used to meet the Pillar 2 requirement.

(^) Average for the last twelve months.

(#) Preliminary management figures.

The income statement for the second quarter of 2024

The consolidated income statement for Q2 2024 recorded **net interest income** of €4,013m, up 2.1% from €3,932m in Q1 2024 and up 12% from €3,584m in Q2 2023.

Net fee and commission income amounted to €2,381m, up 4.8% from €2,272m in Q1 2024. Specifically, commissions on commercial banking activities recorded a 5.8% increase and commissions on management, dealing and consultancy activities recorded a 2.5% increase. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 6.9% decrease in dealing and placement of securities, a 2.9% increase in portfolio management (performance fees of €12m in Q2 2024 and €10m in Q1 2024) and a 6.9% increase in distribution of insurance products. Net fee and commission income for Q2 2024 was up 7.4% from €2,216m in Q2 2023. Specifically, commissions on commercial banking activities were up 2.7% and those on management, dealing and consultancy activities were up 10.6%. The latter recorded a 46.1% increase in dealing and placement of securities, a 5.5% increase in portfolio management (no performance fees in Q2 2023) and a 0.5% decrease in distribution of insurance products.

Income from insurance business amounted to €448m compared with €455m in Q1 2024 and €459m in Q2 2023.

Profits on financial assets and liabilities at fair value amounted to €18m, compared with €79m in Q1 2024. Contributions from customers increased to €76m from €70m, those from capital markets recorded a reduced negative balance of €77m from €145m, those from trading and treasury decreased to €17m from €148m, and those from structured credit products decreased to €2m from €6m. Profits of €18m for Q2 2024 are compared with profits of €75m in Q2 2023 when contributions from customers amounted to €80m, those from capital markets were negative for €68m, those from trading and treasury amounted to €63m and those from structured credit products were nil.

Operating income amounted to €6,856m, up 1.8% from €6,732m in Q1 2024 and up 8.1% from €6,341m in Q2 2023.

Operating costs amounted to €2,637m, up 2.6% from €2,570m in Q1 2024, due to increases of 1% in personnel expenses and 15.1% in administrative expenses and a decrease of 12.1% in adjustments. Operating costs for Q2 2024 were down 1.4% from €2,675m in Q2 2023, due to decreases of 1% in personnel expenses, 1.9% in adjustments and 2.2% in administrative expenses.

As a result, **operating margin** amounted to €4,219m, up 1.4% from €4,162m in Q1 2024 and up 15.1% from €3,666m in Q2 2023. The cost/income was 38.5% in Q2 2024 versus 38.2% in Q1 2024 and 42.2% in Q2 2023.

Net adjustments to loans amounted to €318m (including recoveries of €22m relating to the exposure to Russia and Ukraine), compared with €236m in Q1 2024 (including recoveries of €5m relating to the exposure to Russia and Ukraine) and €367m in Q2 2023 (including recoveries of €115m relating to the exposure to Russia and Ukraine).

Net provisions and net impairment losses on other assets amounted to €125m (including €61m for the exposure to Russia and Ukraine), compared with €53m in Q1 2024 (including €34m for the exposure to Russia and Ukraine) and €121m in Q2 2023 (including €20m for the exposure to Russia and Ukraine).

Other income amounted to €31m, compared with €57m in Q1 2024 and €203m in Q2 2023 (including a capital gain of €157m deriving from the sale of the stake held in Zhong Ou Asset Management).

Income (Loss) from discontinued operations was nil, the same as in Q1 2024 and Q2 2023.

Gross income amounted to €3,807m, compared with €3,930m in Q1 2024 and €3,381m in Q2 2023.

Consolidated net income amounted to €2,465m, after recording:

- taxes on income of €1,232m;
- charges (net of tax) for integration and exit incentives of €46m;
- negative effect of purchase price allocation (net of tax) of €25m;
- levies and other charges concerning the banking and insurance industry (net of tax) of €36m, deriving from the following pre-tax figures: recoveries of €1m in relation to the resolution fund and €7m in relation to the Italian deposit guarantee scheme, charges of €7m in relation to levies incurred by international subsidiaries and €41m in relation to the life insurance guarantee fund, and negative fair value differences of €11m regarding the *Atlante* fund. In Q1 2024, this caption amounted to €257m, deriving from pre-tax charges of €3m in relation to the resolution fund, €356m in relation to contributions to the Italian deposit guarantee scheme, of €1m in relation to contributions to the deposit guarantee scheme concerning the international network, €6m in relation to levies incurred by international subsidiaries and €15m in relation to negative fair value differences regarding the *Atlante* fund. In Q2 2023, this caption amounted to €11m, deriving from the following pre-tax figures: recoveries of €7m in relation to the resolution fund, charges of €6m in relation to contributions to the deposit guarantee scheme concerning the international network and €6m in relation to levies incurred by international subsidiaries, and negative fair value differences of €9m regarding the *Atlante* fund.
- minority interests of €3m.

Net income of €2,465m in Q2 2024 is compared with €2,301m in Q1 2024 and €2,266m in Q2 2023.

The income statement for the first half of 2024

The consolidated income statement for H1 2024 recorded **net interest income** of €7,945m, up 16.2% from €6,838m in H1 2023.

Net fee and commission income amounted to €4,653m, up 6.9% from €4,353m in H1 2023. Specifically, commissions on commercial banking activities were up 2.3% and commissions on management, dealing and consultancy activities were up 9.6%. The latter, which include portfolio management, distribution of insurance products, dealing and placement of securities, etc., recorded a 38.3% increase in dealing and placement of securities and a 6.2% increase in portfolio management (performance fees contributed €22m in H1 2024 and zero in H1 2023) and a 2.9% decrease in distribution of insurance products.

Income from insurance business amounted to €903m, up 5.5% from €856m in H1 2023.

Profits on financial assets and liabilities at fair value amounted to €97m, compared with €337m in H1 2023. Contributions from customers decreased to €146m from €169m, those from capital markets recorded a widened negative balance of €222m from €3m, those from trading and treasury decreased to €165m from €170m and those from structured credit products increased to €8m from €1m.

Operating income amounted to €13,588m, up 9.6% from €12,398m in H1 2023.

Operating costs amounted to €5,207m, down 0.1% from €5,211m in H1 2023, due to a decrease of 2.5% in administrative expenses and increases of 0.5% in personnel expenses and 2.5% in adjustments.

As a result, **operating margin** amounted to €8,381m, up 16.6% from €7,187m in H1 2023. The cost/income was 38.3% in H1 2024 versus 42% in H1 2023.

Net adjustments to loans amounted to €554m (including recoveries of €27m relating to the exposure to Russia and Ukraine), compared with €556m in H1 2023 (including recoveries of €167m for the exposure to Russia and Ukraine).

Net provisions and net impairment losses on other assets amounted to €178m (including €95m for the exposure to Russia and Ukraine), compared with €191m in H1 2023 (including €39m for the exposure to Russia and Ukraine).

Other income amounted to €88m compared with €304m in H1 2023 (including capital gains of €157m deriving from the sale of the stake held in Zhong Ou Asset Management and €116m deriving from the sale of the acquiring business in Croatia).

Income (Loss) from discontinued operations was nil, the same as in H1 2023.

Gross income amounted to €7,737m, compared with €6,744m in H1 2023.

Consolidated net income amounted to €4,766m, after recording:
- taxes on income of €2,510m;
- charges (net of tax) for integration and exit incentives of €102m;
- negative effect of purchase price allocation (net of tax) of €54m;
- levies and other charges concerning the banking and insurance industry (net of tax) of €293m, deriving from pre-tax charges of €2m in relation to the resolution fund, €349m in relation to contributions to the Italian deposit guarantee scheme, €1m in relation to contributions to the deposit guarantee scheme concerning the international network, €13m in relation to levies incurred by international subsidiaries, €41m in relation to the life insurance guarantee fund and €26m in relation to negative fair value differences regarding the *Atlante* fund. In H1 2023, this caption amounted to €239m, deriving from pre-tax charges of €323m in relation to the contribution to the resolution fund, €8m in relation to contributions to the deposit guarantee scheme concerning the

international network, €12m in relation to levies incurred by international subsidiaries and €1m in relation to negative fair value differences regarding the *Atlante* fund;

- minority interests of €12m.

Net income of €4,766m n H1 2024 is compared with €4,222m in H1 2023.

Balance sheet as at 30 June 2024

With regard to the consolidated balance sheet figures, as at 30 June 2024 **loans to customers** amounted to €422bn, down 1.9% on year-end 2023 and down 3.7% on 30 June 2023 (practically unchanged versus Q1 2024 and down 2.8% on H1 2023 when taking into account quarterly and half-yearly average volumes [*]). Total **non-performing loans** (bad, unlikely-to-pay, and past due) amounted - net of adjustments - to €4,758m, down 4.5% compared with €4,980m at year-end 2023. In detail, bad loans amounted to €1,045m compared with €940m at year-end 2023, with a bad loan to total loan ratio of 0.2% (0.2% at year-end 2023 as well), and a cash coverage ratio of 70.8% (72.4% at year-end 2023). Unlikely-to-pay loans amounted to €3,312m from €3,575m at year-end 2023. Past due loans amounted to €401m from €465m at year-end 2023.

Customer financial assets amounted to €1,353bn, up 3.7% on year-end 2023 and up 8.1% on 30 June 2023. Under customer financial assets, **direct deposits from banking business** amounted to €590bn, up 2.1% on year-end 2023 and up 6.1% on 30 June 2023. **Direct deposits from insurance business** amounted to €172bn, down 0.5% on year-end 2023 and down 1.3% on 30 June 2023. Indirect customer deposits amounted to €757bn, up 5.1% on year-end 2023 and up 9.5% on 30 June 2023. **Assets under management** amounted to €456bn, up 3.1% on year-end 2023 and up 4.5% on 30 June 2023; in H1 2024, the new business for life policies amounted to €8.4bn. Assets held under administration and in custody amounted to €301bn, up 8.3% on year-end 2023 and up 18% on 30 June 2023.

Capital ratios as at 30 June 2024, after deducting from capital [°] €3.3bn of dividends accrued in the first half of the year and €1.7bn of the buyback launched in June 2024, were as follows:

- Common Equity Tier 1 ratio at 13.5% (13.7% at year-end 2023, 13.2% pro-forma after deducting the buyback),
- Tier 1 ratio at 16.5% (16.3% at year-end 2023, 15.7% pro-forma after deducting the buyback),
- total capital ratio at 19.3% (19.2% at year-end 2023, 18.6% pro-forma after deducting the buyback).

* * *

(*) Excluding the loan to the banks in compulsory administrative liquidation (formerly Banca Popolare di Vicenza and Veneto Banca).

(°) Deducting from capital also the coupons accrued on the Additional Tier 1 issues.

As a result of the strategic decisions taken, **Intesa Sanpaolo** has maintained its position as **one of the most solid international banking Groups**. In addition to the asset quality and level of capital ratios commented on above, the Group has continued to build on its key strengths: **robust liquidity** and **low leverage**.

Specifically, with regard to the components of the Group's **liquidity**:
- the high level of available unencumbered liquid assets (including eligible assets with Central Banks received as collateral and excluding eligible assets currently used as collateral) amounted to €210bn at end of June 2024;
- the high level of liquid assets (comprising available unencumbered liquid assets, excluding eligible assets received as collateral, and eligible assets currently used as collateral) amounted to €280bn at end of June 2024;
- liquidity indicators well above regulatory requirements: Liquidity Coverage Ratio at 163% (°) and Net Stable Funding Ratio at 124%;
- the sources of funding were stable and well diversified, with retail funding representing 75% of direct deposits from banking business (including securities issued);
- medium/long-term wholesale funding was €5.2bn in H1 2024 and included benchmark transactions of senior preferred of €2bn and Additional Tier 1 of €1bn (around 83% was placed with foreign investors).

The **MREL ratio** as at 30 June 2024 (*), calculated on risk-weighted assets, was 41.1% for the total and 22.8% for the subordination component, compared with requirements of 25.7% and 18%, respectively, comprising a Combined Buffer Requirement of 4%.

The Group's **leverage ratio** as at 30 June 2024 (which includes exposures to the European Central Bank) was 5.9%, best in class among major European banking groups.

* * *

The Intesa Sanpaolo Group's **operating structure** as at 30 June 2024 had a total network of 4,291 branches, consisting of 3,325 branches in Italy and 966 abroad, and employed 93,832 people.

* * *

(°) Average for the last twelve months.
(*) Preliminary management figures.

Breakdown of results by Business Area

The **Banca dei Territori** Division includes:
- Retail customers (individuals and enterprises with less complex financial needs);
- Exclusive customers (individuals with more complex financial needs);
- Enterprise customers (enterprises with more complex financial needs, generally Small and Medium Enterprises);
- customers that are non-profit organisations.

The division includes Isybank, the digital bank subsidiary (which also operates in instant banking through Mooney, the partnership with the ENEL Group).

The Banca dei Territori Division recorded:

(millions of euro)	Q2 2024	Q1 2024	% changes
Operating income	2,949	2,941	0.3%
Operating costs	-1,544	-1,476	4.6%
Operating margin	1,405	1,465	-4.1%
cost/income	*52.4%*	*50.2%*	
Total net provisions and adjustments	-344	-266	
Gross income	1,077	1,198	
Net income	704	588	

(millions of euro)	H1 2024	H1 2023	% changes
Operating income	5,889	5,689	3.5%
contribution to the Group's operating income	*43%*	*46%*	
Operating costs	-3,020	-3,076	-1.8%
Operating margin	2,869	2,613	9.8%
cost/income	*51.3%*	*54.1%*	
Total net provisions and adjustments	-610	-672	
Gross income	2,276	1,941	
Net income	1,293	1,264	

The **IMI Corporate & Investment Banking** Division comprises:
- Client Coverage & Advisory, including Institutional Clients which manages the relationship with financial institutions and Global Corporate which manages the relationship with corporate customers with a turnover higher than €350m, grouped, in accordance with a sector-based model, in the following eight industries: Automotive & Industrials; Basic Materials & Healthcare; Food & Beverage and Distribution; Retail & Luxury; Infrastructure; Real Estate; Energy; Telecom, Media & Technology;
- Distribution Platforms & GTB, including Global Transaction Banking which manages transaction banking services and IMI CIB International Network which ensures the development of the Division and is responsible for foreign branches, representative offices and foreign subsidiaries carrying out corporate banking (Intesa Sanpaolo Bank Luxembourg, Intesa Sanpaolo Bank Ireland and Intesa Sanpaolo Brasil);
- Global Banking & Markets, which operates specifically in structured finance, primary markets and capital markets (equity and debt capital markets).

The Division also comprises the management of the Group’s proprietary trading.

The IMI Corporate & Investment Banking Division recorded:

(millions of euro)	Q2 2024	Q1 2024	% changes
Operating income	1,038	1,009	2.8%
Operating costs	-371	-348	6.6%
Operating margin	667	661	0.8%
cost/income	*35.7%*	*34.5%*	
Total net provisions and adjustments	-6	36	
Gross income	661	698	
Net income	447	468	

(millions of euro)	H1 2024	H1 2023	% changes
Operating income	2,047	1,916	6.8%
contribution to the Group's operating income	*15%*	*15%*	
Operating costs	-719	-686	4.8%
Operating margin	1,328	1,230	8.0%
cost/income	*35.1%*	*35.8%*	
Total net provisions and adjustments	30	16	
Gross income	1,358	1,246	
Net income	915	851	

The **International Subsidiary Banks** Division is responsible for operations on international markets through commercial banking subsidiaries and associates, and provides guidelines, coordination and support for the Group's subsidiaries. It is responsible for defining the Group's development strategy related to its direct presence abroad, including exploring and analysing new growth opportunities in markets where the Group already has a presence, as well as in new ones. This division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the IMI Corporate & Investment Banking Division's branches and offices abroad. The division operates through the South-Eastern Europe HUB, comprising Privredna Banka Zagreb in Croatia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina and Intesa Sanpaolo Bank in Slovenia, the Danube HUB (°), comprising VUB Banka in Slovakia and in the Czech Republic and Intesa Sanpaolo Bank Romania, and through Intesa Sanpaolo Bank Albania, CIB Bank in Hungary, Banca Intesa Beograd in Serbia, Bank of Alexandria in Egypt, Pravex Bank in Ukraine and Eximbank in Moldova.

The International Subsidiary Banks Division recorded:

(millions of euro)	Q2 2024	Q1 2024	% changes
Operating income	814	788	3.3%
Operating costs	-304	-298	1.7%
Operating margin	511	490	4.2%
cost/income	*37.3%*	*37.8%*	
Total net provisions and adjustments	-18	-19	
Gross income	493	472	
Net income	370	318	

(millions of euro)	H1 2024	H1 2023	% changes
Operating income	1,603	1,417	13.1%
contribution to the Group's operating income	*12%*	*11%*	
Operating costs	-602	-549	9.7%
Operating margin	1,001	868	15.3%
cost/income	*37.6%*	*38.7%*	
Total net provisions and adjustments	-38	-67	
Gross income	965	922	
Net income	687	678	

(°) At the end of May 2024, the acquisition of the control of First Bank in Romania was finalised. First Bank has been included in the scope of consolidation of the Intesa Sanpaolo Group as at 30 June 2024 only as regards the balance sheet figures.

The **Private Banking** Division serves the top customer segment (Private and High Net Worth Individuals) through Fideuram and its subsidiaries Intesa Sanpaolo Private Banking, IW Private Investments, SIREF Fiduciaria, Intesa Sanpaolo Wealth Management, Reyl Intesa Sanpaolo, Fideuram - Intesa Sanpaolo Private Banking Asset Management and Fideuram Asset Management Ireland.

The Private Banking Division recorded:

(millions of euro)	Q2 2024	Q1 2024	% changes
Operating income	850	858	-0.9%
Operating costs	-248	-239	3.7%
Operating margin	602	619	-2.6%
cost/income	*29.1%*	*27.9%*	
Total net provisions and adjustments	-30	-5	
Gross income	573	633	
Net income	384	409	

(millions of euro)	H1 2024	H1 2023	% changes
Operating income	1,708	1,566	9.1%
contribution to the Group's operating income	*13%*	*13%*	
Operating costs	-487	-469	3.8%
Operating margin	1,221	1,097	11.3%
cost/income	*28.5%*	*29.9%*	
Total net provisions and adjustments	-35	-28	
Gross income	1,206	1,069	
Net income	793	701	

The **Asset Management** Division develops asset management solutions targeted at the Group's customers, commercial networks outside the Group and the institutional clientele through Eurizon Capital. Eurizon Capital controls Eurizon Capital S.A., a Luxembourg asset management company dedicated to development on international markets, Epsilon SGR, a company specialising in structured products, Eurizon Asset Management Slovakia, which heads up Eurizon Asset Management Hungary and Eurizon Asset Management Croatia (the asset management hub in Eastern Europe), Eurizon Capital Real Asset SGR focused on alternative asset classes, Eurizon SLJ Capital LTD, an English asset management company focused on macroeconomic and currency strategies, Eurizon Capital Asia Limited and the 49% of the Chinese asset management company Penghua Fund Management.

The Asset Management Division recorded:

(millions of euro)	Q2 2024	Q1 2024	% changes
Operating income	250	240	4.2%
Operating costs	-59	-54	9.2%
Operating margin	191	186	2.8%
cost/income	*23.6%*	*22.5%*	
Total net provisions and adjustments	0	0	
Gross income	191	216	
Net income	142	163	

(millions of euro)	H1 2024	H1 2023	% changes
Operating income	490	465	5.4%
contribution to the Group's operating income	*4%*	*4%*	
Operating costs	-113	-111	1.8%
Operating margin	377	354	6.5%
cost/income	*23.1%*	*23.9%*	
Total net provisions and adjustments	0	0	
Gross income	407	354	
Net income	305	260	

The **Insurance** Division develops insurance products tailored for the Group's customers; the Division includes Intesa Sanpaolo Vita (which also controls Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, Intesa Sanpaolo Insurance Agency and InSalute Servizi) and Fideuram Vita.

The Insurance Division recorded:

(millions of euro)	Q2 2024	Q1 2024	% changes
Operating income	445	441	0.9%
Operating costs	-88	-86	2.1%
Operating margin	357	355	0.6%
cost/income	*19.7%*	*19.5%*	
Total net provisions and adjustments	-1	1	
Gross income	356	356	
Net income	221	241	

(millions of euro)	H1 2024	H1 2023	% changes
Operating income	886	828	7.0%
contribution to the Group's operating income	*7%*	*7%*	
Operating costs	-174	-171	1.8%
Operating margin	712	657	8.4%
cost/income	*19.6%*	*20.7%*	
Total net provisions and adjustments	0	39	
Gross income	712	696	
Net income	462	477	

Outlook

The implementation of the 2022-2025 Business Plan is proceeding at full speed, with the prospect of a net income of over €8.5bn for 2024 and 2025.

For 2024 it is envisaged:
- solid revenue growth, driven by a further increase in net interest income (expected to be at around €15.5bn) and growth in net fee and commission income and income from insurance business which leverages on the Group's leadership in Wealth Management, Protection & Advisory;
- stable operating costs, despite investment in technology, mainly attributable to lower personnel expenses;
- low cost of risk deriving from the zero-NPL bank status and the high-quality loan portfolio;
- lower levies and other charges concerning the banking and insurance industry due to no further contribution to the resolution fund.

A strong value distribution is envisaged:
- cash payout ratio of 70% of the consolidated net income for each year of the Business Plan, with an increase in the dividend per share for 2024 and 2025 (*) versus the dividend per share for 2023;
- buyback of €1.7bn launched in June 2024;
- the Board of Directors, at today's meeting, envisaged the distribution of a cash interim dividend of around €3bn on the 2024 results. The Board will discuss the resolution regarding the interim dividend on 31 October 2024, when it meets to approve the consolidated results as at 30 September 2024, in relation to both the results of the third quarter 2024 and those foreseeable for the fourth quarter 2024;
- additional distribution for 2024 to be quantified when full-year results are approved;
- additional future distributions to be evaluated year by year.

A solid capital position is envisaged, with the Common Equity Tier 1 ratio − confirming the Basel 3/Basel 4 target of above 12% over the 2022-2025 Business Plan horizon − expected to stand in 2025 at well above 14.5% pre Basel 4, at well above 14% post 2025 Basel 4 impact of around 40 basis points, and at well above 15% post overall Basel 4 impact of around 60 basis points (of which around 20 in 2026-2033, including around 10 in 2026 relating to FRTB) and including the absorption of DTAs of around 120 basis points (of which around 25 in the period Q3 2024 - 2025 and the remaining basis points mostly by 2028), taking into account the above-mentioned payout ratio envisaged for the years covered by the Business Plan and the buyback launched in June 2024 and not considering any additional distribution.

* * *

(*) Subject to the approval from the Shareholders' Meeting.

For consistency purpose:
- the balance sheet figures for the four quarters of 2023 and the first quarter of 2024 were restated following the acquisition of the control of First Bank (finalised at the end of May 2024), with the related items consolidated line by line and the corresponding net equity attributed to minority interests;
- the income statement figures relating to the Business areas for the four quarters of 2023 were restated following the reallocation of some items among the Business areas and the Corporate Centre.

* * *

In order to present more complete information on the results generated in the first half of 2024, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the report approved by the Board of Directors are attached. Please note that the auditing company in charge of performing the limited review of the half-yearly report has not yet completed its analysis.

* * *

The manager responsible for preparing the company's financial reports, Elisabetta Stegher, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

* * *

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This press release contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain 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 Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

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All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Intesa Sanpaolo Group

Reclassified consolidated statement of income

(millions of euro)

	30.06.2024	30.06.2023	Changes	
			amount	%
Net interest income	7,945	6,838	1,107	16.2
Net fee and commission income	4,653	4,353	300	6.9
Income from insurance business	903	856	47	5.5
Profits (Losses) on financial assets and liabilities at fair value	97	337	-240	-71.2
Other operating income (expenses)	-10	14	-24	
Operating income	**13,588**	**12,398**	**1,190**	**9.6**
Personnel expenses	-3,200	-3,185	15	0.5
Administrative expenses	-1,340	-1,375	-35	-2.5
Adjustments to property, equipment and intangible assets	-667	-651	16	2.5
Operating costs	**-5,207**	**-5,211**	**-4**	**-0.1**
Operating margin	**8,381**	**7,187**	**1,194**	**16.6**
Net adjustments to loans	-554	-556	-2	-0.4
Other net provisions and net impairment losses on other assets	-178	-191	-13	-6.8
Other income (expenses)	88	304	-216	-71.1
Income (Loss) from discontinued operations	-	-	-	-
Gross income (loss)	**7,737**	**6,744**	**993**	**14.7**
Taxes on income	-2,510	-2,084	426	20.4
Charges (net of tax) for integration and exit incentives	-102	-86	16	18.6
Effect of purchase price allocation (net of tax)	-54	-90	-36	-40.0
Levies and other charges concerning the banking and insurance industry (net of tax)	-293	-239	54	22.6
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-
Minority interests	-12	-23	-11	-47.8
Net income (loss)	**4,766**	**4,222**	**544**	**12.9**

Figures restated, where necessary and material, considering the changes in the scope of consolidation.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2024		2023			
	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	4,013	3,932	3,995	3,813	3,584	3,254
Net fee and commission income	2,381	2,272	2,110	2,095	2,216	2,137
Income from insurance business	448	455	391	419	459	397
Profits (Losses) on financial assets and liabilities at fair value	18	79	-91	52	75	262
Other operating income (expenses)	-4	-6	-32	-12	7	7
Operating income	**6,856**	**6,732**	**6,373**	**6,367**	**6,341**	**6,057**
Personnel expenses	-1,608	-1,592	-2,184	-1,612	-1,625	-1,560
Administrative expenses	-717	-623	-917	-710	-731	-644
Adjustments to property, equipment and intangible assets	-312	-355	-367	-328	-319	-332
Operating costs	**-2,637**	**-2,570**	**-3,468**	**-2,650**	**-2,675**	**-2,536**
Operating margin	**4,219**	**4,162**	**2,905**	**3,717**	**3,666**	**3,521**
Net adjustments to loans	-318	-236	-616	-357	-367	-189
Other net provisions and net impairment losses on other assets	-125	-53	-332	-47	-121	-70
Other income (expenses)	31	57	29	15	203	101
Income (Loss) from discontinued operations	-	-	-	-	-	-
Gross income (loss)	**3,807**	**3,930**	**1,986**	**3,328**	**3,381**	**3,363**
Taxes on income	-1,232	-1,278	-288	-1,066	-1,000	-1,084
Charges (net of tax) for integration and exit incentives	-46	-56	-80	-56	-44	-42
Effect of purchase price allocation (net of tax)	-25	-29	-35	-36	-44	-46
Levies and other charges concerning the banking and insurance industry (net of tax)	-36	-257	18	-264	-11	-228
Impairment (net of tax) of goodwill and other intangible assets	-	-	-	-	-	-
Minority interests	-3	-9	1	-6	-16	-7
Net income (loss)	**2,465**	**2,301**	**1,602**	**1,900**	**2,266**	**1,956**

Figures restated, where necessary and material, considering the changes in the scope of consolidation.

Intesa Sanpaolo Group

Reclassified consolidated balance sheet

(millions of euro)

Assets	30.06.2024	31.12.2023	Changes	
			amount	%
Cash and cash equivalents	55,500	89,668	-34,168	-38.1
Due from banks	33,026	31,298	1,728	5.5
Loans to customers	422,214	430,492	-8,278	-1.9
Loans to customers measured at amortised cost	*420,418*	*428,758*	*-8,340*	*-1.9*
Loans to customers measured at fair value through other comprehensive income and through profit or loss	*1,796*	*1,734*	*62*	*3.6*
Financial assets measured at amortised cost which do not constitute loans	60,779	60,145	634	1.1
Financial assets measured at fair value through profit or loss	41,914	42,027	-113	-0.3
Financial assets measured at fair value through other comprehensive income	77,018	67,732	9,286	13.7
Financial assets pertaining to insurance companies measured at amortised cost	2	5	-3	-60.0
Financial assets pertaining to insurance companies measured at fair value through profit or loss	101,961	101,718	243	0.2
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	69,150	72,135	-2,985	-4.1
Investments in associates and companies subject to joint control	2,626	2,501	125	5.0
Property, equipment and intangible assets	18,596	19,392	-796	-4.1
Assets owned	*17,262*	*18,004*	*-742*	*-4.1*
Rights of use acquired under leases	*1,334*	*1,388*	*-54*	*-3.9*
Tax assets	14,094	14,535	-441	-3.0
Non-current assets held for sale and discontinued operations	1,139	265	874	
Other assets	36,403	33,338	3,065	9.2
Total Assets	**934,422**	**965,251**	**-30,829**	**-3.2**

Liabilities	30.06.2024	31.12.2023	Changes	
			amount	%
Due to banks at amortised cost	48,173	92,545	-44,372	-47.9
Due to customers at amortised cost and securities issued	556,970	547,613	9,357	1.7
Financial liabilities held for trading	45,078	43,487	1,591	3.7
Financial liabilities designated at fair value	23,314	21,344	1,970	9.2
Financial liabilities at amortised cost pertaining to insurance companies	2,185	2,199	-14	-0.6
Financial liabilities held for trading pertaining to insurance companies	107	90	17	18.9
Financial liabilities designated at fair value pertaining to insurance companies	50,775	51,438	-663	-1.3
Tax liabilities	2,699	1,946	753	38.7
Liabilities associated with non-current assets held for sale and discontinued operations	17	2	15	
Other liabilities	15,509	15,121	388	2.6
of which lease payables	*1,184*	*1,231*	*-47*	*-3.8*
Insurance liabilities	119,676	119,849	-173	-0.1
Allowances for risks and charges	4,519	5,307	-788	-14.8
of which allowances for commitments and financial guarantees given	*495*	*525*	*-30*	*-5.7*
Share capital	10,369	10,369	-	-
Reserves	43,933	42,560	1,373	3.2
Valuation reserves	-2,079	-1,711	368	21.5
Valuation reserves pertaining to insurance companies	-366	-298	68	22.8
Interim dividend	-	-2,629	-2,629	
Equity instruments	8,652	7,948	704	8.9
Minority interests	125	347	-222	-64.0
Net income (loss)	4,766	7,724	-2,958	-38.3
Total liabilities and shareholders' equity	**934,422**	**965,251**	**-30,829**	**-3.2**

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

Intesa Sanpaolo Group

Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2024		2023			
	30/6	31/3	31/12	30/9	30/6	31/3
Cash and cash equivalents	55,500	51,393	89,668	85,815	80,068	77,868
Due from banks	33,026	29,040	31,298	30,151	30,167	30,553
Loans to customers	422,214	424,232	430,492	434,708	438,496	450,832
Loans to customers measured at amortised cost	*420,418*	*421,897*	*428,758*	*432,822*	*436,582*	*448,391*
Loans to customers measured at fair value through other comprehensive income and through profit or loss	*1,796*	*2,335*	*1,734*	*1,886*	*1,914*	*2,441*
Financial assets measured at amortised cost which do not constitute loans	60,779	62,749	60,145	57,809	60,215	58,932
Financial assets measured at fair value through profit or loss	41,914	42,029	42,027	45,654	48,436	45,990
Financial assets measured at fair value through other comprehensive income	77,018	77,230	67,732	60,366	59,430	53,377
Financial assets pertaining to insurance companies measured at amortised cost	2	5	5	2	3	3
Financial assets pertaining to insurance companies measured at fair value through profit or loss	101,961	103,265	101,718	99,226	102,480	103,096
Financial assets pertaining to insurance companies measured at fair value through other comprehensive income	69,150	70,928	72,135	69,136	71,724	72,562
Investments in associates and companies subject to joint control	2,626	2,502	2,501	2,558	2,599	2,395
Property, equipment and intangible assets	18,596	18,636	19,392	18,929	18,934	19,503
Assets owned	*17,262*	*17,243*	*18,004*	*17,515*	*17,486*	*18,024*
Rights of use acquired under leases	*1,334*	*1,393*	*1,388*	*1,414*	*1,448*	*1,479*
Tax assets	14,094	14,469	14,535	15,872	16,082	17,106
Non-current assets held for sale and discontinued operations	1,139	732	265	258	615	244
Other assets	36,403	35,931	33,338	28,204	27,464	24,242
Total Assets	**934,422**	**933,141**	**965,251**	**948,688**	**956,713**	**956,703**

Liabilities	2024		2023			
	30/6	31/3	31/12	30/9	30/6	31/3
Due to banks at amortised cost	48,173	55,998	92,545	97,431	94,123	120,108
Due to customers at amortised cost and securities issued	556,970	544,952	547,613	534,444	533,723	516,598
Financial liabilities held for trading	45,078	44,737	43,487	47,428	47,639	45,682
Financial liabilities designated at fair value	23,314	23,218	21,344	16,388	13,608	10,893
Financial liabilities at amortised cost pertaining to insurance companies	2,185	2,222	2,199	2,422	2,326	2,275
Financial liabilities held for trading pertaining to insurance companies	107	67	90	193	96	111
Financial liabilities designated at fair value pertaining to insurance companies	50,775	51,748	51,438	50,715	53,160	54,099
Tax liabilities	2,699	2,671	1,946	3,116	2,938	1,964
Liabilities associated with non-current assets held for sale and discontinued operations	17	5	2	13	-	-
Other liabilities	15,509	15,686	15,121	11,157	22,127	17,734
of which lease payables	*1,184*	*1,244*	*1,231*	*1,243*	*1,273*	*1,304*
Insurance liabilities	119,676	120,561	119,849	115,616	119,381	119,815
Allowances for risks and charges	4,519	5,160	5,307	4,908	4,955	5,644
of which allowances for commitments and financial guarantees given	*495*	*496*	*525*	*538*	*539*	*673*
Share capital	10,369	10,369	10,369	10,369	10,369	10,369
Reserves	43,933	50,153	42,560	42,464	42,585	45,538
Valuation reserves	-2,079	-1,977	-1,711	-1,917	-1,709	-1,794
Valuation reserves pertaining to insurance companies	-366	-302	-298	-466	-375	-420
Interim dividend	-	-2,629	-2,629	-	-	-1,400
Equity instruments	8,652	7,889	7,948	7,939	7,217	7,214
Minority interests	125	312	347	346	328	317
Net income (loss)	4,766	2,301	7,724	6,122	4,222	1,956
Total Liabilities and Shareholders' Equity	**934,422**	**933,141**	**965,251**	**948,688**	**956,713**	**956,703**

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

Intesa Sanpaolo Group

Breakdown of financial highlights by business area

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Operating income								
30.06.2024	5,889	2,047	1,603	1,708	490	886	965	13,588
30.06.2023	5,689	1,916	1,417	1,566	465	828	517	12,398
% change	3.5	6.8	13.1	9.1	5.4	7.0	86.7	9.6
Operating costs								
30.06.2024	-3,020	-719	-602	-487	-113	-174	-92	-5,207
30.06.2023	-3,076	-686	-549	-469	-111	-171	-149	-5,211
% change	-1.8	4.8	9.7	3.8	1.8	1.8	-38.3	-0.1
Operating margin								
30.06.2024	2,869	1,328	1,001	1,221	377	712	873	8,381
30.06.2023	2,613	1,230	868	1,097	354	657	368	7,187
% change	9.8	8.0	15.3	11.3	6.5	8.4		16.6
Net income (loss)								
30.06.2024	1,293	915	687	793	305	462	311	4,766
30.06.2023	1,264	851	678	701	260	477	-9	4,222
% change	2.3	7.5	1.3	13.1	17.3	-3.1		12.9

(millions of euro)

	Banca dei Territori	IMI Corporate & Investment Banking	International Subsidiary Banks	Private Banking	Asset Management	Insurance	Corporate Centre	Total
Loans to customers								
30.06.2024	226,038	122,993	43,470	13,681	285	-	15,747	422,214
31.12.2023	232,406	124,215	43,002	14,372	243	-	16,254	430,492
% change	-2.7	-1.0	1.1	-4.8	17.3	-	-3.1	-1.9
Direct deposits from banking business								
30.06.2024	263,775	124,328	59,050	43,383	24	-	99,154	589,714
31.12.2023	270,604	113,087	59,317	45,805	16	-	88,714	577,543
% change	-2.5	9.9	-0.5	-5.3	50.0	-	11.8	2.1
Risk-weighted assets								
30.06.2024	77,982	107,316	36,083	12,394	2,043	-	63,105	298,923
31.12.2023	79,502	108,183	36,071	11,924	1,990	-	64,440	302,110
% change	-1.9	-0.8	-	3.9	2.7	-	-2.1	-1.1
Absorbed capital								
30.06.2024	7,089	9,779	3,978	1,209	220	4,766	3,610	30,651
31.12.2023	7,227	9,852	3,943	1,167	213	4,398	3,689	30,489
% change	-1.9	-0.7	0.9	3.6	3.3	8.4	-2.1	0.5

Figures restated, where necessary and material, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations.

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