FIDEURAM INTESA SANPAOLO PRIVATE BANKING

Half-year Report at 30 June 2024

PAPERLESS REPORT

Bank of INTESA SANPAOLO

Mission

of Fideuram - Intesa Sanpaolo Private Banking

Taking care of our Customers' well-being lies at the heart of what we do. We are committed to protecting the assets of those who rely on us with outstanding advice.

A relationship based on listening, satisfaction and trust between Customer and Personal Financial Adviser is what makes our business model unique: we foster it every day with passion, dedication, and transparency and by complying with the rules.

Half-year Report at 30 June 2024

Contents

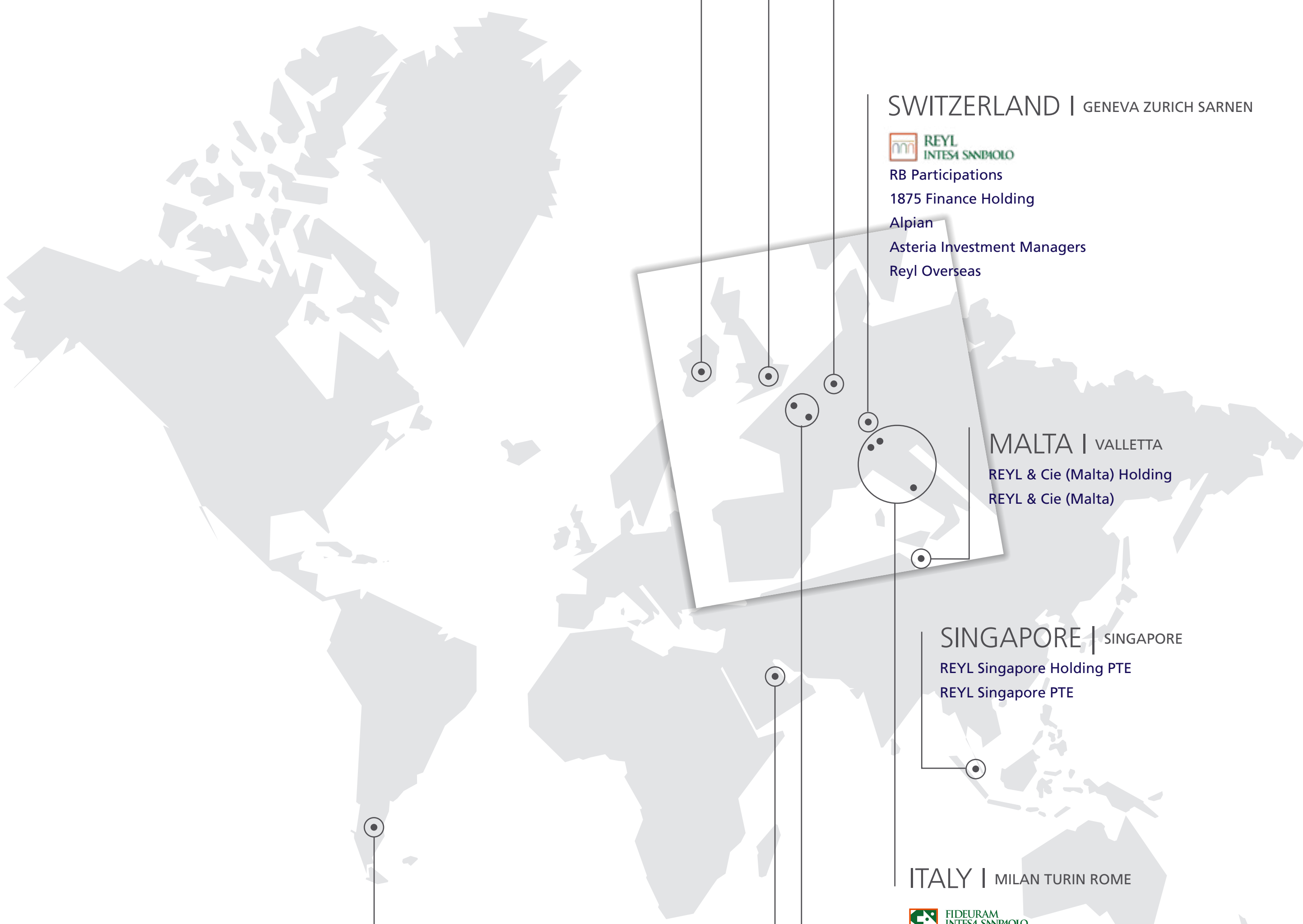
Group structure

UNITED KINGDOM | LONDON
Fideuram Asset Management UK
REYL & Co. (Holdings)
REYL & Co. (UK)

LUXEMBOURG | LUXEMBOURG
INTESA SANPAOLO WEALTH MANAGEMENT Luxembourg
CBP Quilvest PE Fund
Gap ManCo
Iberia Distressed Assets Manager
REYL Private Office

IRELAND | DUBLIN
FIDEURAM ASSET MANAGEMENT IRELAND

SWITZERLAND | GENEVA ZURICH SARNEN
REYL INTESA SANPAOLO
RB Participations
1875 Finance Holding
Alpian
Asteria Investment Managers
Reyl Overseas



MALTA | VALLETTA
REYL & Cie (Malta) Holding
REYL & Cie (Malta)

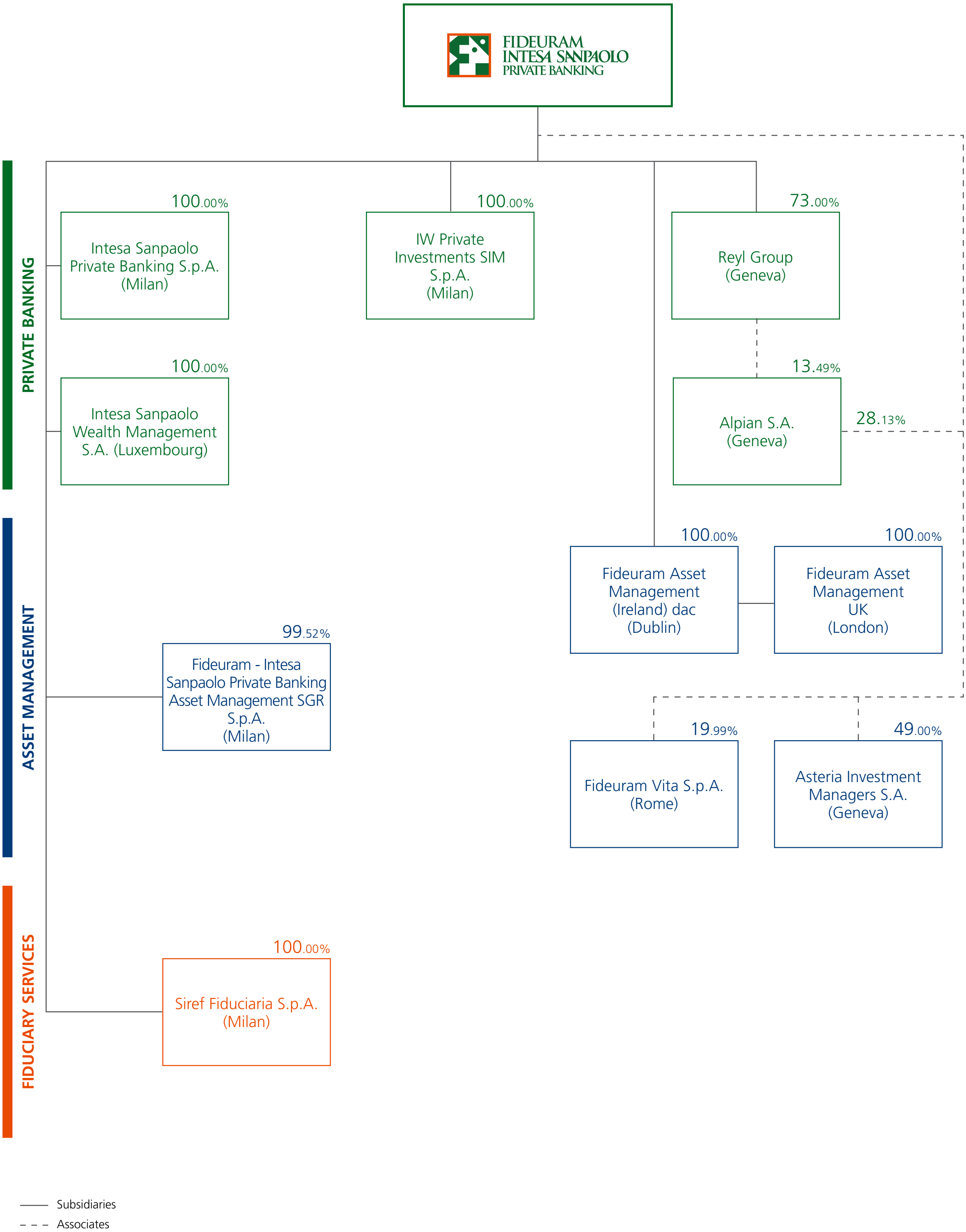
SINGAPORE | SINGAPORE
REYL Singapore Holding PTE
REYL Singapore PTE

ITALY | MILAN TURIN ROME
FIDEURAM INTESA SANPAOLO PRIVATE BANKING
INTESA SANPAOLO PRIVATE BANKING
IW Private Investments
FIDEURAM INTESA SANPAOLO PRIVATE BANKING Asset Management
SIREF FIDUCIARIA
FIDEURAM VITA

ARGENTINA | BUENOS AIRES
INTESA SANPAOLO PRIVATE Argentina

UNITED ARAB EMIRATES | DUBAI
REYL Finance (MEA)

BELGIUM | BRUSSELS GHENT
Branches of
INTESA SANPAOLO WEALTH MANAGEMENT Luxembourg


FIDEURAM INTESA SANPAOLO PRIVATE BANKING
PRIVATE BANKING
100.00%
Intesa Sanpaolo Private Banking S.p.A. (Milan)
100.00%
Intesa Sanpaolo Wealth Management S.A. (Luxembourg)
100.00%
IW Private Investments SIM S.p.A. (Milan)
73.00%
Reyl Group (Geneva)
13.49%
Alpian S.A. (Geneva)
28.13%
ASSET MANAGEMENT
99.52%
Fideuram - Intesa Sanpaolo Private Banking Asset Management SGR S.p.A. (Milan)
100.00%
Fideuram Asset Management (Ireland) dac (Dublin)
100.00%
Fideuram Asset Management UK (London)
19.99%
Fideuram Vita S.p.A. (Rome)
49.00%
Asteria Investment Managers S.A. (Geneva)
FIDUCIARY SERVICES
100.00%
Siref Fiduciaria S.p.A. (Milan)
Subsidiaries
Associates

Company Officers

Shareholders' Meeting

Board of Directors

Board of Statutory Auditors

Related Parties Committee

Chairman
GIORGIO BARBA NAVARETTI

Members
MIRELLA PELLEGRINI
FEDERICO VISCONTI

General Management

General Manager
LINO MAINOLFI

Joint General Managers
FABIO CUBELLI
(Business Coordination Area)
GIANLUCA SERAFINI
(Marketing, Product and Business Model Coordination Area)

Chief Financial Officer
DOMENICO SFALANGA

Chairman
PAOLO MOLESINI

Acting Deputy Chairman
TOMMASO CORCOS

Deputy Chairman
FEDERICO VISCONTI

Managing Director
LINO MAINOLFI

Directors
PAOLA ANGELETTI
GIORGIO BARBA NAVARETTI
CLAUDIA DE BENEDETTI
DANIELE PIETRO GIUDICI
ELIANO LODESANI
ALESSANDRA PAVOLINI
MIRELLA PELLEGRINI

Secretary to the Board of Directors
FILIPPO MAMMOLA

Chairman
GIULIO STEFANO LUBATTI

Statutory Auditors
ELISA BAUCHIERO
FEDERICO TRUTALLI

Acting Auditors
ALESSANDRO COTTO
FRANCESCA MONTI

Independent Auditors
EY S.p.A.

Highlights

OPERATING RESULTS

Personal Financial Advisers No. 6,790

Customers

Fideuram No. 771,208

Intesa Sanpaolo Private Banking No. 47,152 households

Sanpaolo Invest No. 179,822

Foreign Network No. 7,425

Siref Fiduciaria No. 1,613 mandates

IW Private Investments No. 58,896

Total net inflows

€3.7 bn

of which Managed Assets

€1.2 bn

Client Assets

€375.9 bn

of which Managed Assets

€220.6 bn

of which Advanced Advisory Service

€54 bn

FINANCIAL RESULTS

Fideuram and Sanpaolo Invest
12 years

Intesa Sanpaolo Private Banking
16 years

IW Private Investments
10 years

Average length of Customer Relationship

Net Recurring Fees
€1.1 bn

Cost / Income Ratio
26%
(26% in the first half of 2023)

Consolidated Net Profit
€815 m

Return On Equity
40%
(38% in the first half of 2023)

Key Performance Indicators

	30.6.2024	30.6.2023	% CHANGE
CUSTOMER FINANCIAL ASSETS			
Net inflows into managed assets (€m)	1,159	(2,077)	n.s.
Total net inflows (€m)	3,713	5,227	-29
Client assets (€m)	375,909	343,575	9
OPERATING STRUCTURE			
Personal Financial Advisers (No.)	6,790	6,682	
Staff (No.)	4,207	4,209	
Bank Branches (No.)	251	270	
Personal Financial Advisers' Offices (No.)	399	399	
CONSOLIDATED FINANCIAL RESULTS			
Consolidated net profit (€m)	815	716	14
Group shareholders' equity (€m)	4,998	3,640	37
Basic consolidated net earnings per share (€)	0.544	0.478	14
Total assets (€m)	57,082	56,820	-
PROFITABILITY INDICATORS			
Return on Equity (%)	40	38	
Return on Assets (%)	3	3	
Cost / Income Ratio (%)	26	28	
Payroll costs / Operating margin (%)	14	15	
Annualised net profit / Average client assets (%)	0.4	0.4	
Economic Value Added (€m)	676	595	

Counterparty rating (S&P Global Ratings)	**Long term: BBB**	**Short term: A-2**	**Outlook: Stable**

n.s.: not significant

Glossary

Bank Branches: Agencies where you can carry out banking transactions.

Basic consolidated net earnings per share: Ratio between consolidated net earnings and the weighted average number of outstanding ordinary shares.

Client Assets (CA): consist of:
- Managed assets, which include mutual funds and pension funds, discretionary accounts and life insurance technical reserves;
- Non-managed assets, which include securities deposited (net of units in Group mutual funds), non-life insurance technical reserves and current account overdrafts.

Cost / Income ratio: Ratio of net operating expenses to net operating income.

E.V.A. (Economic Value Added): An internal financial ratio used to calculate the monetary value created by a company in a given period. It is calculated by subtracting the shareholder's expected return on shareholders' equity from consolidated net profit. The expected return is generally taken to equal the net return on 12-month Treasury Bills issued at the beginning of the year, plus a market risk premium, which is assumed to be constant at 4.5 percent over the periods concerned.

Net inflows: Amount of new business net of divestments.

Personal Financial Advisers: Professionals enrolled in the single register of financial advisers; include Trainee Financial Advisers. In foreign companies, the Personal Financial Advisers are professionals, both natural and legal persons, dedicated to commercial activities.

R.O.A. (Return On Assets): Ratio of annualised consolidated net income to total assets for the period.

R.O.E. (Return On Equity): Ratio of annualised consolidated net income to average shareholders' equity.

Interim Report on Operations

Introductory note

The condensed half-year consolidated financial statements consist of the mandatory accounting schedules required by IAS1 (i.e., balance sheet, income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flow) and are accompanied by explanatory notes as indicated by accounting standard IAS34 - Interim Financial Reporting.
In order to facilitate the comparison of figures for the various periods and provide a clearer and more immediate understanding of the Group's financial position and results, the interim report on operations presents reclassified balance sheet and income statement schedules, with related tables of details, presented in a uniform manner for the various comparative periods. These statements were prepared by appropriately grouping the items that comprise the accounting schedules. Detailed information on the reclassifications is presented in specific reconciliation statements provided in the schedules accompanying this Report.
The Interim Report on Operations and the Condensed Half-Year Consolidated Financial Statements also contain some information – such as, by way of example, data relating to quarterly developments and other alternative performance indicators – not directly attributable to the financial statements.

On 26 February 2024, the Board of Directors of Fideuram approved the subscription by Fideuram of a capital increase in Alpian S.A. up to a maximum amount of CHF40m, as well as the exercise by the bank of the anti-dilution option in the company's capital for a maximum amount of CHF3m. As a result of these transactions, which will be completed in the third quarter of 2024 following the receipt of regulatory approvals and the registration in the Swiss Commercial Register, Fideuram will acquire control of Alpian, bringing its stake in the company's capital to approximately 51%, in addition to the stake held indirectly through Reyl & Cie, for a total share of approximately 62%.

The same Board of Directors also approved a capital contribution of CHF2.45m in favour of Asteria Investment Managers S.A., a company in which Fideuram holds a 49% stake and Man Group Holdings Limited holds 51%. This transaction, which was completed in the second quarter of 2024, will support the development of the company, in line with the objectives of the partnership initiated between Fideuram and Man in 2023.

In 2024, a number of regulatory updates to Prudential Supervision will come into force, which are likely to have a significant impact on the capital solvency ratios of Intesa Sanpaolo Private Banking and Fideuram, which require specific funding interventions.

In summary, the regulatory changes concern:

a) IRRBB - SOT (Interest rate risks for banking book Supervisory Outlier Tests): the Regulation sets new and more stringent requirements in terms of interest rate risk of the banking book, defining the obligation for banks to maintain a minimum level of Tier 1 Capital, such as to fully cover the risk deriving from fluctuations in interest rates on the value of interest-bearing assets and interest-bearing liabilities. Introduced by the EBA in 2023, following the revision of the interest rate risk framework, the new regulation aims to ensure that banks manage risk effectively and safeguard their solvency.

b) Daisy Chain: the regulation, introduced from 1 January 2024 on the basis of Regulation (EU) 2022/2036, requires banks belonging to banking groups, other than the Parent Company, to deduct from their own funds the value of controlling shareholdings in banks in the European Union. The application of this regulation to Fideuram was communicated by the Single Resolution Board in December 2023.

c) MREL (Minimum Requirement for own funds and Eligible Liabilities - bonds and/or senior eligible loans) introduced to ensure the proper functioning of the bail-in.

To ensure compliance with the new regulatory requirements:

- on 27 February 2024, Intesa Sanpaolo approved a capital payment of €1bn and the disbursement of a €1.25bn eligible MREL subordinated loan to Fideuram;
- on the same date, Fideuram approved a capital payment of €1.25bn to Intesa Sanpaolo Private Banking.

On 26 March 2024, Fideuram transferred its Paying Agent activities for the Fideuram Asset Management (Ireland) funds to Allfunds Bank for a consideration of €20m. Allfunds Bank is a distributor of third-party investment products through a proprietary platform and has an existing collaboration agreement with Fideuram and other companies within the Intesa Sanpaolo Group for the use of this platform in the distribution of third-party investment funds. Given the strategic significance of the collaboration with Allfunds Bank, the existing partnership has been extended, broadening its timeframe and exploring the potential for further collaborations in the provision of services supporting the distribution of investment products.

During the first quarter of 2024, Allfunds Bank and Fideuram formalised a new agreement structured around three main pillars:

- exercise by Allfunds Bank of its option to extend the current collaboration agreements until 20 November 2025;
- further extension of the collaboration agreements by Intesa Sanpaolo Group companies for an additional 6.5 years (until 30 June 2032), under an exclusive arrangement with no changes to the existing terms;
- the aforementioned transfer of the Paying Agent activities for Fideuram Asset Management (Ireland) funds to Allfunds Bank by Fideuram, with the contractual duration aligned with that stipulated for the new collaboration agreements.

The 6.5-year renewal of the collaboration agreements and the transfer of the Paying Agent contract were approved by Fideuram's Board of Directors on 26 February 2024, and the Framework Agreement was signed on 26 March 2024.

As part of the process of reorganising the Group's activities, the following transactions were also carried out during the first half:

- the merger by incorporation of Carnegie Fund Services S.A. into Reyl & Cie S.A.;
- the liquidation of the subsidiaries Morval Bank & Trust Cayman and IIF SME Manager.

Lastly, in the second quarter of 2024, Fideuram's Board of Directors approved the merger by incorporation of IW Private Investments SIM into Fideuram. The transaction is expected to be completed by the end of 2024, subject to approval by the relevant authorities.

Economic scenario

Global growth remained relatively robust in the first half of the year, though it slowed compared to the high rates observed in the second half of 2023 in the USA. This slowdown was partly offset by an acceleration in the Euro Area, where the stagnation phase that began at the end of 2022 came to an end, and in China. In the early months of the year, the most significant surprise for markets came from the marked and unexpected acceleration in inflation, particularly core inflation (i.e., excluding energy and food components) in the United States, where price growth far exceeded expectations, thus interrupting the clear disinflation process that had begun in the second half of 2023. Conversely, price dynamics were largely in line with expectations in the Eurozone, while in China, strong supply growth and weak demand led to slight deflation at the beginning of the year. These upward inflation spikes prompted a substantial reassessment of market expectations regarding monetary policy: the unexpected shift to accommodation by the Federal Reserve at its meeting in mid-December had in fact led markets to anticipate several rate cuts over 2024. However, the unexpected inflation spikes in the United States led to a significant postponement in the timing of these cuts: by mid-April, markets were not anticipating a first Fed rate cut until September, with a marked reduction in the number of cuts expected by the market. After an unexpected significant downturn in May inflation data released in mid-June, along with some signs of economic slowdown (particularly evident in private consumption dynamics), the market stabilised, expecting a 25 basis point rate cut at the September meeting and a second cut in December. The European Central Bank, meanwhile, cut rates by 25 basis points, a move widely expected by the market, at its meeting in early June, despite a surprise upward revision of inflation in May (particularly in service prices) and an upward revision of inflation forecasts for 2024 and 2025. However, the ECB remained very cautious regarding its subsequent moves, maintaining a strong data-dependent stance. During the first half, the Bank of Japan also made a less expansionary turn, which had long been anticipated by the markets: at its mid-March meeting, the Japanese central bank abandoned both its negative interest rate policy and yield curve control. In China, the PBoC continued to pursue a cautiously expansionary policy (but without cutting interest rates or the reserve requirement ratio) to support domestic demand, which remained weak due to the ongoing real estate sector crisis. The dense global electoral calendar for the year, culminating in the US presidential elections in November, also highlighted some unwelcome surprises for markets in emerging economies, but especially a return of political risk in the Eurozone, with the unexpected decision by French President Macron to call early elections following the outcome of the European Parliament elections, which saw significant gains for the far right. Political risks, which had led to a sharp increase in the spread of the OAT over the Bund, partially subsided after the elections, although they confirmed a scenario of problematic governability in France.

After a strong acceleration in the second half of 2023, GDP growth in the **United States** significantly slowed in the first half of 2024, falling below potential mainly due to a slowdown in private consumption and a larger negative contribution from the external sector. The contribution of public spending to growth also decreased compared to the second half of 2023. Labour market conditions remained generally robust, with still high employment growth, partly thanks to the strong increase in immigration (including illegal immigration). However, the unemployment rate rose from 3.7% in December to 4.1% in June. In the second half of 2023, the acceleration in growth was associated with a significant reduction in inflation, but this process was interrupted at the beginning of the year, with substantial sudden upward surges in core price dynamics, particularly in the services prices excluding rents. The trend in inflation then aligned with expectations in April, while in May there was a notable sudden drop, the first during this period.

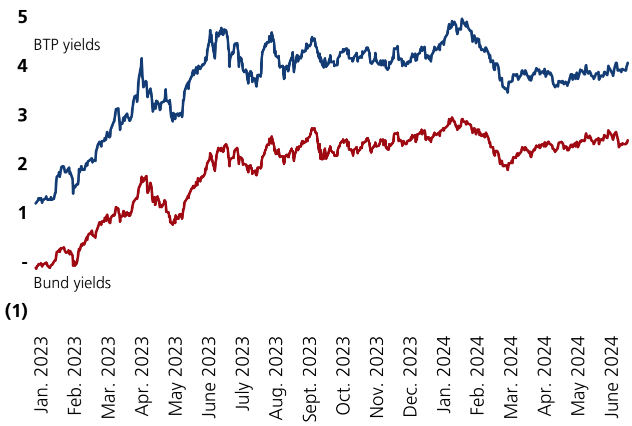
In the first half of 2024, the **Eurozone** emerged from the stagnation phase that began at the end of 2022 due to the energy crisis and the war in Ukraine. GDP growth at the start of the year was stronger than expected, with a recovery in investments and exports, while private consumption began contributing more visibly to growth only from the second quarter. The improvement in cyclical conditions was also evident in business confidence indicators (particularly the PMI indexes), which recovered significantly during the first half. The recovery was mainly in the services sector, while conditions in manufacturing remained weaker, with sluggish orders and stagnant production, despite lower energy prices helping the recovery of energy-intensive sectors and the impact of the Suez Canal transportation crisis being more modest than expected. Inflation continued its gradual return to the 2% target, though at a slower pace than in 2023, ending the half year at 2.5%, down from 2.9% in December. Only services inflation remained elevated, driven by strong wage dynamics and a still very robust labour market. Politically, uncertainty increased at the end of the half year due to developments following the early June European elections in France, with President Macron's unexpected decision to dissolve the National Assembly after the far-right's success, which was later defeated in the parliamentary elections, although political instability remains on the rise. The EU Commission also increased tariffs on imports of electric vehicles from China and initiated excessive deficit procedures for some of the major Eurozone economies (including France and Italy) as part of the reform of the new Stability and Growth Pact.

In **Asia**, growth remained relatively moderate. In China, growth was significantly impacted by the real estate sector crisis, which the authorities began to address more vigorously in the second part of the first half with a public plan to purchase the large stock of unsold homes. Strong supply growth, supported by fiscal policy on one hand, and weak domestic demand, weighed down by the adjustment in the residential sector on the other, were reflected in a very subdued consumer price dynamic even in the first part of the year. Economic policy, both fiscal and monetary, continued to support demand, but there were no cuts in interest rates or the reserve requirement ratio. In Japan, economic activity remained subdued mainly due to weak private consumption dynamics. Despite the prospect of further rate hikes, the yen continued to weaken significantly during the period, a trend that had temporarily halted at the end of 2023.

The upward surges in inflation and the markets' reassessment of the timing of central banks' rate cuts (especially in the United States) led to an increase in bond market yields, with ten-year Treasury and Bund yields rising by about 50 basis points during the period, peaking at the end of April in the former case and at the end of May in the latter. The spread of Italian ten-year bonds over the Bund narrowed by about 10 basis points and was only partially affected by the volatility caused by the elections in France. Despite the upward adjustment in rates, the equity market recorded significant positive performance, particularly in the United States (+14.5% for the S&P 500 index) and Japan (+18.7% for the Topix). Performance in Europe and emerging markets was lower but still notable (+6.8% for the Stoxx 600 index, with an outperformance of the Italian market, and +6.1% for the MSCI Emerging Markets index in dollars).

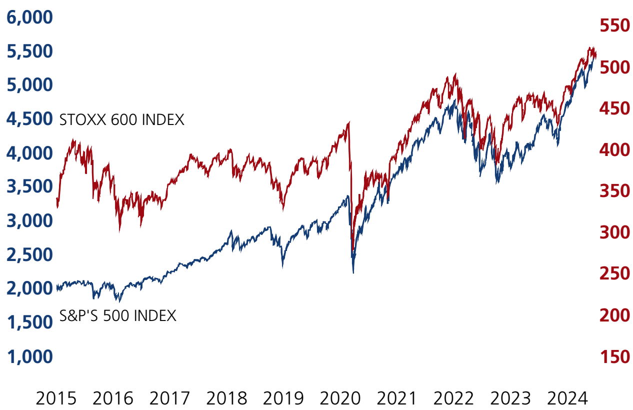
10-year Bund and BTP yields

(%)



Source: Bloomberg

Stock market performance

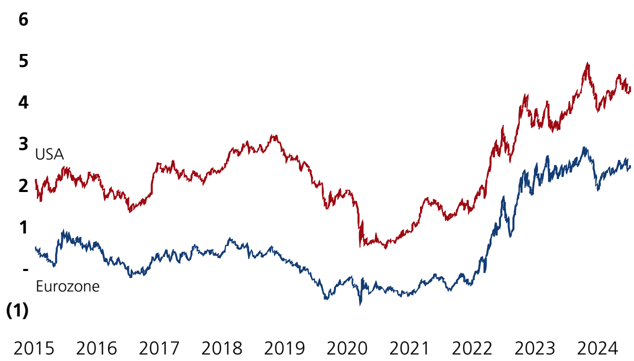


Source: Bloomberg

Bond market performance

(10-year government bond yields)

(%)



Source: Bloomberg

Reclassified Statements

Consolidated balance sheet

(reclassified - €m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
ASSETS				
Cash and cash equivalents	5,639	5,238	401	8
Financial assets measured at fair value through profit or loss	736	719	17	2
Financial assets measured at fair value through other comprehensive income	3,065	3,360	(295)	-9
Debt securities measured at amortised cost	19,437	19,504	(67)	-
Loans to banks	10,683	9,482	1,201	13
Loans to customers	13,681	14,371	(690)	-5
Hedging derivatives	251	257	(6)	-2
Equity investments	243	247	(4)	-2
Property and equipment and intangible assets	1,180	1,220	(40)	-3
Tax assets	199	215	(16)	-7
Other assets	1,968	1,802	166	9
TOTAL ASSETS	**57,082**	**56,415**	**667**	**1**
LIABILITIES				
Due to banks	4,631	3,955	676	17
Due to customers	43,691	46,130	(2,439)	-5
Financial liabilities held for trading	19	52	(33)	-63
Hedging derivatives	268	362	(94)	-26
Tax liabilities	233	148	85	57
Other liabilities	2,652	1,962	690	35
Provisions for risks and charges	589	590	(1)	-
Share capital, reserves and equity instruments	4,183	3,012	1,171	39
Interim Dividends	-	(1,200)	1,200	-100
Equity attributable to non-controlling interests	1	1	-	-
Net profit	815	1,403	(588)	-42
TOTAL LIABILITIES	**57,082**	**56,415**	**667**	**1**

Consolidated Income Statement

(reclassified - €m)

	1ST HALF 2024	1ST HALF 2023	CHANGE	
			AMOUNT	%
Net interest income	622	602	20	3
Net profit (loss) on financial assets and liabilities	24	24	-	-
Net fee and commission income	1,055	940	115	12
INTERMEDIATION MARGIN	**1,701**	**1,566**	**135**	**9**
Profit on equity investments and other income (expense)	7	(1)	8	n.s.
NET OPERATING INCOME	**1,708**	**1,565**	**143**	**9**
Personnel expenses	(241)	(238)	(3)	1
Other administrative expenses	(157)	(151)	(6)	4
Depreciation and amortisation	(50)	(43)	(7)	16
NET OPERATING EXPENSES	**(448)**	**(432)**	**(16)**	**4**
OPERATING MARGIN	**1,260**	**1,133**	**127**	**11**
Net impairment of loans	(18)	(11)	(7)	64
Net provisions for risks and charges and net impairment of other assets	(17)	(17)	-	-
Net non-recurring income (expenses)	20	-	20	n.s.
GROSS INCOME (LOSS)	**1,245**	**1,105**	**140**	**13**
Income taxes for the period on continuing operations	(389)	(354)	(35)	10
Integration and voluntary redundancy expenses (net of tax)	(9)	(11)	2	-18
Effects of purchase price allocation (net of tax)	(9)	(12)	3	-25
Expenses regarding the banking system (net of tax)	(23)	(10)	(13)	n.s.
Net profi t (loss) attributable to non-controlling interests	-	(2)	2	-100
NET PROFIT	**815**	**716**	**99**	**14**

n.s.: not significant

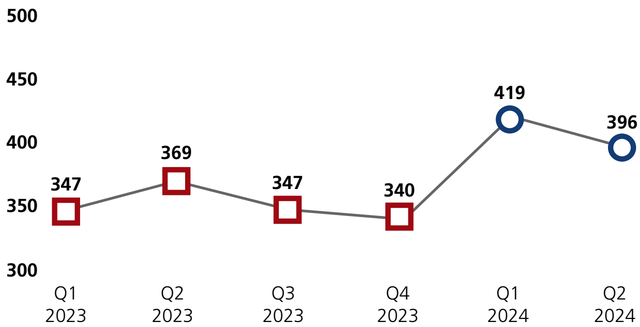
The consolidated results at a glance

Against an economic backdrop still affected by geopolitical uncertainty, the Fideuram - Intesa Sanpaolo Private Banking Group closed the first half of 2024 with a consolidated net profit of €815m, up €99m on the same period last year (+14%). Excluding a non-recurring income of €20m from the sale of the Paying Agent business for the funds managed by Fideuram Asset Management (Ireland), net profit amounted to €801m, an increase of €85m compared to the first half of 2023 (+12%).
The Cost / Income Ratio stood at 26%, an improvement from 28% in the first half of 2023. The ROE was 40%, unchanged from 31 December 2023.

The analysis of the main economic aggregates shows that net operating income increased by €143m compared to the first half of 2023, driven by growth in net fees and commissions (+€115m), the net interest margin (+€20m), and the profit (loss) from equity investments and other income (+€8m). Conversely, operating costs (+€16m) and net adjustments to loans (+€7m) moved in the opposite direction. Gross income amounted to €1.2bn, up 13% over the same period last year.

Trend in Consolidated net profit

(€m)



At 30 June 2024, there were 6,790 Personal Financial Advisers, an increase compared to the 6,696 professionals at 31 December 2023 and the 6,682 professionals at 30 June 2023. Personal Financial Adviser assets at 30 June 2024 amounted to €55m, up from €54m at the end of 2023. The Group's workforce consisted of 4,207 employees, up from 4,188 employees at 31 December 2023. There were 251 bank branches and 399 Personal Financial Advisers' offices.

Business model

Fideuram - Intesa Sanpaolo Private Banking is a member of the Intesa Sanpaolo Banking Group and wholly owned by Intesa Sanpaolo S.p.A.
Fideuram - Intesa Sanpaolo Private Banking is the Division that comprises the companies providing the Group's financial advisory, asset management and fiduciary services; it is the leading private bank in Italy and among the first in Europe, with assets equal to €375.9bn, with an international asset management presence boasting expertise in both liquid and private markets to support Personal Financial Advisers and their clients.
Fideuram is committed every day to protecting and enhancing the assets of families and entrepreneurs, playing a key role in the country's growth and the construction of a sustainable future.
Some 6,800 Personal Financial Advisers operate in the Group in five Networks: Fideuram, Intesa Sanpaolo Private Banking, Sanpaolo Invest, IW Private Investments and the Foreign Network. Within a framework of shared values and a service model based on professional advice and on the strength of the relationship of trust between customers and Personal Financial Advisers, each Network has its own offering model aimed at satisfying the various customer segments.
The approach to wealth management is comprehensive and includes both family and corporate assets, with financial, tax, legal, trust, M&A, Art and Real Estate Advisory services, offered using the skills of the Private Banking Division, in synergy with the Intesa Sanpaolo Group, or developed in partnership with the best professionals in the sector.
The investment solutions are implemented according to an open architecture model, which combines the products and services of the Group's companies with those of leading international investment firms.
The range of the offering is completed by both banking and insurance products and services, according to the best market standards and with a strong focus on ESG and digital evolution issues.
On this note, for customers who wish to manage their investments and online trading independently, Fideuram offers Fideuram Direct, which also includes the remote financial advisory service, Direct Advisor. This service is supported by a specialised team of Direct Financial Advisers, the first network in Italy of financial advisers operating exclusively in a fully remote team-based setup.
As regards trading, customers can perform 24-hour trading transactions through advanced platforms on more than fifty cash and derivative markets, both Italian and international, also with long and short leverage.
Fideuram - Intesa Sanpaolo Private Banking considers environmental, social and governance issues to be key values in its way of being and operating, promoting a balanced development that directs capital flows towards sustainable investments.

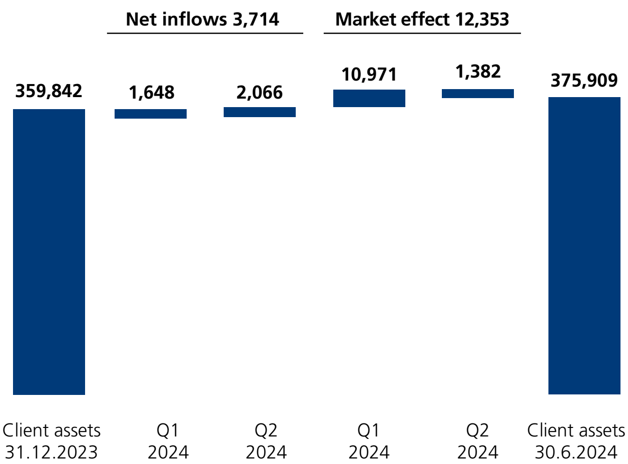
Client financial assets

Client assets at 30 June 2024 amounted to **€375.9bn,** up €16.1bn, compared to 31 December 2023. This trend is mainly due to the market performance, which had a positive impact on assets for €12.4bn and, to a lesser extent, to positive net inflows for €3.7bn.

An analysis by aggregate shows that the **managed assets** component (59% of total client assets) amounted to **€220.6bn**, up €10.9bn over the figure at the end of 2023. The increase is mainly attributable to mutual funds (+€4.5bn), discretionary accounts (+€4.3bn) and life insurance (+€2.4bn). **Non-managed assets** increased to a total of **€155.3bn,** or €5.2bn higher than at 31 December 2023.

Trend in Client Assets

(€m)



Client Assets

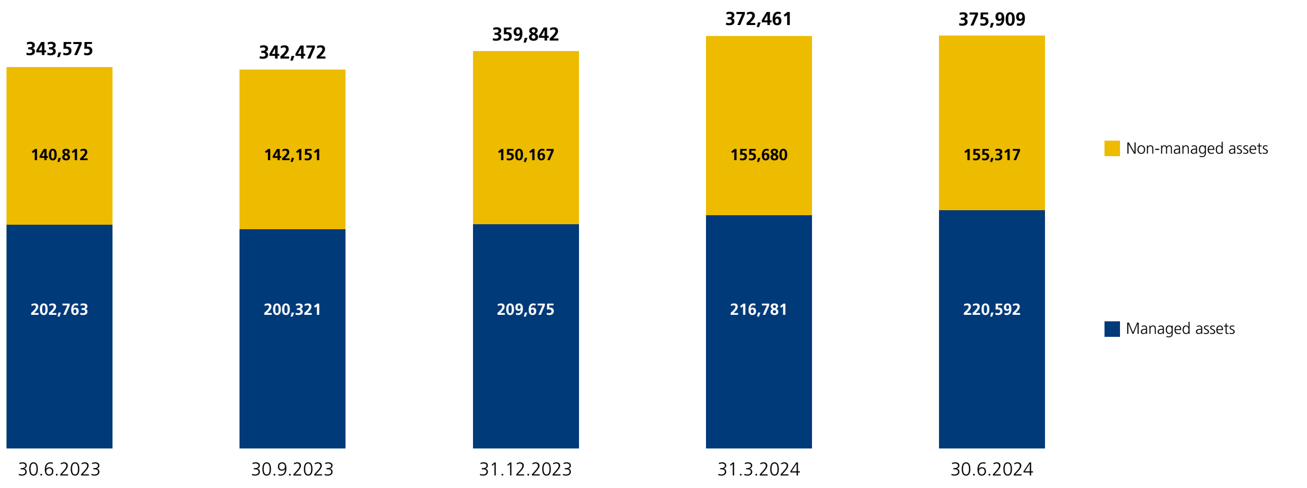
(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Mutual funds	76,852	72,340	4,512	6
Discretionary accounts	72,030	67,775	4,255	6
Life insurance	68,358	65,953	2,405	4
including: Fideuram Vita / Intesa Sanpaolo Vita unit linked	*42,883*	*41,546*	*1,337*	*3*
Pension funds	3,352	3,607	(255)	-7
Total managed assets	**220,592**	**209,675**	**10,917**	**5**
Total non-managed assets	**155,317**	**150,167**	**5,150**	**3**
including: Securities	*114,404*	*107,275*	*7,129*	*7*
Total client assets	**375,909**	**359,842**	**16,067**	**4**

The following graphs show the quarterly trend of CA, analysed by type of inflow and sales Network.

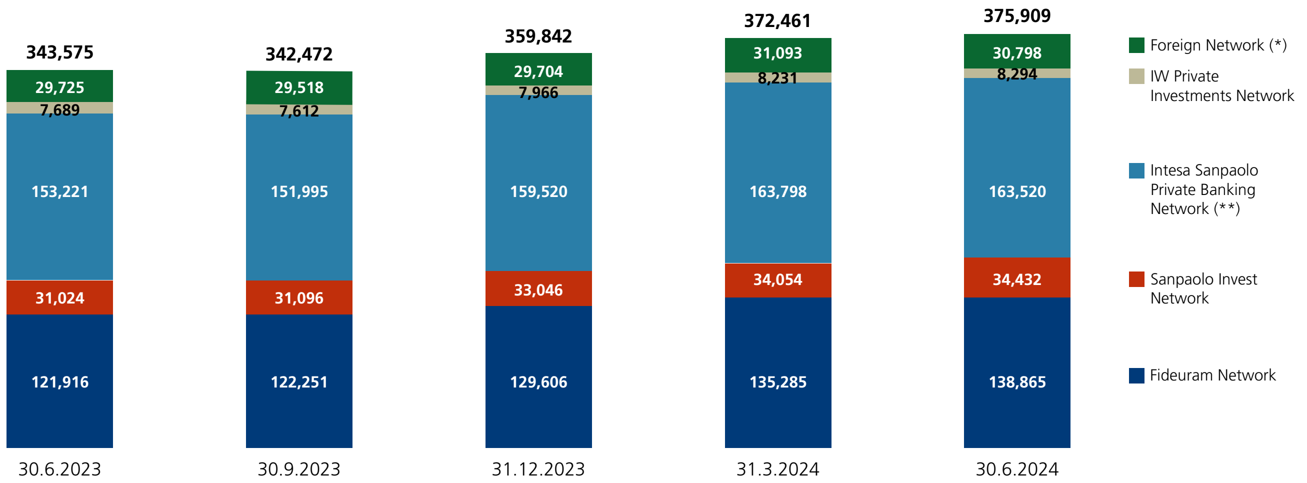
Client Assets - by type of inflows

(€m)



Client Assets - by Sales network

(€m)



(*) The foreign network includes the Client Assets of Reyl and Intesa Sanpaolo Wealth Management.

(**) The figures for the Intesa Sanpaolo Private Banking sales network include the client assets of Siref Fiduciaria.

Inflows into managed and non-managed assets

In the first half of 2024, the Group's distribution networks acquired **net inflows** of **€3.7bn**, down by €1.5bn compared to the same period of 2023 (-29%). An analysis by aggregates shows that inflows into managed assets, which were positive at €1.2bn, increased strongly compared to the first half of last year (+€3.2bn). Non-managed assets were positive at €2.6bn, down €4.7bn compared to the same period of 2023.

Net inflows

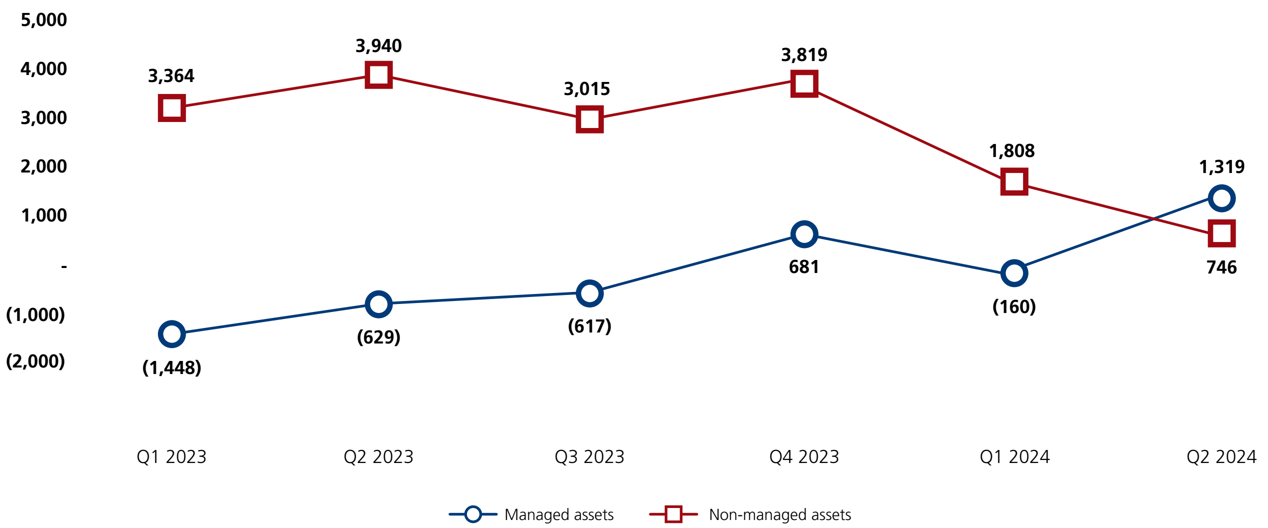
(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Mutual funds	666	(895)	1,561	n.s.
Discretionary accounts	1,016	773	243	31
Life insurance	(623)	(2,051)	1,428	-70
including: Fideuram Vita / Intesa Sanpaolo Vita unit linked	*(698)*	*(885)*	*187*	*-21*
Pension funds	100	96	4	4
Total managed assets	**1,159**	**(2,077)**	**3,236**	**n.s.**
Total non-managed assets	**2,554**	**7,304**	**(4,750)**	**-65**
including: Securities	*4,605*	*10,468*	*(5,863)*	*-56*
Total net inflows	**3,713**	**5,227**	**(1,514)**	**-29**

n.s.: not significant

Trend Net inflows

(€m)



Customer segmentation

CA AT 30 JUNE 2024

- Fideuram: €138.9 bn
- Sanpaolo Invest: €34.4 bn
- Intesa Sanpaolo Private Banking: €159 bn
- IW Private Investments: €8.3 bn
- Siref Fiduciaria: €4.5 bn (*)
- Foreign Network: €30.8 bn

(*) The figure does not include the fiduciary mandates regarding Group client assets. The total number of fiduciary mandates is 57,105, with total CA of €12.1bn.

CUSTOMERS AT 30 JUNE 2024

- Fideuram: No. 771,208
- Sanpaolo Invest: No. 179,822
- Intesa Sanpaolo Private Banking: No. 47,152 (**)
- IW Private Investments: No. 58,896
- Siref Fiduciaria: No. mandati 1,613 (*)
- Foreign Network: No. 7,425

(**) Number of households with Client Assets in excess of €250k.

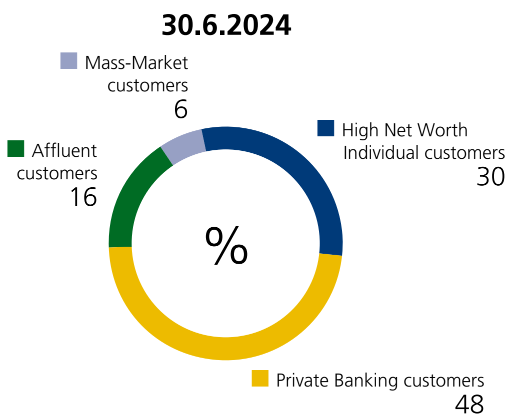
Analysis of the Group's customer base shows that it is concentrated in the Private Banking and High Net Worth Individual (HNWI) segments.
This focus on high-end customers (about 78% of client assets, corresponding to about 16% of customers, come from Private Banking and HNWI customers) enables our Personal Financial Advisers to target a segment with high growth prospects in the Italian market. The Group supports its customers with a dedicated service model using ad hoc organisational management (Private Banking and HNWI branches) and customised products and services. The table and graphs below analyse client assets by type of customer.

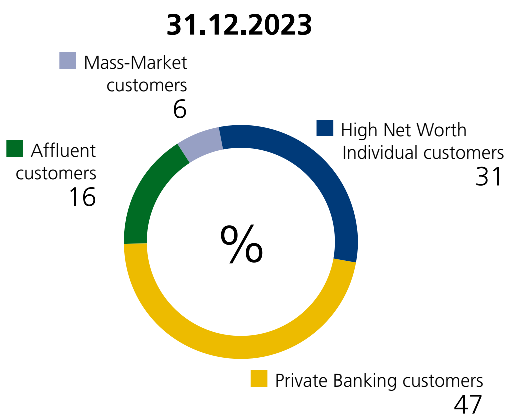
CA by type of customer (***)

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
High Net Worth Individual customers	113,205	110,096	3,109	3
Private Banking customers	181,319	170,367	10,952	6
Affluent customers	61,305	59,012	2,293	4
Mass-Market customers	20,080	20,367	(287)	-1
Total	**375,909**	**359,842**	**16,067**	**4**

Percentage of client assets by type of customer





(***) The Fideuram Group's customers are segmented as follows:
High Net Worth Individuals: customers with financial assets potentially totalling in excess of €10,000,000.
Private Banking customers: customers with financial assets totalling between €500,000 and €10,000,000.
Affluent: customers with financial assets totalling between €100,000 and €500,000.
Mass-Market customers: customers with financial assets totalling less than €100,000.

Advanced advisory services

The Fideuram Group is a leading Italian banking group in the provision of financial advisory services and in the distribution, development and management of financial services and products for private individuals. The Group's principal distinctive strengths, emblematic of its market leadership, are founded on a business model that anchors the distribution of products and services in the professional relationships between our Personal Financial Advisers and their customers and are bolstered by a Group with five recognised brands: Fideuram, Intesa Sanpaolo Private Banking, Sanpaolo Invest, IW Private Investments and Intesa Sanpaolo Wealth Management that contribute decisively to customer loyalty. Our guided open-architecture model offers third-party products to complement our Group products. The professional relationship between each Personal Financial Adviser and customer is based on a financial advisory service model governed by a specific contract. The services under this model are delivered in two ways:

- Basic Advisory Services: offered free of charge to all customers and consisting in the provision of personalised advisory services supporting each customer's investments, paying careful attention to risk management and the suitability of their overall portfolio.
- Advanced Advisory Services: provided on the basis of a dedicated contract and subject to the payment of commission.

In particular, the Group offers its customers the following fee-paying Advanced Advisory Services:

- **SEI Advanced Advisory Service**: advisory service offered by Fideuram, Sanpaolo Invest and IW Private Investments launched in June 2009 and redesigned in April 2024 with a view to responding in an increasingly complete and adequate manner to customers' needs and characteristics. The main innovations concern the simplification of the criteria for determining the commissions applied to the service, the introduction of a new ancillary service aimed at enhancing the component of customers' portfolios invested in non-managed assets, the strengthening of safeguards aimed at preserving the quality of the service, and the digitalisation of advisory operations for individuals, including the streamlining of trading in securities reserved for professional customers.SEI provides customers with a highly personalised advisory service, able to support them in achieving their investment objectives and in realising their plans, including through value-added ancillary services dedicated to responding to particular asset needs. SEI puts the customer and their needs centre stage and supports Personal Financial Advisers in identifying optimal customised solutions to meet those needs and in monitoring their progress over time. All this while keeping a constant eye on the risk level and diversification of the customer's overall assets. Personal Financial Advisers are supported by the advisory platform at all stages of providing the SEI service. This technologically advanced application provides Personal Financial Advisers with all the features and reporting necessary to provide the customer with the service.
- **WE ADD Advanced Advisory Service**: an advanced advisory service offered by Intesa Sanpaolo Private Banking. It was designed with the aim of enriching and strengthening the advanced advisory service thanks to competence, method and vision. The personal financial adviser, as a qualified professional, is the single point of contact in the customer relationship and is supported and assisted by the investment strategies defined by the Investment Committee, the 'Analysis and Strategies' unit and a new digital and innovative platform, which allows them to maximise and rationalise the information system supporting investment decisions. A structured process allows them to get to know the customer, his/her needs and his/her investment objectives, to analyse and monitor over time, thanks to multiple and professional detailed views, the single financial instrument and the portfolio as a whole, identifying concrete solutions that can respond to specific customer needs.
- **Pivate Banking Advanced Advisory Service**: a personalised advisory service offered by Intesa Sanpaolo Private Banking, with high added value for customers who want to be actively involved in their asset allocation choices with the assistance of their Personal Financial Adviser and the support of the central Advisory Team.
- **ISWM Advanced Advisory Service**: personalised and continuous advisory service offered by Intesa Sanpaolo Wealth Management, which makes use of the specialist skills of dedicated, highly trained professionals and an advanced technological platform to constantly monitor the balance between risk and return of the customer's portfolio.

A total of about 64,000 customers were subscribed to our Advanced Advisory Services at the end of June 2024, accounting for approximately €54bn of CA.

The customer and client assets data for our Advanced Advisory Services are shown below.

Customers subscribed to Advanced Advisory Services

(number)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
High Net Worth Individual customers	1,573	1,430	143	10
Private Banking customers	20,326	18,246	2,080	11
Affluent customers	28,553	28,293	260	1
Mass-Market customers	13,454	13,858	(404)	-3
Total	**63,906**	**61,827**	**2,079**	**3**

Advanced Advisory Service client assets

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
High Net Worth Individual customers	13,994	12,393	1,601	13
Private Banking customers	31,759	27,715	4,044	15
Affluent customers	7,551	7,419	132	2
Mass-Market customers	741	813	(72)	-9
Total	**54,045**	**48,340**	**5,705**	**12**

Advanced Advisory Service fee and commission income

(milioni di euro)

	1ST HALF 2024	1ST HALF 2023	CHANGE	
			AMOUNT	%
Fee and commission income	63	57	6	11
Fee and commission expense	(17)	(23)	6	-26
Net fee and commission income	**46**	**34**	**12**	**35**

Analysis of the income statement

The Fideuram - Intesa Sanpaolo Private Banking Group closed the first half of 2024 with a consolidated net profit of €815m, an increase of €99m compared to the same period of 2023 (+14%).

Consolidated Income Statement

(reclassified - €m)

	1ST HALF 2024	1ST HALF 2023	CHANGE	
			AMOUNT	%
Net interest income	622	602	20	3
Net profit (loss) on financial assets and liabilities	24	24	-	-
Net fee and commission income	1,055	940	115	12
INTERMEDIATION MARGIN	**1,701**	**1,566**	**135**	**9**
Profit on equity investments and other income (expense)	7	(1)	8	n.s.
NET OPERATING INCOME	**1,708**	**1,565**	**143**	**9**
Personnel expenses	(241)	(238)	(3)	1
Other administrative expenses	(157)	(151)	(6)	4
Depreciation and amortisation	(50)	(43)	(7)	16
NET OPERATING EXPENSES	**(448)**	**(432)**	**(16)**	**4**
OPERATING MARGIN	**1,260**	**1,133**	**127**	**11**
Net impairment of loans	(18)	(11)	(7)	64
Net provisions for risks and charges and net impairment of other assets	(17)	(17)	-	-
Net non-recurring income (expenses)	20	-	20	n.s.
GROSS INCOME (LOSS)	**1,245**	**1,105**	**140**	**13**
Income taxes for the period on continuing operations	(389)	(354)	(35)	10
Integration and voluntary redundancy expenses (net of tax)	(9)	(11)	2	-18
Effects of purchase price allocation (net of tax)	(9)	(12)	3	-25
Expenses regarding the banking system (net of tax)	(23)	(10)	(13)	n.s.
Net profit (loss) attributable to non-controlling interests	-	(2)	2	-100
NET PROFIT	**815**	**716**	**99**	**14**

n.s.: not significant

Quarterly trend of the consolidated income statement

(reclassified - €m)

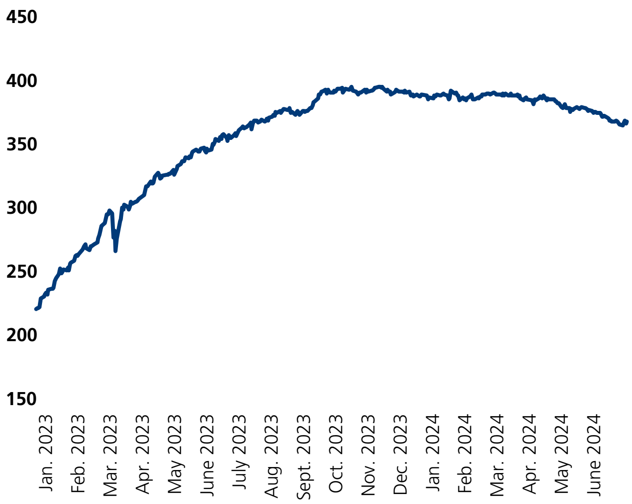
	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	309	313	335	330	322	280
Net profit (loss) on financial assets and liabilities	17	7	6	6	13	11
Net fee and commission income	521	534	478	455	477	463
INTERMEDIATION MARGIN	**847**	**854**	**819**	**791**	**812**	**754**
Profit on equity investments and other income (expense)	3	4	1	6	-	(1)
NET OPERATING INCOME	**850**	**858**	**820**	**797**	**812**	**753**
Personnel expenses	(121)	(120)	(160)	(118)	(123)	(115)
Other administrative expenses	(82)	(75)	(78)	(75)	(77)	(74)
Depreciation and amortisation	(25)	(25)	(24)	(22)	(22)	(21)
NET OPERATING EXPENSES	**(228)**	**(220)**	**(262)**	**(215)**	**(222)**	**(210)**
OPERATING MARGIN	**622**	**638**	**558**	**582**	**590**	**543**
Net impairment of loans	(20)	2	(9)	(18)	(5)	(6)
Net provisions for risks and charges and net impairment of other assets	(10)	(7)	(57)	2	(11)	(6)
Net non-recurring income (expenses)	-	20	14	-	-	-
GROSS INCOME (LOSS)	**592**	**653**	**506**	**566**	**574**	**531**
Income taxes for the period on continuing operations	(188)	(201)	(153)	(188)	(190)	(164)
Integration and voluntary redundancy expenses (net of tax)	(3)	(6)	(7)	(5)	(6)	(5)
Effects of purchase price allocation (net of tax)	(4)	(5)	(6)	(5)	(6)	(6)
Expenses regarding the banking system (net of tax)	(2)	(21)	2	(23)	(1)	(9)
Net profit (loss) for the period attributable to non-controlling interests	1	(1)	(2)	2	(2)	-
NET PROFIT	**396**	**419**	**340**	**347**	**369**	**347**

Net operating income, equal to €1.7bn, increased by €143m compared to the first half of 2023 (+9%). This result is attributable to:

- the growth in net interest income (+€20m);
- the increase in net fees and commission income (+€115m);
- the growth in profit on equity investments and other income (expense) (+€8m).

3-month Euribor rate

(bps)



Source: Bloomberg

Net interest income

(€m)

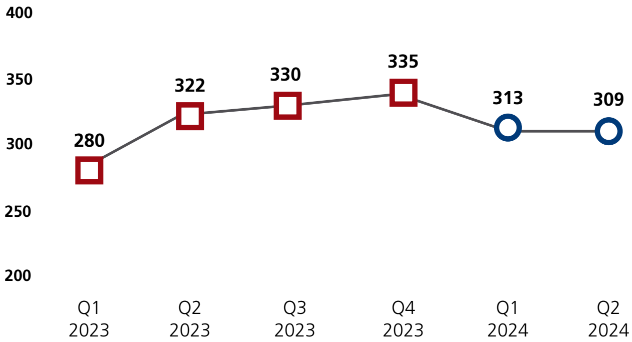
	1ST HALF 2024	1ST HALF 2023	CHANGE	
			AMOUNT	%
Business with customers	(5)	106	(111)	n.s.
Business with banks	201	148	53	36
Interest income on debt securities	452	360	92	26
Net interest on hedging derivatives	(26)	(12)	(14)	117
Total	**622**	**602**	**20**	**3**

n.s.: not significant

Net interest income amounted to €622m, up (+€20m) from the same period last year, due to the higher contribution from securities lending and intermediation with banks, which benefited from the increase in market interest rates compared to the first half of 2023. An analysis of the quarterly trend shows that the figure remained substantially stable even in the presence of a slight reduction in interest rates in the second quarter of the year.

Quarterly net interest income

(€m)



Net profit (loss) on financial assets and liabilities

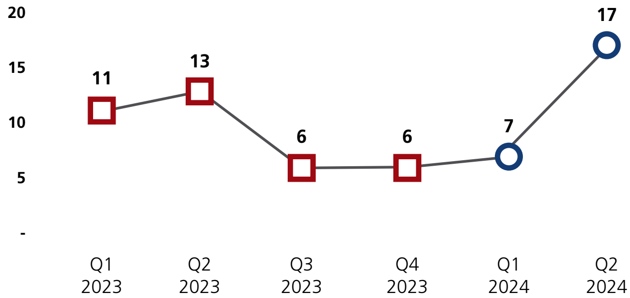
(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Net profit (loss) on sale of financial assets	(1)	1	(2)	n.s.
Net profit (loss) on financial assets measured at fair value through profit or loss	26	25	1	4
Net profit (loss) on hedging derivatives	(1)	(2)	1	-50
Total	**24**	**24**	**-**	**-**

Net profit (loss) on financial assets and liabilities stood at €24m and was in line with the same period last year. The increase in the net profit (loss) on financial assets measured at fair value through profit or loss (+€1m) and the net profit on hedging activities (+€1m) was entirely offset by the decrease in the net profit on the sale of financial assets (-€2m).

Quarterly net profit (loss) on financial assets and liabilities

(€m)



Net fee and commission income

(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Fee and commission income	1,653	1,504	149	10
Fee and commission expense	(598)	(564)	(34)	6
Net fee and commission income	**1,055**	**940**	**115**	**12**

Net fee and commission income totalled €1.1bn, up €115m from the first half of the previous year (+12%).

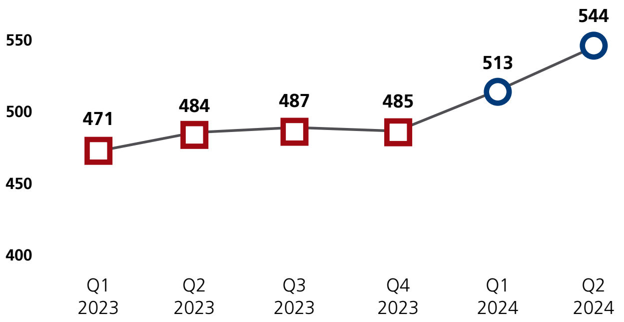
Net recurring fees

(€m)

	Q1	Q2	TOTAL
2024	513	544	1,057
2023	471	484	955
Change	**42**	**60**	**102**

Net recurring fees, equal to €1.1bn, recorded an increase compared to the same period last year (+€102m, +11%) mainly due to the increase in average managed assets, which went from €202.4bn at 30 June 2023 to €214.9bn at 30 June 2024 (+€12.5bn, +6%). An analysis of quarterly trends shows an upward trend in net recurring fees, driven by the rise in average managed assets.

Quarterly net recurring fees
(€m)

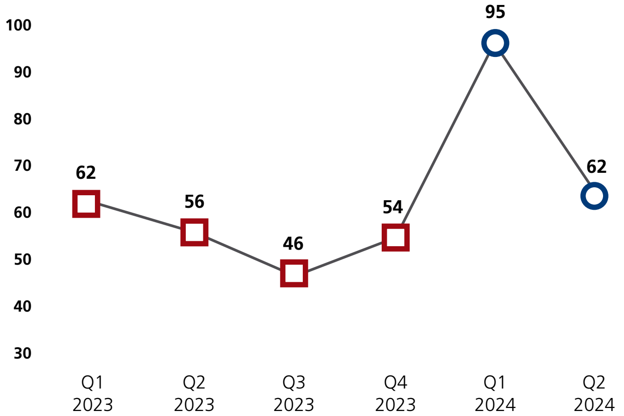


Net front-end fees
(€m)

	Q1	Q2	TOTAL
2024	95	62	157
2023	62	56	118
Change	**33**	**6**	**39**

Net front-end fees stood at €157m and showed a strong increase (+€39m, +33%) compared with the first half of 2023, attributable to the higher contribution of orders activity and placement of mutual funds and Intesa Sanpaolo bonds by the Group's distribution networks.

Quarterly net front-end fees
(€m)

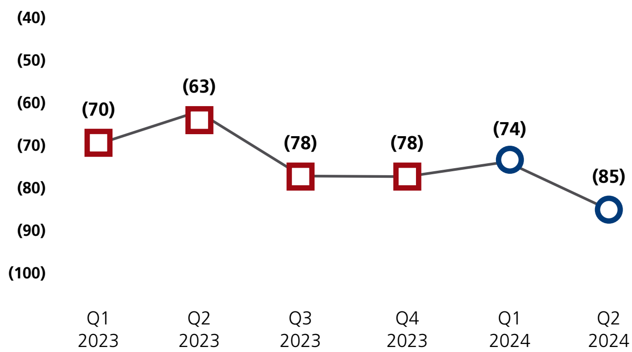


Other fee and commission expense
(€m)

	Q1	Q2	TOTAL
2024	(74)	(85)	(159)
2023	(70)	(63)	(133)
Change	**(4)**	**(22)**	**(26)**

Other fee and commission expense, amounting to €159m, showed an increase of €26m (+20%) over the first half of last year, largely as a result of higher incentives and commission advances to distribution networks.

Quarterly other fee and commission expense
(€m)



Profit (loss) on equity investments and other income (expense) amounted to €7m and showed a positive change of €8m compared to the balance for the first half of 2023, driven by the improvement in the profit on equity-accounted investments and the growth in other operating income.

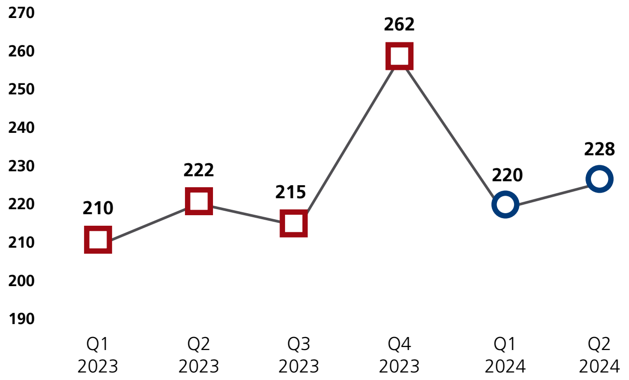
Net operating expenses
(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Personnel expenses	241	238	3	1
Other administrative expenses	157	151	6	4
Depreciation and amortisation	50	43	7	16
Total	**448**	**432**	**16**	**4**

Net operating expenses, equal to €448m, increased by €16m compared to the same period last year (+4%). Detailed analysis shows that personnel expenses, amounting to €241m, recorded an increase of €3m attributable to the renewal of the national ABI agreement, and to the strengthening of the foreign component. Other administrative expenses, amounting to €157m, showed an increase of €6m due to higher charges for services rendered by third parties. Depreciation and amortisation on property and equipment and intangible assets, amounting to €50m, increased by €7m, due to the higher amortisation of software and rights of use of leased assets.

Quarterly net operating expenses

(€m)



Net impairment of loans, amounting to €18m, showed an increase of €7m over the same period last year, attributable to higher impairments of loans to customers.

Net provisions for risks and charges and net impairment of other assets

(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Personal Financial Advisers' termination indemnities and incentives	(11)	(11)	-	-
Litigation and complaints	(3)	(2)	(1)	50
Network Loyalty Schemes	(3)	(6)	3	-50
Net impairment of (recoveries on) debt securities	-	2	(2)	-100
Total	**(17)**	**(17)**	-	-

Net provisions for risks and charges and net impairment of other assets recorded a balance of €17m, in line with the same period last year. The detailed analysis shows that provision for Personal Financial Advisers' termination indemnities, amounting to €11m, was unchanged compared to the balance for the first half of 2023. Provisions for Network Loyalty Schemes decreased by €3m, largely due to lower investments recognised in the period. Provisions for litigation recorded an increase of €1m due to higher provisions for new lawsuits in the period. Net impairment of other assets showed a negative change of €2m due to lower reversals of impairment on bonds in the portfolio.

Net non-recurring income (expenses) include income and expenses that are not attributable to ordinary operations. In the first half of 2024, the balance of €20m refers to the profit from the sale of the Paying Agent business to Allfunds Bank S.A.

Income taxes, amounting to €389m, increased by €35m compared to the first half of 2023 due to higher gross profit in the period. The tax rate was 31%, down slightly from 32% in the first half of 2023.

Integration and voluntary redundancy expenses (net of tax) recorded a balance of €9m, down by €2m compared to the same period last year and comprise expenses for voluntary redundancy and non-recurring integration transactions involving Group companies.

The **economic effects of acquisition costs (net of tax)**, of €9m refer to amounts attributable to the revaluations of securities and the recognition of intangible assets recognised in the financial statements following the acquisition of the Reyl Group, the UBI Top Private Division, IW Private Investments and Intesa Sanpaolo Wealth Management.

The item **expenses regarding the banking and insurance system (net of tax)**, includes the expenses related to maintaining the stability of the banking and insurance system, recognised in the income statement in accordance with current regulations. In the first half of 2024, the balance of this item amounted to €23m and comprised €21m in expenses for the contribution to the deposit guarantee system (DGS Fund) and €2m for the Life Insurance Guarantee Fund established by Law no. 213 of 30 December 2023 ("Budget Law"). The balance of €10m recorded in the first half of last year relates to the provision for the contribution to the Single Resolution Fund of Credit Institutions, which is currently not planned for 2024.

Profit (loss) attributable to non-controlling interests refers to the net results of companies included in the full consolidation area attributable to non-controlling interests. This item recorded an improvement of €2m compared to the comparison period due to the change in the non-controlling interests of the Reyl Group companies.

Segment reporting

The Group's operating structure covers three main Business Segments related to the types of financial products offered to customers:

- **Managed Financial Assets segment**, which extends from mutual funds to SICAVs, speculative funds and individual discretionary accounts;
- **Life Insurance Assets segment,** which covers unit-linked and traditional managed insurance asset products, as well as pension and protection products;
- **Banking Services and Non-Managed Assets segment**, which includes banking services (including current accounts, payment cards, financing) and services for non-managed assets.

The following analyses outline the products and services offered, together with the initiatives and research and development carried out in the period, while also presenting the Group's financial results, operational data and key profitability indicators by Business Segment. These Segments are analysed using data that show their contribution to Group profit (loss) after consolidation adjustments.

Segment reporting at 30 June 2024

(€m)

	MANAGED FINANCIAL ASSETS	LIFE INSURANCE ASSETS	BANKING SERVICES AND NON-MANAGED ASSETS	TOTAL FOR FIDEURAM GROUP
Net interest income	-	-	622	622
Net profit (loss) on financial assets and liabilities	-	-	24	24
Net fee and commission income	727	285	43	1,055
Intermediation margin	**727**	**285**	**689**	**1,701**
Net operating expenses	(184)	(48)	(216)	(448)
Other	(12)	(5)	9	(8)
Gross income (loss)	**531**	**232**	**482**	**1,245**
Average client assets	**144,218**	**70,651**	**154,175**	**369,044**
Client assets	**148,882**	**71,710**	**155,317**	**375,909**
Net inflow	**1,682**	**(523)**	**2,554**	**3,713**
Key indicators				
Cost / Income Ratio	25%	17%	31%	26%
Annualised net fee and commission income / Average client assets	1.0%	0.8%	0.1%	0.6%
Annualised gross income (loss) / Average client assets	0.7%	0.7%	0.6%	0.7%

MANAGED FINANCIAL ASSETS SEGMENT

The Managed financial assets segment covers the Group's discretionary accounts and mutual fund business, which totalled €148.9bn at 30 June 2024 (40% of total non-managed assets), up €13.9bn at 30 June 2023. Net inflows were positive by €1.7bn and recorded a sharp increase compared to the same period last year (+1.8bn). The contribution to gross income (loss) amounted to €531m, an increase of €94m compared to the first half of 2023, mainly due to the increase in net fee and commission income. The ratio of net fee and commission income to client assets was 1%, while the ratio of gross income (loss) to client assets was 0.7%.

Managed financial assets

(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Net interest income	-	-	-	-
Net profit (loss) on financial assets and liabilities	-	-	-	-
Net fee and commission income	727	636	91	14
Intermediation margin	**727**	**636**	**91**	**14**
Net operating expenses	(184)	(188)	4	-2
Other	(12)	(11)	(1)	9
Gross income (loss)	**531**	**437**	**94**	**22**
Average client assets	**144,218**	**134,249**	**9,969**	**7**
Client assets	**148,882**	**134,978**	**13,904**	**10**
Net inflow	**1,682**	**(122)**	**1,804**	**n.s.**
Key indicators				
Cost / Income Ratio	25%	30%		
Annualised net fee and commission income / Average client assets	1.0%	0.9%		
Annualised gross income (loss) / Average client assets	0.7%	0.7%		

n.s.: not significant

The first half of 2024 was characterised by positive market dynamics, particularly with a further appreciation of equity markets, accompanied by more modest growth in the bond segment. This was influenced by expectations of downward interventions by central banks on benchmark interest rates.

On the investment side, interest in non-managed assets continued, with Treasury bonds still among the main catalysts, especially in the first quarter; at the same time, there was also a gradual return of managed asset products, particularly mutual funds and target-date discretionary accounts. At Group level, the development of the range of products to support the service models was guided by a focus on new investment opportunities, also in light of the market context.
For the managed assets component, numerous solutions have been proposed both through high-quality bond portfolios in the credit spectrum, and through diversified portfolios, with the equity component comprising progressive entry mechanisms. New investment opportunities in private markets were also offered, in synergy with traditional market offerings, targeted at Private and HNWI (High Net Worth Individual) clients. In the area of non-managed assets, and particularly in the primary market, various issuances were carried out.
By developing the offering, the process of valuing sustainability factors also continued, with a significant expansion of solutions characterised by investment policies integrated with ESG factors.

The primary focus was on new **funds**. As a result of the collaboration between Fideuram and Man Group, two new bond sub-funds of Asteria Funds were launched in the first half of 2024:

- Asteria Funds-2027 IG Corporate Bond is a three-year sub-fund that primarily invests in investment-grade bonds with a high conviction approach. The strategy is based on a concentrated portfolio of carefully selected securities, chosen by the manager through rigorous fundamental analysis and proprietary models, with a particular focus on risk. The sub-fund promotes, inter alia, environmental and social characteristics (ESG factors) in accordance with Article 8 of Regulation (EU) 2088/2019 on sustainable finance (SFDR Regulation).
- Asteria Funds-US Core Fixed Income is a sub-fund that primarily invests in USD-denominated debt securities, with the objective of capital growth in the medium to long term. It can serve as a source of diversification within customer portfolios.

Fonditalia, the historic umbrella fund of the Group managed by Fideuram Asset Management (Ireland), underwent a significant overhaul of its operational structure. This included the replacement of the Paying Agent for units distributed by Fideuram and IW Private Investments, shifting from Fideuram to Allfunds Bank. Additionally, the minimum subscription thresholds, which will now be applied at the individual ISIN level, were revised, along with the fee structure and ancillary services. Notably, the pre-authorized plans were simplified and made more flexible, aligning them with current market offerings. Regarding Intesa Sanpaolo Private Banking, T-class investments were introduced for distribution. Compared to other classes, the T-class features a higher subscription threshold and lower fee levels. It is available across all Fonditalia sub-funds, with some also offering a distribution and hedged version.

As part of the products dedicated to investment in the euro credit market developed by Eurizon Capital SGR, the first quarter saw the launch of a new edition of the Eurizon Diversified Income Strategy. This fund invests in the European bond market, including both traditional instruments and structured credit, with the aim of delivering an attractive annual coupon distribution. From June, the subscription window opened for the new Eurizon Opportunità Obbligazionaria Plus September 2029 fund. This new solution is managed with a "Buy & Watch" approach over a five-year time horizon, offering an annual coupon distribution for the first four years of the investment cycle, while in the fifth year, it provides for the accumulation of income along with capital appreciation.

Exclusively for Intesa Sanpaolo Private Banking, Fideuram Asset Management (Ireland) made available two new sub-funds of Willerfunds Private Suite focused on the bond and equity segments. In line with the Sicav's philosophy, the new funds have also been developed with a careful approach to sustainability issues. These are:

- Willerfunds Private Suite - FAMI Euro Short Term: Managed directly by Fideuram Asset Management (Ireland), this strategy primarily invests in bonds issued by corporate and government issuers denominated in euros, maintaining a maximum portfolio duration of 3 years (Article 8 of the SFDR).
- Willerfunds Private Suite - Wellington Global Research Equity Fund: Managed by Wellington Management under a delegated mandate, this is an actively managed equity strategy aiming to achieve long-term total returns superior to the MSCI World Index, investing primarily in equity securities issued by companies worldwide (Article 8 of the SFDR).

Throughout the Group, the usual activities related to products of third-party asset managers continued, including the updating and maintenance of products already in distribution.

In collaboration with partner M&G Luxembourg S.A., an exclusive initiative was launched for the Group to capitalise on investment opportunities in the bond market, featuring:

- the Luxembourg-law window fund M&G (Lux) Fixed Maturity Bond Fund, a fund with a three-year "Buy & Watch" strategy, classified under Article 8 of the SFDR;
- the Luxembourg-law window fund M&G (Lux) Fixed Maturity Bond Fund 1, a fund with a two-year "Buy & Watch" strategy, classified under Article 8 of the SFDR, mainly targeting legal entities, as an alternative to liquidity products.

In the area of alternative investment funds, the first half of the year was marked by offerings from the Fideuram Alternative Investments (FAI) platform, dedicated to private markets under Fideuram Asset Management SGR. Early in the year, the second subscription window for FAI Progetto Italia II, an alternative PIR fund developed in collaboration with Eurizon Capital Real Asset SGR, was held. The closed-end, non-reserved fund facilitates investment in selected Italian companies, offering eligibility for the tax incentives provided under the Alternative PIR regulations. Following this, the new FAI Private Markets Insight Fund II was launched, developed in collaboration with Neuberger Berman. This fund features a multi-asset and multi-strategy investment approach (including Private Equity, Capital Solutions, Secondary, and Infrastructure investments). Both funds are classified under Article 8 of the SFDR.

Finally, starting in June, the new compartment iCapital-CVC Credit Capital Solutions III-Lux Access Fund began its subscription phase. This new compartment, part of the alternative investment platform aimed at HNW (High Net Worth) and UHNW (Ultra High Net Worth) professional clients, provides access to the Private Credit Capital Solutions strategy managed by CVC Credit Partners Investment Management Limited, a company under CVC Capital Partners, one of the leading global alternative asset managers.

Regarding individual **discretionary accounts**, the first half of 2024 saw significant developments across the entire range of investment services offered by Fideuram Asset Management SGR for the Group's companies. Key interventions include:

- for services dedicated to the Fideuram, Sanpaolo Invest and IW Private Investments Networks:
  - for Fogli Fideuram, the offering of the Step-in Dynamic and Dynamic Plus lines, which allow for a gradual entry into the equity market through the Equity Mix strategy on the Fogli platform, was renewed. These lines start with a conservative portfolio, primarily composed of monetary and bond investments. Additionally, two new equity management lines from the Tema family were added to the catalogue: Foglio Global Healthcare, which manages investments in securities and ETFs focused on global pharmaceutical companies, and Foglio Artificial Intelligence Winners, which manages investments in securities and ETFs offering exposure to companies likely to benefit from the increasing use of artificial intelligence, either by enhancing and diversifying their business or by being directly involved in providing the technological infrastructure for AI. These new offerings on the Fogli platform are classified under Article 8 of the SFDR. At the beginning of the year, a new edition of the target-date bond investment solution, Foglio Target Euro Bond 2029, was also introduced.
  - for Fideuram Omnia, the offering of lines with a Step-in Dynamic logic for progressive investment in target portfolio strategies, whether equity-based (Active Beta 100) or balanced (Active Beta 50), was renewed. A new target-date bond line, Ego Personal Bond 2028, was created, which primarily invests in corporate debt securities and government bonds from OECD issuers with maturities not exceeding 2028. Additionally, the balanced line Active Beta Income was reopened for subscription, with a concurrent revision of its fee structure and reclassification under Article 8 of the SFDR. All new proposals on the Omnia platform are classified under Article 8 of the SFDR.
- for services dedicated to the Intesa Sanpaolo Private Banking Network, four new solutions under the Gruppo Linee Private within the Wealth Collection umbrella management contract were developed, offering high levels of service personalisation and continuous communication with the management team. These are:
  - VAR Indice 35, Var Indice 15, and Var Indice Bond, three flexible solutions in securities characterized by a dynamic maximum VaR. The portfolios are diversified across international markets, with no exposure limits to different asset classes, and are subject to continuous risk control.
  - the Private Bond 2028 line, a bond management line with a portfolio composed of money market and/or bond financial instruments denominated in euros and maturing no later than 2028.

Regarding Eurizon's discretionary accounts, the regular maintenance and evolutionary refinements of the range targeted at Intesa Sanpaolo Private Banking customers continued.

LIFE INSURANCE ASSETS SEGMENT

This area comprises assets relating to the life insurance and pension funds segment, which at 30 June 2024 totalled €71.7bn (19% of total client assets), up €3.9bn compared to 30 June 2023. Net inflows, negative by €523m, increased by €1.4bn compared to the same period last year. The contribution to gross income (loss) reached €232m, an increase of €20m compared to the first half of 2023, mainly due to the increase in net fee and commission income. The ratio of net fee and commission income to client assets was 0.8%, while the ratio of gross income (loss) to client assets was 0.7%.

Life insurance assets

(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE	
			AMOUNT	%
Net interest income	-	-	-	-
Net profit (loss) on financial assets and liabilities	-	-	-	-
Net fee and commission income	285	264	21	8
Intermediation margin	**285**	**264**	**21**	**8**
Net operating expenses	(48)	(47)	(1)	2
Other	(5)	(5)	-	-
Gross income (loss)	**232**	**212**	**20**	**9**
Average client assets	**70,651**	**68,128**	**2,523**	**4**
Client assets	**71,710**	**67,785**	**3,925**	**6**
Net inflow	**(523)**	**(1,955)**	**1,432**	**-73**
Key indicators				
Cost / Income Ratio	17%	18%		
Annualised net fee and commission income / Average client assets	0.8%	0.8%		
Annualised gross income (loss) / Average client assets	0.7%	0.6%		

In the area of **insurance products** designed for the Fideuram, Sanpaolo Invest and IW Private Investments Networks, the first half of 2024 was characterised by the launch of new insurance solutions, concomitant restyling actions and expansion of the offer. With reference to the insurance products of the company Fideuram Vita, the range of solutions available in the unit-linked product Fideuram Vita Futura continued to be enhanced with the creation of the new internal fund FV Optimal Balance, which allows for the progressive construction of a balanced portfolio over a twelve-month period.

Regarding traditional products, the placement of the Fideuram Vita-Garanzia e Valore 2 life insurance product (Class I) was reopened, with the added option of distribution through the digital channel Fideuram Direct.

For Intesa Sanpaolo Private Banking, in June, the Progetto Garanzia Private II policy was introduced. This is a class I whole life, single-premium insurance investment product from Intesa Sanpaolo Vita, designed exclusively for individuals. The product allows the invested premium to be allocated to a separate management fund called “Fondo Base Performance”, which features the use of a profit reserve.

Finally, the Group continued to offer Private Insurance solutions of primary third-party companies in co-brokerage with Firstance, a prominent insurance broker. During the first half of the year, with the aim of expanding the range of solutions available for legal entities, the new CNP Class I Exclusive policy from CNP Vita Assicura was introduced, and several enhancements were made to the umbrella insurance investment product "Sogelife Personal Investimento".

BANKING SERVICES AND NON-MANAGED ASSETS SEGMENT

The Banking services and Non-managed assets area covers the Group’s banking and financial services, together with its central departments, holding activities and finance activities, as well as the coordination and control activities for its other operating segments. This area also includes non-managed assets, mainly securities and current accounts, which totalled €155.3bn at 30 June 2024 (41% of total client assets), up €14.5bn compared to 30 June 2023. Net inflows were positive at €2.6bn, down €4.7bn compared to the first half of 2023. The contribution of this area to the gross income (loss) amounted to €482m, up by €26m compared to the same period last year, due mainly to the growth in net interest income. The ratio of net fee and commission income to client assets was 0.1%, while the ratio of gross income (loss) to client assets was 0.6%.

Banking services and non-managed assets

(€m)

	1ST HALF 2024	1ST HALF 2023	CHANGE AMOUNT	CHANGE %
Net interest income	622	602	20	3
Net profit (loss) on financial assets and liabilities	24	24	-	-
Net fee and commission income	43	40	3	8
Intermediation margin	**689**	**666**	**23**	**3**
Net operating expenses	(216)	(197)	(19)	10
Other	9	(13)	22	n.s.
Gross income (loss)	**482**	**456**	**26**	**6**
Average client assets	**154,175**	**133,188**	**20,987**	**16**
Client assets	**155,317**	**140,812**	**14,505**	**10**
Net inflow	**2,554**	**7,304**	**(4,750)**	**-65**
Key indicators				
Cost / Income Ratio	31%	30%		
Annualised net fee and commission income / Average client assets	0.1%	0.1%		
Annualised gross income (loss) / Average client assets	0.6%	0.7%		

n.s.: not significant

For **banking services**, initiatives to support banking and the acquisition of new customers continued during the first half of 2024. In addition to offering current accounts with preferential interest rates, the Group continued its commercial initiatives with liquidity products, including cash deposits and savings bonds with preferential rates for individuals, as well as fixed-term time deposits for both individuals and legal entities. These were often combined with the subscription of managed savings products.

For the payment solutions component, Fideuram's catalogue was enhanced with a new top-tier product developed in collaboration with Mastercard. The new Exclusive credit card, designed for individual clients, offers a range of exclusive services, including the Concierge Exclusive service, unlimited access to airport lounges, Fast Track at major Italian airports, travel insurance, and health coverage for pets.

In the realm of digital payments, Fideuram introduced the option to link PagoBancomat® debit cards to the Apple Pay wallet, which can be used with Apple devices such as iPhone, iPad, and Apple Watch.

Finally, starting in June, Intesa Sanpaolo Private Banking customers gained access to the new "Deposito Oro" service, developed in collaboration with the IMI Corporate & Investment Banking Division of Intesa Sanpaolo. This service is designed for customers who wish to invest in precious metals.

Regarding **non-managed assets**, the offering in the first half of 2024 was marked by several exclusive issuances by Intesa Sanpaolo for the Fideuram Group. These included a series of Investment Certificates on equity indexes and interest rates, featuring full capital protection at maturity, participation in the performance of the underlying assets, and, in some cases, annual digital bonuses. Additionally, Credit Linked Certificates were offered to professional clients, while Investment Certificates on individual equity securities with conditional capital protection were made available to Intesa Sanpaolo Private Banking customers. For the bond component, the Group placed three Intesa Sanpaolo bond issues: a senior fixed-rate bond with a 3.4% annual interest rate maturing in 5 years, a Tier 2 subordinated fixed-rate bond with a 5% interest rate, and a Tier 2 subordinated floating-rate bond, both with 10-year maturity. Intesa Sanpaolo also issued several Private Placements, both in bond and certificate form.

Regarding third-party issuer placements, June saw the placement of the Mediobanca S.p.A. 7-Year Mixed Rate Bond maturing on 28 June 2031. The Group also participated in the placement of the third and fourth issuances of the BTP Valore government bond.

Lastly, the Group participated in a private placement reserved for professional investors, involving shares of Next Geosolutions Europe S.p.A., one of the leading European companies in marine geoscience and offshore construction support services.

Asset and liability management

The tables below show the main items of the statement of financial position compared with the corresponding figures at 31 December 2023.

Consolidated balance sheet

(reclassified - €m)

ASSETS	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Cash and cash equivalents	5,639	5,238	401	8
Financial assets measured at fair value through profit or loss	736	719	17	2
Financial assets measured at fair value through other comprehensive income	3,065	3,360	(295)	-9
Debt securities measured at amortised cost	19,437	19,504	(67)	-
Loans to banks	10,683	9,482	1,201	13
Loans to customers	13,681	14,371	(690)	-5
Hedging derivatives	251	257	(6)	-2
Equity investments	243	247	(4)	-2
Property and equipment and intangible assets	1,180	1,220	(40)	-3
Tax assets	199	215	(16)	-7
Other assets	1,968	1,802	166	9
TOTAL ASSETS	**57,082**	**56,415**	**667**	**1**
LIABILITIES				
Due to banks	4,631	3,955	676	17
Due to customers	43,691	46,130	(2,439)	-5
Financial liabilities held for trading	19	52	(33)	-63
Hedging derivatives	268	362	(94)	-26
Tax liabilities	233	148	85	57
Other liabilities	2,652	1,962	690	35
Provisions for risks and charges	589	590	(1)	-
Share capital, reserves and equity instruments	4,183	3,012	1,171	39
Interim Dividends	-	(1,200)	1,200	-100
Equity attributable to non-controlling interests	1	1	-	-
Net profit	815	1,403	(588)	-42
TOTAL LIABILITIES	**57,082**	**56,415**	**667**	**1**

Quarterly consolidated balance sheet

(reclassified - €m)

	30.6.2024	31.3.2024	31.12.2023	30.9.2023	30.6.2023	31.3.2023
ASSETS						
Cash and cash equivalents	5,639	7,087	5,238	4,271	4,608	5,758
Financial assets measured at fair value through profit or loss	736	765	719	671	639	655
Financial assets measured at fair value through other comprehensive income	3,065	3,126	3,360	3,369	3,431	3,296
Debt securities measured at amortised cost	19,437	19,104	19,504	18,681	19,128	19,333
Loans to banks	10,683	9,571	9,482	10,998	10,377	11,939
Loans to customers	13,681	13,557	14,371	14,411	14,631	14,793
Hedging derivatives	251	258	257	322	295	287
Equity investments	243	244	247	245	249	238
Property and equipment and intangible assets	1,180	1,197	1,220	1,189	1,204	1,213
Tax assets	199	213	215	250	248	254
Other assets	1,968	1,898	1,802	1,793	2,010	1,862
TOTAL ASSETS	**57,082**	**57,020**	**56,415**	**56,200**	**56,820**	**59,628**
LIABILITIES						
Due to banks	4,631	4,745	3,955	4,560	3,905	5,599
Due to customers	43,691	44,149	46,130	44,734	46,022	46,757
Financial liabilities held for trading	19	32	52	33	24	44
Hedging derivatives	268	318	362	307	339	367
Tax liabilities	233	198	148	183	131	158
Other liabilities	2,652	2,351	1,962	1,883	2,244	2,008
Provisions for risks and charges	589	621	590	508	514	535
Share capital, reserves and equity instruments	4,183	5,386	3,012	2,928	2,924	3,812
Interim dividends	-	(1,200)	(1,200)	-	-	-
Equity attributable to non-controlling interests	1	1	1	1	1	1
Net profit	815	419	1,403	1,063	716	347
TOTAL LIABILITIES	**57,082**	**57,020**	**56,415**	**56,200**	**56,820**	**59,628**

Cash and cash equivalents

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Cash	54	59	(5)	-8
Demand deposits with Central Banks	2,859	2,513	346	14
Current accounts with banks	2,726	2,666	60	2
Total	**5,639**	**5,238**	**401**	**8**

Cash and cash equivalents include cash and all items due from banks on demand. At 30 June 2024, this item showed a balance of €5.6bn, an increase of €401m compared to the end of 2023, mainly due to the higher liquidity held in sight deposits at Central Banks (+€346m).

Financial assets

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Financial assets measured at fair value through profit or loss	736	719	17	2
Financial assets measured at fair value through other comprehensive income	3,065	3,360	(295)	-9
Debt securities measured at amortised cost	19,437	19,504	(67)	-
Hedging derivatives	251	257	(6)	-2
Total	**23,489**	**23,840**	**(351)**	**-1**

Group **financial assets**, equal to €23.5bn, showed a decrease of €351m compared to the end of 2023. This decrease was primarily driven by the reduction in securities measured at fair value through other comprehensive income (-€295m) and, to a lesser extent, by the decline in debt securities in the amortised cost portfolio (-€67m) due to redemptions during the period.

The table below shows the book value of the Group's exposure to sovereign credit risk.

(€m)

	FINANCIAL ASSETS MEASURED AT AMORTISED COST (*)	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL
Italy	1,685	113	1,798
Spain	-	300	300
Belgium	-	89	89
Germany	-	80	80
Netherlands	-	66	66
United States	5	40	45
France	-	39	39
Swiss	29	-	29
Portugal	-	18	18
Iceland	-	10	10
Luxembourg	-	8	8
Total	**1,719**	**763**	**2,482**

(*) Italian government bonds, with a face value of €200m, are covered by financial-guarantee contracts.

Financial liabilities

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Financial liabilities held for trading	19	52	(33)	-63
Hedging derivatives	268	362	(94)	-26
Total	**287**	**414**	**(127)**	**-31**

Financial liabilities totalled €287m, consisting entirely of derivatives. Compared to 31 December 2023, the item showed a decrease of €127m, mainly attributable to the positive changes in the fair value of derivatives in the portfolio.

Loans to banks

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Due from Central Banks	48	45	3	7
Term deposits	9,614	8,361	1,253	15
Other	1,021	1,076	(55)	-5
Total	**10,683**	**9,482**	**1,201**	**13**

Loans to banks, amounting to €10.7bn, increased by €1.2bn compared to 31 December 2023 (+13%), mainly attributable to the increase in deposits at maturity with Intesa Sanpaolo.

Due to banks

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Current accounts	1,241	295	946	n.s.
Term deposits	1,028	1,516	(488)	-32
Repurchase agreements	537	1,548	(1,011)	-65
Debts for leases	103	105	(2)	-2
Other	1,722	491	1,231	n.s.
Total	**4,631**	**3,955**	**676**	**17**

n.s.: not significant

Due to banks, amounting to €4.6bn, increased by €676 million compared to 31 December 2023. This increase was driven by the growth in other loans payable (+€1.2bn) and current accounts (+€946m). Conversely, there was a decrease in repos (-€1bn due to the repayment of the last tranche of liquidity obtained by Intesa Sanpaolo under the TLTRO refinancing programme) and term deposits (-€488m). The increase in other debts is attributable to a €1.25bn senior non-preferred loan paid out by Intesa Sanpaolo to Fideuram in the first quarter of 2024, as part of capital consolidation measures required by new regulatory developments related to MREL (Minimum Requirement for own funds and Eligible Liabilities) and the Daisy Chain rule (deduction from Own Funds of the value of controlling interests in EU banks held by subholdings belonging to banking groups).

The Group continued to be a **net lender on the interbank market**, with net interbank deposits of €8.8bn, in addition to €13.4bn in loans receivable (of which €12.4bn to Intesa Sanpaolo Group companies) and €4.6bn in loans payable (of which €3.6bn to Intesa Sanpaolo Group companies).

Loans to customers

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Current accounts	9,825	10,438	(613)	-6
Loans	1,814	1,926	(112)	-6
Other	1,950	1,941	9	-
Non-performing assets	92	66	26	39
Total	**13,681**	**14,371**	**(690)**	**-5**

Loans to customers totalled €13.7bn and mainly comprised short-term loans (repayable within 12 months or revocable loans without a specified term). The decrease of €690m compared to 31 December 2023 was mainly due to the drop in current account loans (-€613m) and mortgages (-€112m). Net problem loans, representing a minimal amount in the portfolio, totalled €92m with an increase of €26m on the figure at 31 December 2023. In detail: non-performing loans amounted to €16m, down €10m compared to the balance at the end of 2023; unlikely-to-pay loans totalled €56m, up €28m from 31 December 2023; past due or overdue loans amounted to €20m, up by €8m compared to the end of 2023.

Due to customers

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Current accounts	36,680	35,399	1,281	4
Term deposits	6,579	10,286	(3,707)	-36
Repurchase agreements	7	6	1	17
Debts for leases	189	196	(7)	-4
Other	236	243	(7)	-3
Total	**43,691**	**46,130**	**(2,439)**	**-5**

Due to customers, amounting to €43.7bn, decreased by €2.4bn compared to the balance at the end of December 2023. Detailed analysis shows a decrease in deposits at maturity (-€3.7bn) only partly offset by an increase in current accounts (+€1.3bn). The trend in this item reflects the current interest rate landscape, where private customers have reallocated part of their available funds towards more rewarding investment products, such as government and corporate bonds.

Property and equipment and intangible assets

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Rights of use of leased assets	293	301	(8)	-3
Owned real estate	52	51	1	2
Other property and equipment	20	22	(2)	-9
Property and equipment	**365**	**374**	**(9)**	**-2**
Goodwill	414	424	(10)	-2
Intangible client assets	278	292	(14)	-5
Software	123	130	(7)	-5
Intangible assets	**815**	**846**	**(31)**	**-4**
Total property and equipment and intangible assets	**1,180**	**1,220**	**(40)**	**-3**

Property and equipment and intangible assets, equal to €1.2bn, decreased by €40m compared to 31 December 2023, due to the amortisation of intangible assets (-€14m), rights of use on leased assets (-€8m) and software (-€7m) as well as the impact of exchange rate fluctuations on goodwill denominated in foreign currency (-€10m). Goodwill of €414m comprises €232m attributable to the acquisition of the Swiss banking group Reyl, €140m attributable to Private classes acquired by Intesa Sanpaolo Private Banking and €42m to the acquisition of Intesa Sanpaolo Wealth Management. Intangible assets with a finite useful life related to the valuation of client assets with the acquisition of the Reyl Group (€88m), the UBI Top Private branch (€70m), Intesa Sanpaolo Wealth Management (€63m), and IW Private Investments (€57m).

Provisions for risks and charges

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Personal Financial Advisers' termination indemnities	270	263	7	3
Network Loyalty Schemes	129	98	31	32
Personnel expenses	101	146	(45)	-31
Litigation, disputes, securities in default and complaints	81	79	2	3
Other provisions	8	4	4	100
Total	**589**	**590**	**(1)**	**-**

Provisions for risks and charges, amounting to €589m, were substantially unchanged from the end of 2023 (-€1m).

Provision for the Personal Financial Advisers’ termination indemnities increased by €7m due to provisions for the period. The provisions for Network Loyalty Schemes increased by €31m mainly due to the increases in the fair value of insurance policies made to cover the Personal Financial Advisers. Provisions for personnel expenses decreased by €45m due to uses during the period. The provision for litigation, disputes, securities in default and complaints was up €2m, as a result of allocations made during the period. Other provisions included €3m for the allocation to the new Insurance Guarantee Fund established by Law No. 213 of 30 December 2023 (Budget Law).

Shareholders' equity

Group shareholders' equity, including net profit for the period, totalled €5bn at 30 June 2024, having changed as follows:

Group shareholders' equity

(€m)

Shareholders' equity at 31 December 2023	**3,215**
Capital contribution by Intesa Sanpaolo	1,000
Change in valuation reserves	(29)
Change in equity instruments	(6)
Other changes	3
Net profit	815
Shareholders' equity at 30 June 2024	**4,998**

The capital contribution of €1bn made by Intesa Sanpaolo to Fideuram in the first quarter of 2024 is part of the capital consolidation measures required by new regulatory developments concerning the deduction from Own Funds of the value of controlling interests in EU banks held by subholdings belonging to banking groups (Daisy Chain).

At 30 June 2024, valuation reserves amounted to €42m, down €29 million compared to the balance of €71 million at 31 December 2023. This change was primarily due to the reduction in currency translation reserves (-€22m) and cash flow hedge reserves (-€21m), partially offset by an increase in reserves for hedging foreign investments (+€15m).

Fideuram S.p.A.'s own funds and main capital ratios at 30 June 2024 are shown below.

Fideuram S.p.A. Capital Ratios

(€m)

	30.6.2024	31.12.2023
CET1	2,252	1,786
Tier 1	2,252	1,786
Own funds	2,252	1,786
Total risk-weighted assets	7,989	8,542
CET1 Ratio	**28.2%**	**20.9%**
Tier 1 Ratio	**28.2%**	**20.9%**
Total Capital Ratio	**28.2%**	**20.9%**

As a member of the Intesa Sanpaolo Banking Group, Fideuram is subject to the laws and regulations regarding capital requirements on the basis of its separate accounts, but is not required to present this information on a consolidated basis. In order to provide comprehensive information, the Group voluntarily estimates its consolidated capital requirements, taking its membership of the Intesa Sanpaolo Banking Group into account.

At 30 June 2024, this calculation showed a Common Equity Tier 1 ratio of 27.7% (18.4% at 31 December 2023) and a Total Capital Ratio of 27.8% (18.6% at 31 December 2023). The increase in ratios was mainly attributable to the aforementioned capital contribution of €1bn made by Intesa Sanpaolo to Fideuram.

Human capital

DISTRIBUTION NETWORKS

The Group's Networks (Fideuram, Sanpaolo Invest, IW Private Investments, Intesa Sanpaolo Private Banking Networks and the foreign network) totalled 6,790 Personal Financial Advisers at 30 June 2024, compared with 6,696 at the end of 2023.

In the first half of 2024, the recruitment activity resulted in the hiring of 295 new professionals (257 new Personal Financial Advisers recruited in the corresponding period of 2023); on an annual basis there were 505 new hires in the last 12 months compared to 488 new hires in the previous 12 months. During the period, 201 Personal Financial Advisers left the Group, but only 28% of them moved to competitor networks.

	BEGINNING OF PERIOD 1.1.2024	IN	OUT	NET	END OF PERIOD 30.6.2024
Fideuram Network	3,808	173	78	95	3,903
Sanpaolo Invest Network	1,225	53	66	(13)	1,212
IW Private Investments Network	518	27	20	7	525
Intesa Sanpaolo Private Banking Network	1,051	38	27	11	1,062
Foreign Network	94	4	10	(6)	88
Total	**6,696**	**295**	**201**	**94**	**6,790**

	BEGINNING OF PERIOD 1.7.2023	IN	OUT	NET	END OF PERIOD 30.6.2024
Fideuram Network	3,790	295	182	113	3,903
Sanpaolo Invest Network	1,232	91	111	(20)	1,212
IW Private Investments Network	513	54	42	12	525
Intesa Sanpaolo Private Banking Network	1,051	58	47	11	1,062
Foreign Network	96	7	15	(8)	88
Total	**6,682**	**505**	**397**	**108**	**6,790**

Fideuram Network: 12 Areas

AREA 1
Personal Financial Advisers 371
Bank Branches 9
Personal Financial Advisers' offices 24

AREA 2
Personal Financial Advisers 378
Bank Branches 9
Personal Financial Advisers' offices 10

AREA 3
Personal Financial Advisers 344
Bank Branches 7
Personal Financial Advisers' offices 11

AREA 4
Personal Financial Advisers 213
Bank Branches 6
Personal Financial Advisers' offices 8

AREA 5
Personal Financial Advisers 396
Bank Branches 11
Personal Financial Advisers' offices 30

AREA 6
Personal Financial Advisers 210
Bank Branches 6
Personal Financial Advisers' offices 16

Fideuram Direct
Personal Financial Advisers: 15

AREA 7
Personal Financial Advisers 153
Bank Branches 5
Personal Financial Advisers' offices 9

AREA 8
Personal Financial Advisers 442
Bank Branches 10
Personal Financial Advisers' offices 23

AREA 9
Personal Financial Advisers 427
Bank Branches 12
Personal Financial Advisers' offices 26

AREA 10
Personal Financial Advisers 371
Bank Branches 9
Personal Financial Advisers' offices 14

AREA 11
Personal Financial Advisers 272
Bank Branches 9
Personal Financial Advisers' offices 22

AREA 12
Personal Financial Advisers 310
Bank Branches 13
Personal Financial Advisers' offices 17

Sanpaolo Invest Network: 6 Areas

AREA 1
Personal Financial Advisers 453
Personal Financial Advisers' offices 41

AREA 2
Personal Financial Advisers 64
Personal Financial Advisers' offices 10

AREA 3
Personal Financial Advisers 249
Personal Financial Advisers' offices 34

AREA 4
Personal Financial Advisers 331
Personal Financial Advisers' offices 15

AREA 5
Personal Financial Advisers 23
Personal Financial Advisers' offices 4

AREA 6
Personal Financial Advisers 92
Personal Financial Advisers' offices 9

IW Private Investments: 7 Areas

AREA 1
Personal Financial Advisers 106
Personal Financial Advisers' offices 15

AREA 2
Personal Financial Advisers 91
Personal Financial Advisers' offices 8

AREA 3
Personal Financial Advisers 71
Personal Financial Advisers' offices 10

AREA 4
Personal Financial Advisers 87
Personal Financial Advisers' offices 8

AREA 6
Personal Financial Advisersr 91
Personal Financial Advisers' offices 8

AREA 7
Personal Financial Advisers 55
Personal Financial Advisers' offices 10

AREA 5
Wealth banker 24
Wealth Management Unit 6

Intesa Sanpaolo Private Banking Network: 9 Areas

AREA 1
NORTHERN LOMBARDY
Personal Financial Advisers 93
Bank Branches 10
Personal Financial Advisers' offices 1

AREA 2
MUNICIPALITY OF MILAN
Personal Financial Advisers 154
Bank Branches 10

AREA 3
VALLE D'AOSTA, NORTHERN PIEDMONT AND MUNICIPALITY OF TURIN
Personal Financial Advisers 127
Bank Branches 15

AREA 4
SOUTHERN PIEDMONT, LIGURIA, TUSCANY
Personal Financial Advisers 154
Bank Branches 22
Personal Financial Advisers' offices 2

AREA 5
SOUTHERN LOMBARDY
Personal Financial Advisers 97
Bank Branches 13
Personal Financial Advisers' offices 1

AREA 6
NORTH EAST
Personal Financial Advisers 154
Bank Branches 23

AREA 7
EMILIA AND ROMAGNA
Personal Financial Advisers 85
Bank Branches 15

AREA 8
CENTER AND ISLANDS
Personal Financial Advisers 103
Bank Branches 13

AREA 9
SOUTH
Personal Financial Advisers 95
Bank Branches 18

For the Fideuram, Sanpaolo Invest and IW Private Investments Networks, the recruitment activity resulted in the hiring of 253 new professionals in the first half of 2024 (210 new Personal Financial Advisers recruited in the corresponding period of 2023); on an annual basis there were 440 new hires in the last 12 months compared to 415 new hires in the previous 12 months.

Personal Financial Advisers of the Fideuram Network

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1ST HALF					
1.1.2024 - 30.6.2024	3,808	173	78	95	3,903
1.1.2023 - 30.6.2023	3,746	142	98	44	3,790
TWELVE-MONTH PERIOD					
1.7.2023 - 30.6.2024	3,790	295	182	113	3,903
1.7.2022 - 30.6.2023	3,692	299	201	98	3,790

Personal Financial Advisers of the Sanpaolo Invest Network

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1ST HALF					
1.1.2024 - 30.6.2024	1,225	53	66	(13)	1,212
1.1.2023 - 30.6.2023	1,205	50	23	27	1,232
TWELVE-MONTH PERIOD					
1.7.2023 - 30.6.2024	1,232	91	111	(20)	1,212
1.7.2022 - 30.6.2023	1,204	93	65	28	1,232

Personal Financial Advisers of the IW Private Investments Network

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1ST HALF					
1.1.2024 - 30.6.2024	518	27	20	7	525
1.1.2023 - 30.6.2023	557	18	62	(44)	513
TWELVE-MONTH PERIOD					
1.7.2023 - 30.6.2024	513	54	42	12	525
1.7.2022 - 30.6.2023	599	23	109	(86)	513

The Intesa Sanpaolo Private Banking Network numbered 937 Personal Financial Advisers who are salaried employees registered in Italy's Unified Register of Financial Advisors and 125 freelance professionals on agency contracts.

Personal Financial Advisers of the Intesa Sanpaolo Private Banking Network

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1ST HALF					
1.1.2024 - 30.6.2024	1,051	38	27	11	1,062
1.1.2023 - 30.6.2023	1,047	37	33	4	1,051
TWELVE-MONTH PERIOD					
1.7.2023 - 30.6.2024	1,051	58	47	11	1,062
1.7.2022 - 30.6.2023	1,048	54	51	3	1,051

The Foreign Network is made up of 48 Personal Financial Advisers belonging to the Reyl Group and 40 Personal Financial Advisers belonging to Intesa Sanpaolo Wealth Management.

Personal Financial Advisers of the Foreign Network

	BEGINNING OF PERIOD	IN	OUT	NET	END OF PERIOD
1ST HALF					
1.1.2024 - 30.6.2024	94	4	10	(6)	88
1.1.2023 - 30.6.2023	93	10	7	3	96
TWELVE-MONTH PERIOD					
1.7.2023 - 30.6.2024	96	7	15	(8)	88
1.7.2022 - 30.6.2023	98	19	21	(2)	96

The recruitment programmes were conducted with the greatest rigour and professionalism by the managements of the Group's Networks, and focused on finding Personal Financial Advisers of high standing in line with the role of market leader which has always distinguished the Fideuram Group. The training and work of the best professionals are guided by the principles of ethics and transparency which differentiate the Group and aim, amongst other things, to secure customer loyalty through the support of financial advisory services that are tailored to each customer's personal investment needs and risk profile.

The constant growth of agreements signed online for the Team project also continues, which aims to increase collaboration between several Personal Financial Advisers in customer development and assistance. At the end of June 2024, 2,698 Personal Financial Advisers worked in teams, collaborating in the management of approximately €38.1bn assets relating to over 237 thousand customers.

STAFF

The Group workforce, which takes into account secondments from and to other Intesa Sanpaolo Group companies not included in the scope of the Fideuram Group, as well as atypical workers, amounted to 4,207 units at 30 June 2024, compared to 4,188 at 31 December 2023. Direct employees amounted to 4,024 units.

Personnel

(number)

	30.6.2024	31.12.2023	30.6.2023
Private Banking	**3,863**	**3,852**	**3,875**
Fideuram - Intesa Sanpaolo Private Banking	1,684	1,697	1,692
Intesa Sanpaolo Private Banking	1,527	1,521	1,543
IW Private Investments SIM	31	30	31
Intesa Sanpaolo Wealth Management	223	216	221
Reyl Group	398	388	388
Asset Management	**259**	**248**	**246**
Fideuram - Intesa Sanpaolo Private Banking Asset Management SGR	180	174	174
Fideuram Asset Management (Ireland)	65	61	61
Fideuram Asset Management UK	14	13	11
Fiduciars Services	**85**	**88**	**88**
Siref Fiduciaria	85	88	88
Total	**4,207**	**4,188**	**4,209**

Events after 30 June 2024 and outlook

There were no significant events after the reporting period requiring any changes to be made to the consolidated financial statements at 30 June 2024.

The revenue development policies and the size of client assets (which are continuing to generate recurring commission income), together with cost control measures and the constant focus on risk management, will allow our Group to end the current period with greater profits than last year.

The Board of Directors
29 July 2024

Condensed half-year consolidated financial statements

Consolidated financial statements

Consolidated balance sheet

(€m)

	30.6.2024	31.12.2023
ASSETS		
10. Cash and cash equivalents	5,639	5,238
20. Financial assets measured at fair value through profit or loss	736	719
a) financial assets held for trading	22	46
b) financial assets measured at fair value	-	-
c) other financial assets mandatorily measured at fair value	714	673
30. Financial assets measured at fair value through other comprehensive income	3,065	3,360
40. Financial assets measured at amortised cost	43,801	43,357
a) loans and advances to banks	28,401	27,268
b) loans and advances to customers	15,400	16,089
50. Hedging derivatives	251	257
60. Adjustments to financial assets subject to macro-hedging (+/-)	(50)	(45)
70. Equity investments	243	247
80. Insurance assets	-	-
a) insurance contracts issued that constitute assets	-	-
b) reinsurance sales that constitute assets	-	-
90. Property and equipment	365	374
100. Intangible assets	815	846
of which: goodwill	414	424
110. Tax assets	199	215
a) current	12	26
b) deferred	187	189
120. Non-current assets held for sale and discontinued operations	-	-
130. Other assets	2,018	1,847
TOTAL ASSETS	**57,082**	**56,415**

Chairman of the Officier
Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial
Domenico Sfalanga

Consolidated balance sheet

(€m)

	30.6.2024	31.12.2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
10. Financial liabilities measured at amortised cost	48,322	50,085
a) due to banks	4,631	3,955
b) due to customers	43,691	46,130
c) debt on issue	-	-
20. Financial liabilities held for trading	19	52
30. Financial liabilities measured at fair value	-	-
40. Hedging derivatives	268	362
50. Adjustments to financial liabilities subject to macro-hedging (+/-)	(21)	(21)
60. Tax liabilities	233	148
a) current	165	53
b) deferred	68	95
70. Liabilities associated with non-current assets held for sale and discontinued operations	-	-
80. Other liabilities	2,641	1,949
90. Provision for employment termination indemnities	32	34
100. Provisions for risks and charges:	589	590
a) commitments and guarantees	4	4
b) pensions and other commitments	21	18
c) other provisions for risks and charges	564	568
110. Insurance liabilities	-	-
a) insurance contracts issued that constitute liabilities	-	-
b) reinsurance sales that constitute liabilities	-	-
120. Valuation reserves	42	71
130. Redeemable shares	-	-
140. Equity instruments	18	24
150. Reserves	3,617	2,411
155. Interim dividends (-)	-	(1,200)
160. Share premium reserve	206	206
170. Share capital	300	300
180. Treasury shares (-)	-	-
190. Equity attributable to non-controlling interests (+/-)	1	1
200. Net profit (loss) for the period (+/-)	815	1,403
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**57,082**	**56,415**

Chairman of the Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial Officer
Domenico Sfalanga

Consolidated Income Statement

(€m)

	1ST HALF 2024	1ST HALF 2023
10. Interest income and similar income	1,005	785
of which: interest income calculated with the effective interest method	*1,018*	*790*
20. Interest expense and similar expense	(380)	(184)
30. Net interest income	**625**	**601**
40. Fee and commission income	1,655	1,504
50. Fee and commission expense	(600)	(556)
60. Net fee and commission income	**1,055**	**948**
70. Dividends and similar income	4	2
80. Net profit (loss) on trading activities	22	23
90. Net profit (loss) on hedging derivatives	(1)	(2)
100. Profit (loss) on sale or repurchase of:	(1)	1
a) financial assets measured at amortised cost	-	-
b) financial assets measured at fair value through other comprehensive income	-	1
c) financial liabilities	(1)	-
110. Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	70	39
a) financial assets and liabilities measured at fair value	-	-
b) other financial assets mandatorily measured at fair value	70	39
120. Total net interest and trading income	**1,774**	**1,612**
130. Net impairment for credit risk related to:	(18)	(8)
a) financial assets measured at amortised cost	(18)	(7)
b) financial assets measured at fair value through other comprehensive income	-	(1)
140. Gains/losses on contractual changes without cancellation	-	-
150. Operating income	**1,756**	**1,604**
160. Insurance services income	-	-
a) insurance income from insurance contracts issued	-	-
b) expenses for insurance services from insurance contracts issued	-	-
c) insurance income from reinsurance sales	-	-
d) expenses for insurance services from reinsurance sales	-	-
170. Balance of income and expenses of a financial nature related to insurance operations	-	-
a) net expenses/income of a financial nature related to insurance contracts issued	-	-
b) net income/expenses of a financial nature related to reinsurance sales	-	-
180. Operating income from financing and insurance activities	**1,756**	**1,604**
190. Administrative expenses:	(669)	(607)
a) personnel expenses	(267)	(258)
b) other administrative expenses	(402)	(349)
200. Net provisions for risks and charges	(60)	(41)
a) commitments and guarantees	-	(1)
b) other net provisions	(60)	(40)
210. Depreciation of property and equipment	(34)	(31)
220. Amortisation of intangible assets	(31)	(27)
230. Other income/expenses	219	160
240. Operating expenses	**(575)**	**(546)**
250. Profit (loss) on equity investments	6	1
260. Net fair value gains (losses) on property and equipment and intangible assets	-	-
270. Goodwill impairment	-	-
280. Gain (loss) on disposal of investments	-	-
290. Profit (loss) before tax from continuing operations	**1,187**	**1,059**
300. Income taxes for the period on continuing operations	(372)	(341)
310. Profit (loss) after tax from continuing operations	**815**	**718**
320. Profit (loss) after tax from discontinued operations	-	-
330. Net profit (loss) for the period	**815**	**718**
340. Net profit (loss) for the period attributable to non-controlling interests	-	(2)
350. Parent company interest in net profit (loss) for the period	**815**	**716**

Chairman of the Officier
Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial
Domenico Sfalanga

Consolidated statement of comprehensive income

(€m)

	1ST HALF 2024	1ST HALF 2023
10. Net profit (loss) for the period	**815**	**718**
Other comprehensive income after tax not transferred to the income statement	**(4)**	**6**
20. Equity instruments measured at fair value through other comprehensive income	1	2
30. Financial liabilities measured at fair value through profit or loss (changes in own credit rating)	-	-
40. Hedging of equity instruments measured at fair value through other comprehensive income	-	-
50. Property and equipment	-	-
60. Intangible assets	-	-
70. Defined-benefit plans	(5)	4
80. Non-current assets held for sale and discontinued operations	-	-
90. Valuation reserves related to investments carried at equity	-	-
100. Revenues or expenses of a financial nature relating to insurance contracts issued	-	-
Other comprehensive income after tax that may be transferred to the income statement	**(25)**	**5**
110. Hedging of net investments in foreign operations	15	(2)
120. Exchange rate differences	(22)	3
130. Cash flow hedges	(21)	(3)
140. Hedging instruments (undesignated elements)	-	-
150. Financial assets (other than equity instruments) measured at fair value through other comprehensive income	1	9
160. Non-current assets held for sale and discontinued operations	-	-
170. Valuation reserves related to investments carried at equity	2	(2)
180. Revenues or expenses of a financial nature relating to insurance contracts issued	-	-
190. Revenues or expenses of a financial nature relating to reinsurance sales	-	-
200. Total other comprehensive income after tax	**(29)**	**11**
210. Overall profitability (Item 10+200)	**786**	**729**
220. Total comprehensive income attributable to non-controlling interests	-	2
230. Total comprehensive income attributable to parent company	786	727

Chairman of the Officier
Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial
Domenico Sfalanga

Statement of changes in consolidated shareholders' equity

(€m)

	BALANCE AT 31.12.2023	CHANGE IN OPENING BALANCES	BALANCE AT 1.1.2024	ALLOCATION OF INCOME FOR THE PREVIOUS YEAR		CHANGES IN THE PERIOD										SHAREHOLDERS' EQUITY AT 30.6.2024	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY AT 30.6.2024	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS AT 30.6.2024
							TRANSACTIONS INVOLVING SHAREHOLDERS' EQUITY											
				RESERVES	DIVIDENDS AND OTHER	CHANGES IN RESERVES	ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	INTERIM DIVIDENDS	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	DERIVATIVES BASED ON TREASURY SHARES	STOCK OPTIONS	CHANGES IN EQUITY INVESTMENTS	TOTAL COMPREHENSIVE INCOME 1ST HALF 2024			
Share capital:	**300**	**-**	**300**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**300**	**300**	**-**
- ordinary shares	300	-	300	-	-	-	-	-	-	-	-	-	-	-	-	300	300	-
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	**206**	**-**	**206**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**206**	**206**	**-**
Reserves:	**2,410**	**-**	**2,410**	**205**	**-**	**1,003**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,618**	**3,617**	**1**
- from net income	2,062	-	2,062	205	-	-	-	-	-	-	-	-	-	-	-	2,267	2,266	1
- other	348	-	348	-	-	1,003	-	-	-	-	-	-	-		-	1,351	1,351	-
Valuation reserves	**71**	**-**	**71**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(29)**	**42**	**42**	**-**
Equity instruments	**24**	**-**	**24**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**	**-**	**18**	**18**	**-**
Interim dividends	**(1,200)**	**-**	**(1,200)**	**-**	**1,200**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net profit (loss) for the period	**1,405**	**-**	**1,405**	**(205)**	**(1,200)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**815**	**815**	**815**	**-**
Shareholders' equity	**3,216**	**-**	**3,216**	**-**	**-**	**1,003**	**-**	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**	**786**	**4,999**	**4,998**	**1**
Equity attributable to owners of the parent company	**3,215**	**-**	**3,215**	**-**	**-**	**1,003**	**-**	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**	**786**	**4,998**		
Equity attributable to non-controlling interests	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**		

Chairman of the Officer
Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial
Domenico Sfalanga

Statement of changes in consolidated shareholders' equity

(€m)

	BALANCE AT 31.12.2022	CHANGE IN OPENING BALANCES	BALANCE AT 1.1.2023	ALLOCATION OF INCOME FOR THE PREVIOUS YEAR		CHANGES IN THE PERIOD									SHAREHOLDERS' EQUITY AT 30.6.2023	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY AT 30.6.2023	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS AT 30.6.2023
							TRANSACTIONS INVOLVING SHAREHOLDERS' EQUITY										
				RESERVES	DIVIDENDS AND OTHER	CHANGES IN RESERVES	ISSUE OF NEW SHARES	PURCHASE OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	DERIVATIVES BASED ON TREASURY SHARES	STOCK OPTIONS	CHANGES IN EQUITY INVESTMENTS	TOTAL COMPREHENSIVE INCOME 1ST HALF 2023			
Share capital:	**300**	**-**	**300**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**300**	**300**	**-**
- ordinary shares	300	-	300	-	-	-	-	-	-	-	-	-	-	-	300	300	-
- other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	**206**	**-**	**206**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**206**	**206**	**-**
Reserves:	**2,246**	**-**	**2,246**	**167**	**-**	**(5)**	**(3)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,405**	**2,406**	**(1)**
- from net income	1,897	-	1,897	167	-	(3)	-	-	-	-	-	-	-	-	2,061	2,062	(1)
- other	349	-	349	-	-	(2)	(3)	-	-	-	-	-	-	-	344	344	-
Valuation reserves	**(24)**	**-**	**(24)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**(13)**	**(13)**	**-**
Equity instruments	**24**	**-**	**24**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**25**	**25**	**-**
Treasury shares	**(3)**	**-**	**(3)**	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net profit (loss) for the period	**1,067**	**-**	**1,067**	**(167)**	**(900)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**718**	**718**	**716**	**2**
Shareholders' equity	**3,816**	**-**	**3,816**	**-**	**(900)**	**(5)**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**729**	**3,641**	**3,640**	**1**
Equity attributable to owners of the parent company	**3,815**	**-**	**3,815**	**-**	**(900)**	**(3)**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**727**	**3,640**		
Equity attributable to non-controlling interests	**1**	**-**	**1**	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**1**		

Chairman of the Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial Officer
Domenico Sfalanga

Statement of consolidated cash flows

(Indirect method)

(€m)

	1ST HALF 2024	1ST HALF 2023
A. OPERATING ACTIVITIES		
1. Operations	**1,226**	**1,078**
- profit (loss) for the period (+/-)	815	716
- net profit (loss) on financial assets held for trading and on other assets/liabilities measured at fair value through profit or loss (-/+)	(83)	(61)
- net profit (loss) on hedging activities (-/+)	1	2
- net impairment for credit risk (+/-)	18	8
- net depreciation and amortisation (+/-)	65	58
- net provisions for risks and charges and other expense/income (+/-)	60	42
- net income and expenses from insurance contracts issued and reinsurance sales (-/+)	-	-
- unpaid taxes and tax credits (+/-)	372	341
- net impairment of discontinued operations net of tax effect (-/+)	-	-
- other adjustments (+/-)	(22)	(28)
2. Cash from/used in financing activities	**(347)**	**4,830**
- financial assets held for trading	34	12
- financial assets measured at fair value	-	-
- other assets mandatorily measured at fair value	21	17
- financial assets measured at fair value through other comprehensive income	296	(324)
- financial assets measured at amortised cost	(459)	5,359
- other assets	(239)	(234)
3. Cash from/used in financial liabilities	**(461)**	**(6,245)**
- financial liabilities measured at amortised cost (*)	(1,763)	(6,339)
- financial liabilities held for trading	(22)	14
- financial liabilities measured at fair value	-	-
- other liabilities	1,324	80
4. Cash generated/absorbed by insurance contracts issued and reinsurance sales	**-**	**-**
- insurance contracts issued that constitute liabilities/assets (+/-)	-	-
- reinsurance sales that constitute assets/liabilities (+/-)	-	-
Net cash from/used in operating activities	**418**	**(337)**
B. INVESTING ACTIVITIES		
1. Cash from	**-**	**-**
- disposal of equity investments	-	-
- dividend income from equity investments	-	-
- sale of property and equipment	-	-
- sale of intangible assets	-	-
- sale of subsidiaries and company divisions	-	-
2. Cash used in	**(17)**	**(28)**
- acquisition of equity investments	(3)	(17)
- acquisition of property and equipment	-	(1)
- purchase of intangible assets	(8)	(6)
- acquisition of subsidiaries and company divisions	(6)	(4)
Net cash from/used in operating activities	**(17)**	**(28)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- distribution of dividends and other	-	(900)
- sale/purchase of control of others	-	-
Net cash from/used in funding activities	**-**	**(900)**
NET CASH GENERATED/USED IN THE PERIOD	**401**	**(1,265)**

Reconciliation

Cash and cash equivalents at the beginning of the period	5,238	5,873
Total net cash generated/used in the period	401	(1,265)
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at the end of the period	5,639	4,608

(*) In relation to the disclosure required by paragraph 44B of IAS 7, we note that the changes in liabilities resulting from financing activities totalled -€461m (absorbed liquidity) and reflect the net amount of -€1,763m in cash flows, €103m in changes in fair value, and €1,199m in other changes. These comprised the capital contribution made by Intesa Sanpaolo to Fideuram in the first quarter of 2024.

Chairman of the Officier
Board of Directors
Paolo Molesini

Managing Director
Lino Mainolfi

Chief Financial
Domenico Sfalanga

Explanatory Notes

Accounting policies

BASIS OF PREPARATION

The Condensed Half-Year Consolidated Financial Statements at 30 June 2024 were prepared in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC-IC) as endorsed by the European Commission and in force at 30 June 2024.
In particular, the condensed half-year consolidated financial statements were drawn up in accordance with the accounting standard IAS 34, which governs interim financial reporting. The accounting standards adopted for the preparation of these condensed consolidated half-year financial statements, with regard to the classification, recognition, measurement, and derecognition of assets and liabilities, as well as the methods of recognising revenue and expenses, remain unchanged from those applied in the preparation of the financial statements at 31 December 2023, to which reference is made for a complete presentation. These Condensed Consolidated Half-Year Financial Statements have been prepared on a going concern basis. There is no doubt as to the ability of the Group to remain in business.

The preparation of financial disclosure may also require the use of estimates and assumptions that can have significant effects on the amounts stated in the balance sheet and income statement, and on the information on assets and contingent liabilities provided in the financial statements.
These estimates are made using the information available and adopting subjective valuations, which are also based on historical experience, to formulate reasonable assumptions for reporting operating performance.
The estimates and assumptions used may by their nature vary from year to year, so that one cannot rule out the possibility of the values recognised in the financial statements varying, even significantly, in subsequent years as a result of changes in the subjective valuations used.
In the presence of more significant uncertainties and/or activities subject to measurement of particular materiality, the valuation is supported, with the use of external experts/experts, by specific fairness opinions.

Subjective valuations by company directors are mainly required for:

- quantifying impairment losses on loans, equity investments and, as a rule, other financial assets;
- the valuation models used for the fair value measurement of financial instruments not listed on active markets;
- assessing the fairness of the value of goodwill and other intangible assets;
- quantifying the fair value of real estate and valuable art assets;
- making estimates and assumptions regarding the recoverability of deferred tax assets;
- calculating the prepaid expenses regarding the Personal Financial Adviser Network bonuses and incentives linked to specified inflow targets. For this purpose, an accounting model based on probabilistic actuarial criteria is used that allows the costs incurred to be correlated to expected revenues, taking into account the period of permanence of client investments;
- quantification of staff provisions and provisions for risks and charges.

With regard to the evolution of accounting standards, it is noted that the following Regulations have been applicable since 1st January 2024, for which no significant impacts have been identified for the Group:

- Regulation No. 2579/2023 on Amendments to IFRS16 Leases – Lease Liability in a Sale and Leaseback, dated 20 November 2023, which introduced limited amendments to the accounting for sale and leaseback transactions by the seller-lessee, particularly in cases of variable payments and where the transfer of the asset meets the criteria under IFRS 15 to be accounted for as a sale of the asset;
- Regulation No. 2822/2023 on Amendments to IAS1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants, dated 19 December 2023, which introduces clarifications aimed at promoting consistency in the application of IAS1 when determining whether loans and other liabilities with uncertain settlement dates should be classified as current (due or potentially due within one year) or non-current in the statement of financial position. For banks, given the requirement to apply the formats provided by the Bank of Italy's Circular No. 262/05, these amendments are not considered relevant;
- Regulation No. 1317/2024 on Supplier Finance Arrangements – Amendments to IAS7 and IFRS7, dated 15 May 2024, which introduced new transparency requirements regarding supply chain finance reverse factoring.

The condensed consolidated half-year financial statements, prepared in a summary form as permitted by IAS34, consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flow, and the accompanying Notes.
The accounting schedules are published in the format provided for by the eighth update of Circular no. 262/2005 of the Bank of Italy of 17 November 2022.
The Notes to the Financial Statements present, in specific chapters, some detailed tables of the balance sheet and income statement and in the format established by Bank of Italy Circular 262 for the Notes to the Annual Financial Statements, which can be traced back to the composition of the main items in the financial statements.
These financial statements have been drawn up using the euro as the reporting currency and the amounts contained therein, unless otherwise specified, are shown in millions of euro.
As required by IAS34, the income statement for the first half of 2024 was compared with that for the same period of 2023, while the balance sheet at 30 June 2024 was compared with that at 31 December 2023.
There were no significant events after the reporting period requiring any changes to be made to the condensed half-year consolidated financial statements at 30 June 2024.
The condensed half-year consolidated financial statements are subject to a limited audit by the company EY S.p.A..

SCOPE AND METHODS OF CONSOLIDATION

The following table shows the list of companies included in Fideuram's scope of consolidation at 30 June 2024.

Equity investments in subsidiaries at 30.6.2024

COMPANY NAME	OPERATIONAL HEAD OFFICE	REGISTERED OFFICE	TYPE OF OWNERSHIP (*)	OWNERSHIP		% VOTES (**)
				ASSOCIATE COMPANY	% OWNED	
1. Intesa Sanpaolo Private Banking S.p.A. Share capital €117,497,424	Milan	Milan	1	Fideuram	100.000%	
2. Fideuram - Intesa Sanpaolo Private Banking Asset Management SGR S.p.A. Share capital €25,870,000	Milan	Milan	1	Fideuram	99.517%	
3. Siref Fiduciaria S.p.A. Share capital €2,600,000	Milan	Milan	1	Fideuram	100.000%	
4. IW Private Investments SIM S.p.A. Share capital €29,100,000	Milan	Milan	1	Fideuram	100.000%	
5. Fideuram Asset Management (Ireland) dac Share capital €1,000,000	Dublin	Dublin	1	Fideuram	100.000%	
6. RB Participations S.A. Share capital CHF 100,000	Geneva	Geneva	1	Fideuram	100.000%	
7. REYL & Cie S.A. Share capital CHF 31,500,001	Geneva	Geneva	1	Fideuram RB Participations	43.000% 30.000%	
8. REYL Finance (MEA) Ltd Share capital USD 2,875,000	Dubai	Dubai	1	REYL & Cie	100.000%	
9. Intesa Sanpaolo Wealth Management S.A. Share capital €123,813,000	Luxembourg	Luxembourg	1	Fideuram	100.000%	
10. Intesa Sanpaolo Private Argentina S.A. Share capital ARS 29,379,506	Buenos Aires	Buenos Aires	1	REYL & Cie Fideuram	95.015% 4.985%	
11. REYL Overseas A.G. Share capital CHF 2,000,000	Zurich	Zurich	1	REYL & Cie	100.000%	
12. Gap ManCo Sàrl Share capital €12,500	Luxembourg	Luxembourg	1	REYL & Cie	100.000%	
13. REYL Singapore Holding PTE Ltd Share capital SGD 1,201	Singapore	Singapore	1	REYL & Cie	75.000%	
14. REYL Singapore PTE Ltd Share capital SGD 500,000	Singapore	Singapore	1	REYL & Cie REYL Singapore Holding PTE	76.000% 24.000%	
15. REYL & Co, (Holdings) Ltd Share capital GBP 3,700,000	London	London	1	REYL & Cie	100.000%	
16. REYL & Co, (UK) LLP Share capital GBP 3,800,000	London	London	1	REYL & Co. (Holdings)	100.000%	
17. REYL & Cie (Malta) Holding Ltd Share capital €930,000	Valletta	Valletta	1	REYL & Cie	100.000%	
18. REYL & Cie (Malta) Ltd Share capital €930,000	Valletta	Valletta	1	REYL & Cie (Malta) Holding	100.000%	
19. Iberia Distressed Assets Manager SARL Share capital €12,500	Luxembourg	Luxembourg	1	REYL Finance (MEA)	100.000%	
20. REYL Private Office Sàrl Share capital €50,000	Luxembourg	Luxembourg	1	REYL & Cie	100.000%	
21. CBP Quilvest PE Fund SARL Share capital USD 20,000	Luxembourg	Luxembourg	1	Intesa Sanpaolo Wealth Management	100.000%	
22. Fideuram Asset Management UK Ltd Share capital GBP 1,000,000	London	London	1	Fideuram Asset Management (Ireland)	100.000%	

LEGEND

(*) Type of ownership 1 = majority voting rights at general shareholders' meetings.

(**) Voting rights at general shareholders' meetings. Voting rights are only shown when they differ from % capital ownership.

The Condensed Half-Year Consolidated financial statements include Fideuram and its direct and indirect subsidiaries and the companies over which it exercises significant influence.
The subsidiaries were consolidated line-by-line, except the entities which, due to their limited significance (less than €10m in total assets carried on the books), are consolidated with the equity method, in accordance with Group accounting policies.
A company is considered to be an associate company if it is subject to significant influence, which is to say if Fideuram holds 20% of the voting rights (including potential voting rights) directly or indirectly, or if it is able to participate in determining the company's financial and management policies by virtue of special legal ties even though it has fewer voting rights. Fideuram Vita S.p.A. (the Insurance company in which Fideuram holds 19.99% of share capital), Alpian S.A. (a Swiss bank in which Fideuram and Reyl hold 28.13% and 13.49% of share capital, respectively) and Asteria Investment Managers S.A. (a Swiss management company in which Fideuram holds 49% of the capital) and 1875 Finance Holding A.G. (a Swiss finance company in which Reyl & Cie hold 40% of the capital) are considered associated companies recognised in the consolidated financial statements using the equity method.

The financial statements used for the consolidation were those at 30 June 2024, as approved by the competent bodies of the subsidiaries, adjusted where necessary to align them with Group accounting policies. The financial statement data of companies operating outside the European Monetary Union area were translated to euro applying the exchange rates at the reporting date to the balance sheet items and the average exchange rates for the period to profit or loss items. Any exchange rate differences arising from translations at said exchange rates are recognised in the valuation reserve.

Compared to 31 December 2023, the scope of full consolidation recorded the exit of Carnegie Fund Services S.A. due to its merger by incorporation into Reyl & Cie S.A., as well as Morval Bank & Trust Cayman and IIF SME Manager, both as a result of the completion of their liquidation processes.

Notes to the consolidated balance sheet

ASSETS

CASH AND CASH EQUIVALENTS - ITEM 10

Cash and cash equivalents: analysis

	30.6.2024	31.12.2023
a) Cash	54	59
b) Demand deposits with Central Banks	2,859	2,513
c) Current accounts with banks	2,726	2,666
Total	**5,639**	**5,238**

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 20

Financial assets held for trading: analysis

	30.6.2024			31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Cash activities	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives	**-**	**22**	**-**	**-**	**46**	**-**
1. Financial derivatives	-	22	-	-	46	-
1.1 Held for trading	-	22	-	-	46	-
1.2 Connected with fair value option	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 Held for trading	-	-	-	-	-	-
2.2 Connected with fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total	**-**	**22**	**-**	**-**	**46**	**-**

Other financial assets mandatorily measured at fair value: analysis

	30.6.2024			31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**-**	**600**	**-**	**-**	**560**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	600	-	-	560	-
2. Equities	**89**	**-**	**-**	**88**	**-**	**-**
3. Units in mutual funds	**4**	**11**	**9**	**4**	**11**	**9**
4. Loans	**-**	**1**	**-**	**-**	**1**	**-**
4.1 Repurchase agreement	-	-	-	-	-	-
4.2 Other	-	1	-	-	1	-
Total	**93**	**612**	**9**	**92**	**572**	**9**

The Level 2 debt securities mainly regard the insurance policies that the Group took out to insure the market yields of the Personal Financial Adviser Networks' Loyalty Schemes.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - ITEM 30

Financial assets measured at fair value through other comprehensive income: analysis

	30.6.2024			31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**3,055**	**-**	**-**	**3,351**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	3,055	-	-	3,351	-	-
2. Equities	**4**	**6**	**-**	**3**	**6**	**-**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,059**	**6**	**-**	**3,354**	**6**	**-**

FINANCIAL ASSETS MEASURED AT AMORTISED COST - ITEM 40

Financial assets measured at amortised cost - Loans and advances to banks: analysis

	30.6.2024				31.12.2023			
	BOOK VALUE			FAIR VALUE	BOOK VALUE			FAIR VALUE
	FIRST AND SECOND STAGE	THIRD STAGE	IMPAIRED, PURCHASED OR ORIGINATED		FIRST AND SECOND STAGE	THIRD STAGE	IMPAIRED, PURCHASED OR ORIGINATED	
A. Due from Central Banks	**48**	**-**	**-**	**48**	**45**	**-**	**-**	**45**
1. Term deposits	-	-	-	X	-	-	-	X
2. Statutory reserve	48	-	-	X	45	-	-	X
3. Repurchase agreement	-	-	-	X	-	-	-	X
4. Other	-	-	-	X	-	-	-	X
B. Loans and advances to banks	**28,353**	**-**	**-**	**28,420**	**27,223**	**-**	**-**	**27,105**
1. Loans	10,635	-	-	10,669	9,437	-	-	9,435
1.1 Current accounts and demand deposits	-	-	-	X	-	-	-	X
1.2 Term deposits	9,614	-	-	X	8,361	-	-	X
1.3 Other loans:	1,021	-	-	X	1,076	-	-	X
- Repurchase agreement assets	200	-	-	X	199	-	-	X
- Finance leases	-	-	-	X	-	-	-	X
- Other	821	-	-	X	877	-	-	X
2. Debt securities	17,718	-	-	17,751	17,786	-	-	17,670
2.1 Structured securities	-	-	-	-	-	-	-	-
2.2 Other debt securities	17,718	-	-	17,751	17,786	-	-	17,670
Total	**28,401**	**-**	**-**	**28,468**	**27,268**	**-**	**-**	**27,150**

Financial assets measured at amortised cost - Loans and advances to customers: analysis

	30.6.2024				31.12.2023			
	BOOK VALUE			FAIR VALUE	BOOK VALUE			FAIR VALUE
	FIRST AND SECOND STAGE	THIRD STAGE	IMPAIRED, PURCHASED OR ORIGINATED		FIRST AND SECOND STAGE	THIRD STAGE	IMPAIRED, PURCHASED OR ORIGINATED	
1. Loans	**13,589**	**92**	**-**	**13,655**	**14,304**	**66**	**1**	**14,369**
1. Current accounts	9,825	46	-	X	10,437	25	1	X
2. Repurchase agreement assets	-	-	-	X	-	-	-	X
3. Loans	1,814	46	-	X	1,926	33	-	X
4. Credit cards, personal loans and loans with repayments deducted directly from wages	246	-	-	X	263	1	-	X
5. Finance leases	-	-	-	X	-	-	-	X
6. Factoring	-	-	-	X	-	-	-	X
7. Other transactions	1,704	-	-	X	1,678	7	-	X
2. Debt securities	**1,719**	**-**	**-**	**1,658**	**1,718**	**-**	**-**	**1,648**
1. Structured securities	-	-	-	-	-	-	-	-
2. Other debt securities	1,719	-	-	1,658	1,718	-	-	1,648
Total	**15,308**	**92**	**-**	**15,313**	**16,022**	**66**	**1**	**16,017**

INTANGIBLE ASSETS - ITEM 100

Intangible assets: analysis by type of asset

	30.6.2024		31.12.2023	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**414**	**X**	**424**
A.1.1 Group interests	X	414	X	424
A.1.2 Third party interests	X	-	X	-
A.2 Other intangible assets	**401**	**-**	**422**	**-**
of which: software	123	-	130	-
A.2.1 Assets valued at cost:	401	-	422	-
a) Internally generated intangible assets	92	-	98	-
b) Other assets (*)	309	-	324	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**401**	**414**	**422**	**424**

(*) Other intangible assets also include €278m in intangible assets with a finite useful life relating to the valuation of Client Assets linked to the acquisition of the UBI Top Private Unit (€70m), IW Private Investments (€57m), Reyl & Cie (€88m) and Intesa Sanpaolo Wealth Management (€63m).

LIABILITIES

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - ITEM 10

Financial liabilities measured at amortised cost - due to banks: analysis

	30.6.2024		31.12.2023	
	BOOK VALUE	**FAIR VALUE**	**BOOK VALUE**	**FAIR VALUE**
1. Due to Central Banks	**-**	**X**	**-**	**X**
2. Due to banks	**4,631**	**X**	**3,955**	**X**
2.1 Current accounts and demand deposits	1,241	X	295	X
2.2 Term deposits	1,028	X	1,516	X
2.3 Loans	2,121	X	1,856	X
2.3.1 Repurchase agreement liabilities	537	X	1,548	X
2.3.2 Other	1,584	X	308	X
2.4 Debts from commitments to repurchase own equity instruments	-	X	-	X
2.5 Debt for leases	103	X	105	X
2.6 Other debts	138	X	183	X
Total	**4,631**	**4,625**	**3,955**	**3,916**

Financial liabilities measured at amortised cost - due to customers: analysis

	30.6.2024		31.12.2023	
	BOOK VALUE	**FAIR VALUE**	**BOOK VALUE**	**FAIR VALUE**
1. Current accounts and demand deposits	36,680	X	35,399	X
2. Term deposits	6,579	X	10,286	X
3. Loans	7	X	6	X
3.1 Repurchase agreement liabilities	7	X	6	X
3.2 Other	-	X	-	X
4. Debts from commitments to repurchase own equity instruments	119	X	128	X
5. Debt for leases	189	X	196	X
6. Other debts	117	X	115	X
Total	**43,691**	**43,691**	**46,130**	**46,130**

PROVISIONS FOR RISKS AND CHARGES - ITEM 100

Provisions for risks and charges: analysis

	30.6.2024	31.12.2023
1. Provisions for credit risk associated with commitments and financial guarantees issued	4	4
2. Provisions for other commitments and guarantees issued	-	-
3. Company pension funds	21	18
4.Other provisions for risks and charges	564	568
4.1 Lawsuits and tax disputes	81	79
4.2 Personnel expenses	81	128
4.3 Other	402	361
Total	**589**	**590**

Notes to the consolidated income statement

INTEREST - ITEMS 10 AND 20

Interest and similar income: analysis

	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL
1. Financial assets measured at fair value through profit or loss	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-
1.2 Financial assets measured at fair value	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	31	-	X	31
3. Financial assets measured at amortised cost	418	569	-	987
3.1 Loans and advances to banks	382	281	X	663
3.2 Loans and advances to customers	36	288	X	324
4. Hedging derivatives	X	X	(16)	(16)
5. Other assets	X	X	3	3
6. Financial liabilities	X	X	X	-
Total First-Half 2024	**449**	**569**	**(13)**	**1,005**
of which: interest income on impaired financial assets	-	2	-	2
of which: interest income on finance leases	X	-	X	-
Total First-Half 2023	**354**	**438**	**(7)**	**785**

Interest expense and similar expenses: analysis

	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL
1. Financial liabilities measured at amortised cost	369	-	-	369
1.1 Due to Central Banks	-	X	X	-
1.2 Due to banks	80	X	X	80
1.3 Due to customers	289	X	X	289
1.4 Debt on issue	X	-	X	-
2. Financial liabilities held for trading	-	-	-	-
3. Financial liabilities measured at fair value	-	-	-	-
4. Other liabilities and provisions	X	X	1	1
5. Hedging derivatives	X	X	10	10
6. Financial assets	X	X	X	-
Total First-Half 2024	**369**	**-**	**11**	**380**
of which: interest expense on debts for leases	3	X	X	3
Total First-Half 2023	**178**	**-**	**6**	**184**

FEE AND COMMISSION INCOME AND EXPENSE - ITEMS 40 AND 50

Fee and commission income: analysis

a) Financial instruments	**532**
1. Securities placement	90
1.1 On a firm and/or irrevocable commitment basis	-
1.2 Without irrevocable commitment	90
2. Receiving and transmitting orders and executing orders on behalf of customers	54
2.1 Receiving and transmitting orders for one or more financial instruments	46
2.2 Executing orders on behalf of customers	8
3. Other fees and commissions related to financial instrument activities	388
of which: proprietary trading	-
of which: individual portfolio management	388
b) Corporate Finance	**2**
1. Advice on mergers and acquisitions	2
2. Treasury services	-
3. Other fees and commission related to corporate finance services	-
c) Investment advisory activities	**61**
d) Clearing and settlement	**-**
e) Collective portfolio management	**337**
f) Custody and administration	**33**
1. Depository bank	2
2. Other fees and commission related to custody and administration activities	31
g) Central administrative services for collective portfolio management	**-**
h) Trust activity	**5**
i) Payment Services	**18**
1. Current accounts	5
2. Credit Cards	9
3. Debit cards and other payment cards	-
4. Bank transfers and other payment orders	2
5. Other fees and commission related to payment services	2
j) Distribution of third-party services	**646**
1. Collective portfolio management	291
2. Insurance products	347
3. Other products	8
of which: individual portfolio management	5
k) Structured finance	**3**
l) Servicing activities for securitisation transactions	**-**
m) Commitments to grant finance	**-**
n) Financial guarantees issued	**2**
of which: credit derivatives	-
o) Financing transactions	**1**
of which: for factoring transactions	-
p) Currency trading	**1**
q) Commodities	**-**
r) Other fees and commission income	**14**
of which: for management activities of multilateral trading systems	-
of which: for management activities of organised trading systems	-
Total First-Half 2024	**1,655**
Total First-Half 2023	**1,504**

Fee and commission expense: analysis

a) Financial instruments	**14**
of which: trading in financial instruments	14
of which: placement of financial instruments	-
of which: individual portfolio management	-
- Proprietary	-
- Delegated to third parties	-
b) Clearing and Settlement	**-**
c) Collective portfolio management	**26**
1. Proprietary	4
2. Delegated to third parties	22
d) Custody and administration	**14**
e) Collection and payment services	**12**
of which: credit cards, debit cards and other payment cards	6
f) Servicing activities for securitisation transactions	**-**
g) Commitments to receive funds	**-**
h) Financial guarantees received	**4**
of which: credit derivatives	-
i) Off-premises offer of financial instruments, products and services	**511**
j) Currency trading	**-**
k) Other fees and commission expenses	**19**
Total First-Half 2024	**600**
Total First-Half 2023	**556**

Risk management and control

The Fideuram Group considers the effective management and organisation of risk control essential for ensuring the dependable and sustainable creation of value in a context of controlled risk, in which adequate capital, stable profits, substantial liquidity and a strong reputation form the foundation for maintaining present and future profitability.
Our risk management strategy is based on a complete and coherent vision of risk, considering both the macroeconomic scenario and the specific risk profile of the Group, stimulating the growth of risk culture and strengthening our transparent presentation of portfolio risk.

The underlying principles of risk management and control organisation are as follows:

- clearly identify the responsibilities pertaining to the assumption of risks;
- implement measurement and control systems aligned with international best practice;
- maintain organisational separation of the departments responsible for management and the departments responsible for control.

The Fideuram Group has formulated Risk Management Guidelines which implement the Guidelines issued by Intesa Sanpaolo. These documents specify the roles and responsibilities of the Company Bodies, departments and units, together with the methods and procedures required to ensure prudent corporate risk management.

The Company Bodies play a core role in the Group's risk management and control, each of which has specified competencies for ensuring appropriate risk management, identifying strategic and management policies, continuously verifying their effectiveness and specifying the duties and responsibilities of the departments and units involved in the processes.

The following are involved in this work:

- the Company Bodies (Board of Directors and Board of Statutory Auditors);
- CEO and Joint General Managers;
- the Internal Audit Department;
- the Chief Financial Officer;
- the Banking Services, Finance and Treasury departments, each in their respective areas of responsibility;
- Corporate Affairs;
- the Chief Risk Officer.

Fideuram - Intesa Sanpaolo Private Banking has also established special committees, which have consultative roles and duties that include monitoring the risk management process and disseminating risk culture.

The Chief Risk Officer is responsible for the following in the risk management process:

- drawing up risk management guidelines and policies in line with the Group's strategies and objectives as well as Intesa Sanpaolo's guidelines, and coordinating their implementation;
- ensuring effective measurement and control of exposure to the various different types of risk.

The Chief Risk Officer is independent from the company units with operational management duties in risk areas, and reports hierarchically to the CEO and General Manager and functionally to Intesa Sanpaolo's Chief Risk Officer.

The dissemination of risk culture is supported through the publication and constant updating of internal regulations and through special training and refresher training courses for the personnel involved, using training catalogue courses and dedicated class-based training courses.

CREDIT RISK

The Fideuram Group's lending activities support its core business of providing investment services to private customers. Loans and advances to customers principally consist of repayable-upon-demand current account overdrafts to counterparties who also receive investment services. Loans are mainly granted by agreeing a current account overdraft facility and are linked directly to the bank's private banking business. Lines of credit granted are normally secured by collateral in the form of pledges on products distributed by the Group (mutual funds and discretionary accounts), or equities or bonds listed on major regulated markets, or to a marginal extent by irrevocable mandates to sell financial instruments selected from those distributed within the Group. Loans and advances to banks consist of short-term interbank loans, principally to Intesa Sanpaolo and leading banks in the eurozone.

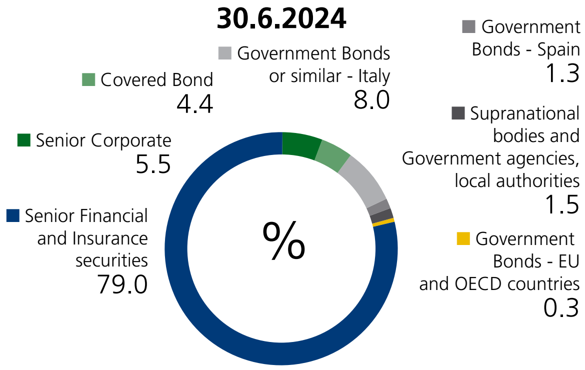
The Group's credit strategies are directed towards the efficient selection of individual borrowers. Irrespective of any collateral, the granting of any loan is subject to an appropriate analysis of the applicant's creditworthiness and their current and prospective ability to generate adequate cash flows to repay the debt. The quality of the loan portfolio is ensured through the adoption of special operating procedures at every stage in the life of each loan, which use special monitoring systems to obtain prompt notification of any symptoms of impairment in the collateral securing the loans granted. In addition, dedicated application procedures monitor any signs of non-performing loan positions. This monitoring is carried out during every stage in the loan management process (enquiry, granting and monitoring) and consists of a critical analysis of the relevant indicators and the periodic review of positions. Further controls are carried out by our central departments on both the nature and quality of the overall exposures. In addition, special controls are carried out to limit the concentration of exposure within the Intesa Sanpaolo Group. Risk monitoring and measurement tools and techniques developed within the Group are also used to this end.

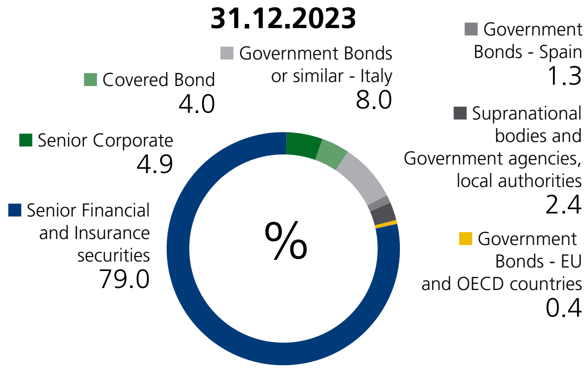
Loans and advances to customers: credit quality

(€m)

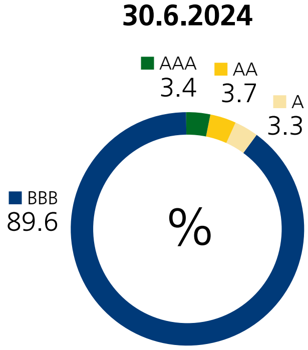
	30.6.2024		31.12.2023		CHANGE
	NET EXPOSURE	%	NET EXPOSURE	%	NET EXPOSURE
Doubtful loans	16	-	26	-	(10)
Unlikely to pay	56	-	28	-	28
Past due or overdue loans	20	-	12	-	8
Non-performing assets	**92**	**-**	**66**	**-**	**26**
Purchased or originated credit-impaired financial assets	-	-	1	-	(1)
Performing loans	13,589	89	14,304	89	(715)
Debt instruments	1,719	11	1,718	11	1
Loans to customers	**15,400**	**100**	**16,089**	**100**	**(689)**

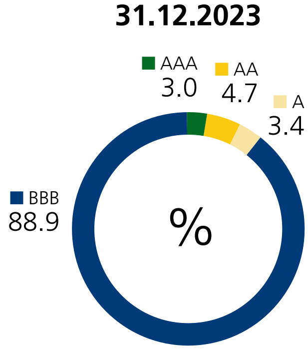
Analysis by product type





Breakdown by rating class of the securities portfolio





BANKING BOOK

The Banking Book includes the Liquidity Portfolio, activated to provide a liquidity reserve through securities deemed eligible with central banks, the Service Portfolio, necessary to address any customer needs and the Stable Investment Portfolio, created to invest excess structural liquidity over a medium-term time horizon, made up of long-term securities held for investment, interest rate risk hedging derivatives and loans.
In this book, the shift sensitivity of the fair value measures the change in the economic value of the banking book and is calculated at the level of individual cash flow for each financial instrument, on the basis of different instantaneous rate shocks and reflects the changes in the discounted value of the cash flows of positions already carried on the balance sheet for the entire remaining duration until maturity (run-off balance sheet).

For a parallel upward movement in the rate curve by 100 bps, the sensitivity value at 30 June 2024 was a negative €151.6m; even the interest margin sensitivity was negative -€42.5m in the event of a -50 bps shock. These risk indicators were impacted by both the capital consolidation measures and the treasury actions undertaken during the first half of 2024, aimed at rebalancing the ALM (Asset and Liability Management) position in response to the introduction of regulations related to the Supervisory Outlier Test (SOT), which sets limits applicable only to individual banks on a standalone basis.

The Value at Risk is calculated as the maximum potential loss of the market value of the portfolio that might occur during the following ten business days with a statistical confidence level of 99% (parametric VaR). The VaR is also used to consolidate the exposure to financial risks assumed after banking book activities, and thus also considering the benefits generated by the diversification effect. The VaR calculation models feature several limits, since they are based on the statistical assumption of a normal distribution of yields and on the observation of historic data, which might not be followed in future. Therefore, the results of the VaR do not guarantee that any possible future losses cannot exceed the calculated statistical estimates. At 30 June 2024, the VaR, calculated over a one-day time horizon, taking into account the interest rate and credit spread components, stood at €1.8m, continuing the downward trend in view of the volatility recorded in the markets.

The banking book comprises long-term investment securities, interest rate hedging derivatives, loans and current accounts. At 30 June 2024, the Banking Book amounted to €49.8bn.

Banking Book

(€m)

	30.6.2024	31.12.2023	CHANGE	
			AMOUNT	%
Financial assets measured at fair value through other comprehensive income	3,065	3,360	(295)	-9
Debt securities classified as loans to banks	17,718	17,786	(68)	-
Debt securities classified as loans to customers	1,719	1,718	1	-
Hedging derivatives with positive fair value	251	257	(6)	-2
Total securities and derivatives	**22,753**	**23,121**	**(368)**	**-2**
Sight deposit current accounts with banks	2,726	2,666	60	2
Loans to banks	10,683	9,482	1,201	13
Loans to customers	13,681	14,371	(690)	-5
Total loans	**27,090**	**26,519**	**571**	**2**
Total banking book	**49,843**	**49,640**	**203**	**-**

EXCHANGE RISK

The principle sources of exchange rate risk are:

- purchases of securities and other financial instruments in foreign currencies;
- buying and selling of foreign currencies;
- collection and/or payment of interest, commission, dividends or administrative expenses in foreign currencies;
- equity investments in foreign currency.

Spot and forward transactions on foreign exchange markets were mainly entered into with the aim of optimising proprietary risk arising in relation to the buying and selling of foreign currencies to and from customers.
EU legislation on own funds requirements in relation to exchange rate risk provides that, under article 352(2) of Regulation (EU) 575/2013 of 26 June 2013 (CRR - Capital Requirements Regulation), positions in currencies other than that of consolidated financial statements that are held in the form of equity investments (structural positions) are not subject to the requirement. Therefore, it is possible for potential adverse effects of exchange rates on capital ratios to be neutralised subject to authorisation by the competent authority. In

response to the waiver request, Intesa Sanpaolo received authorisation from the ECB to apply this approach under exemption, up to a maximum amount (optimal position) of the foreign currency position that would be capable of neutralising capital ratio sensitivity to exchange rate movements.
As part of Intesa Sanpaolo's FX Risk Capital Requirements project, a hedge accounting framework was defined for managing hedging operations with the aim of reducing structural foreign exchange risk exceeding the optimal position. As far as the Fideuram Group is concerned, the structural exchange rate risk is essentially represented by investments in Swiss francs relating to the Reyl Group. FX forward outright hedges have been identified, providing for the forward sale of CHF against the forward purchase of EUR, renewable approaching maturity, which varies between every three to six months. Fideuram began hedging the structural CHF position in March 2022; Fideuram is the holder of the hedged investments. The hedge currently consists of 3 deals with a notional total size of €299m in CHF equivalent; the total historic book value of equity investments is approximately €318m.
Hedge accounting requires periodic effectiveness testing at the individual, sub-consolidated and consolidated level, with trading impacts on the income statement in the form of the forward points differential of interest rates between the two currencies. With regard to the spot component – i.e. the change in the exchange rate from the designation date to the valuation date – this is treated as profit (loss) from hedging activities and has offsetting effects on equity.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will fail to satisfy its own payment commitments due to its inability both to obtain funds on the market (funding liquidity risk) and to sell its own assets (market liquidity risk).
The internal system for control and management of liquidity risk is developed within the Group Risk Appetite Framework and in compliance with the maximum limits of tolerance of liquidity risk approved in that Framework, which require that the Group has to maintain adequate liquidity so as to deal with periods of tension, including extended ones, on different funding markets, inter alia through the formation of adequate liquidity reserves represented by marketable securities that can be refinanced at central banks. Accordingly, a balanced relationship has to be maintained between inflows and outflows over both the short and medium-long term. This objective is developed by the "Group Guidelines for Governance of Liquidity Risk" approved by the Corporate Bodies of Intesa Sanpaolo, applying the relevant current regulatory provisions.
The guidelines incorporate the latest regulatory provisions covering liquidity risk and illustrate the duties of the various corporate functions, the rules and set of control and management processes designed to assure prudent monitoring of that risk, by preventing crisis situations from arising. To this end, they include procedures for identifying risk factors, measuring risk exposure and verifying compliance with limits, as well as rules for carrying out stress tests and identifying appropriate risk mitigation initiatives, in addition to the preparation of contingency plans and reporting to corporate bodies. In particular, from the organisational point of view, the duties assigned to the Board of Directors have been defined in detail, and top management is delegated with several important compliance measures, such as approval of the measurement methods, definition of the principal assumptions underlying the stress scenarios, and the composition of the attention indicators used to activate emergency plans.
The liquidity risk measurement metrics and mitigation tools are set out in the Group's Liquidity Risk Governance Guidelines, which define the methodological framework of both short-term and structural liquidity indicators.
The short-term liquidity indicators aim to assure an adequate and balanced level between negative and positive cash flows having a certain or estimated due date falling within a 12-month time horizon, with the aim of confronting periods of tension, including extended ones, on the different funding markets, including through the establishment of adequate liquidity reserves (so-called Liquidity Buffer) that can be freely used as the main liquidity risk mitigation instrument.
The Liquidity Coverage Ratio (LCR), whose minimum limit has been 100%, has the purpose of reinforcing the short-term liquidity risk profile, assuring that it holds sufficient, unrestricted High-Quality Liquid Assets (HQLA) that may be easily and immediately converted into cash on private markets to satisfy liquidity requirements at 30 days in an acute liquidity stress scenario as defined in the Delegated Regulation (EU) no. 2015/61.
The Structural Liquidity Policy sets out to adopt the Net Stable Funding Ratio (NSFR) requirement, which entered into force in June 2021 and has a minimum level of 100%, following the final approval and subsequent publication in the Official Journal of the banking reform package containing Directive (EU) 2019/878 (CRD V) and Regulation (EU) 2019/876 (CRR II). That indicator aims to promote greater use of stable inflows, preventing medium and long-term operations from causing excessive imbalances to be financed on a short-term basis. Accordingly, it sets a minimum acceptable amount of funding for more than one year according to the needs originating from the liquidity and residual duration characteristics of off-balance sheet assets and exposures.
In that context, the Contingency Funding Plan (CFP) has been implemented. This contains different lines of action that can be activated to deal with potential stress situations, indicating the dimension of the mitigating effects that could be pursued over a short-term time horizon. Moreover, it is required that governance procedures be in place to govern a possible liquidity crisis, defined as a situation of difficulty or incapacity to meet one's own cash commitments as they fall due, unless procedures are activated and/or tools are used in a way that cannot be associated with ordinary administration in terms of their intensity or procedures.
As part of the Group's Liquidity Risk Governance Guidelines, it is also required that governance procedures be in place to govern a possible liquidity crisis, defined as a situation of difficulty or incapacity to meet one's own cash commitments as they fall due, unless procedures are activated and/or tools are used in a way that cannot be associated with ordinary administration in terms of their intensity or procedures. The Contingency Liquidity Plan, with the objectives of safeguarding the Group's assets and, at the same time, guaranteeing operational continuity in conditions of serious emergency on the liquidity front, ensures

the identification of early warning signals, their continuous monitoring, the definition of the procedures to be launched in the event of liquidity stress, indicating also the immediate lines of action and the intervention tools to resolve the emergency.

Adequate and timely disclosures on the development of market conditions and the Group’s position have been issued to the Corporate Bodies and to the internal Committees, to assure full awareness and the governability of the different risk factors.

The Fideuram Group manages liquidity risk in accordance with Intesa Sanpaolo’s Liquidity Risk Governance Guidelines, which ensure prompt implementation of national and supranational legal and regulatory changes. The key principles of said regulatory changes introduce prudential rules regarding both short-term liquidity risk management and long-term liquidity risk management (structural liquidity).

The Group’s solidity is based on balance sheet liabilities that are mainly centred on retail customer deposits. These are deposits that benefit from considerable stability over time, meaning that the Fideuram Group does not need to depend on the interbank market and can thus avoid exposure to the risk of a liquidity crisis in that market. In addition to the stability of customer deposits, where interest-bearing assets are concerned, the Group has an investment portfolio that is governed by stringent liquidity limits for securities (readily-negotiable and eligible for Central Bank refinancing) in accordance with the provisions of the Financial Portfolio Policy based on highly-prudential criteria suitable for ensuring high and stable liquidity.

The above-mentioned Policy provides for setting up an operational limit monitoring and reporting unit in line with current regulations. Liquidity risk exposure is monitored constantly to ensure that the operational limits and relevant regulations are respected. The methods adopted to measure the Group’s exposure to liquidity risk follow the cardinal principles of the European Banking Authority (EBA) and the provisions of the Supervisory Regulations, and ensure that the asset and liability items are calculated in a wholly suitable manner for providing an appropriate representation of expected cash flows.

In the first half of 2024, the indicators (regulatory and internal policy) confirmed the solidity of the Group's liquidity position. Both regulatory indicators, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), remain above the minimum regulatory requirements. At the end of June 2024, the Liquidity Coverage Ratio (LCR), measured in accordance with Delegated Regulation (EU) 2015/61, stood at 136.3% and the NSFR at 123.5%. All the necessary preventive management and control measures remain in place with the aim of detecting any signs of a potential tightening of liquidity conditions.

DISCLOSURE CONCERNING FINANCIAL PRODUCTS

Assets and liabilities measured at fair value on a recurring basis: analysis by fair value level

(€m)

	30.6.2024			31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets measured at fair value through profit or loss	93	634	9	92	618	9
Financial assets measured at fair value through other comprehensive income	3,059	6	-	3,354	6	-
Hedging derivatives	-	251	-	-	257	-
Property and equipment	-	-	52	-	-	51
Total	**3,152**	**891**	**61**	**3,446**	**881**	**60**
Financial liabilities held for trading	-	19	-	-	52	-
Hedging derivatives	-	268	-	-	362	-
Total	**-**	**287**	**-**	**-**	**414**	**-**

Assets measured at fair value show the prevalence of level 1 instruments measured through recourse to market quotations. The unit-linked policies servicing Personal Financial Adviser loyalty plans, OTC hedging derivatives and treasury FX derivatives are classified as level 2 assets/liabilities. Level 3 financial assets refer to the UCITS units held by the subsidiary Fideuram Asset Management SGR.

OPERATIONAL RISK

Operational risk is defined as the risk of loss arising from inadequate or ineffective internal processes, human resources or systems, or from external events. For the economic loss component, operational risk also includes: legal, conduct, non-compliance, financial crime, IT and cyber, physical security, business continuity, financial reporting, third party and model. Strategic and reputational risks are not included.
In the first half of 2024, operating losses of approximately €6.4m were recorded.

LEGAL AND TAX RISKS

In the normal course of their business, the companies of the Group are parties in civil and tax judicial proceedings and also parties in criminal proceedings against third parties.
The Group monitors pending cases constantly in consultation with external legal advisers, examining them in the light of the relevant contractual documents, the conduct concerned, internal investigations and any critical aspects highlighted by the aforesaid legal advisers during lawsuits. The Group has set aside provisions for legal disputes to cover, among other things, the liabilities that could, according to internal and external legal advice, be incurred as a result of pending legal and other disputes.

At 30 June 2024, these provisions totalled €81m. The total provisions and the amount of the individual provisions set aside are calculated based on the probability estimated by external and internal legal advisers' indications of the proceedings having negative outcomes. As a consequence of said process, certain pending proceedings in which the Group is involved and regarding which a negative outcome is considered either remote or not quantifiable are not included in the provisions for legal disputes. At 30 June 2024, the number and value of pending proceedings were not such as to have any potential significant impact on the business, assets or financial situation of the Group.

With regard to the disputes in progress, the significant developments in the half-year are reported below and reference is made to the consolidated financial statements at 31 December 2023 for the detailed description of the main disputes.

CASES REGARDING ALLEGED UNLAWFUL AND/OR IMPROPER CONDUCT BY FORMER PERSONAL FINANCIAL ADVISERS AUTHORISED TO OFFER PRODUCTS AND SERVICES OUTSIDE GROUP PREMISES

An inspection performed by the Audit Department in 2019 exposed major irregularities committed by a former Personal Financial Adviser of Sanpaolo Invest. The audits confirmed that irregularities were committed that caused damage to several customers, such as the misappropriation of funds and false reports. The Company terminated with just cause the agency agreement and reported the facts of the case to the Public Prosecutor of Parma and to the Supervisory Authority for Personal Financial Advisers, which first suspended and then expelled the agent from the Single Register of Financial Advisers. Most of the claims were either settled or rejected as unfounded. To date, 23 compensation claims are pending for a petitum of approximately €10.1m following the settlement of 256 positions. The criminal proceedings against the former personal financial adviser for fraud, embezzlement, and aggravated theft by fraudulent means and abuse of authority concluded on 4 March 2024 with a plea bargain. The former Personal Financial Adviser was sentenced to four years of imprisonment and a fine of €1,000.

DISPUTES REGARDING BANKING AND OTHER TRANSACTIONS

In July 2023, Unicredit S.p.A. summoned Fideuram to appear before the Court of Turin to obtain compensation for an alleged loss of approximately €23m plus interest and revaluation, allegedly sustained as a result of acts of alleged unfair competition adopted by Fideuram in connection with the resignation from Unicredit in the period 2022-2023 of some Personal Financial Advisers, then hired by Fideuram, as well as due to unlawful claims made by the aforesaid Personal Financial Advisers pending their switch to the defendant, of which Fideuram would also be liable.

Fideuram appeared in court, fully contesting the adverse claims and requesting the applications to be thrown out, due to their being unfounded, stating, among other things, how the situations referred to in court are usual in the sector, characterized by the strong competitiveness and mobility of financial advisors and since Fideuram itself is not immune from this phenomenon. As regards the claim for compensation, the amount was fully contested both concerning the assumptions and the quantification, since it was calculated with inappropriate methods based on a distorted representation of the profitability of the assets managed by the parties in question. At the hearing in April 2024, the judge ordered a court-appointed expert to calculate any damages.

In October 2022, Fideuram was summoned to appear before the Court of Naples with a request to: (i) ascertain the invalidity of a framework agreement for the current account and for the provision of investment services signed at the time by the plaintiff with Fideuram, of the consequent invalidity of all investment transactions carried out and of the bank's alleged contractual and non-contractual liability, and consequently, (ii) order the bank to pay compensation for the alleged damages suffered for a total of approximately €29m.

The bank appeared in court, contesting the legitimacy and admissibility of the questions and confirming the correctness and compliance of its operations with applicable legislation, even when profiling and informing the customer.

The hearing, which was set for 5 April 2024, was postponed to 17 December 2024 for investigation purposes.

The Public Prosecutor's Office of Milan has initiated criminal proceedings pursuant to Legislative Decree 231/2001 against Reyl & Cie for the alleged crime of money laundering, allegedly committed by one of its former employees (fired in 2020) and ordered the seizure of assets owned by Reyl itself for approximately €1.1m. The proceedings also involve the Swiss bank Cramer & Cie. The disputed facts refer to events that occurred in 2018, before Reyl & Cie joined the Group, which took place in May 2021. Based on the accusation, the former employee, together with his brother, an employee of Banca Cramer & Cie and an external consultant, adopted practices aimed at encouraging tax evasion by Italian customers through the transfer of accounts from Switzerland to branches located in the Bahamas, in order to allow the customers themselves to withdraw money from these accounts without the possibility of being traced by the Italian authorities. As part of the criminal proceedings pursuant to Legislative Decree 231/2001, pending in Italy, at the end of June 2023, notice of the conclusion of the preliminary investigations was issued, and, therefore, it was possible to access the full content of the documents of the investigation. An analysis of the above-mentioned notice and the documentation acquired, did not identify any new elements or claims in addition to information obtained during the seizure order, and the information that the Public Prosecutor's Office of Milan did not submit a ban preventing Reyl & Cie from carrying out operations in Italy, unlike Banca Cramer & Cie, was confirmed.

Although it is possible for Reyl to submit an application to revoke or reduce the seizure, also taking into account the fact that it is the Swiss company itself that reported the suspicious transaction to the Authorities, it should be noted that the aforesaid Public Prosecutor's Office rejected a similar initiative undertaken by Banca Cramer.

Any consequential damage (for possible sanctions and/or confiscations) could be covered by the various guarantees provided by the seller, for which a reservation claim has been made within the terms set out in the Reyl purchase contract.

At the hearing on 3 July 2024, the bank, without any acknowledgement of liability for the alleged facts, filed an application for the imposition of a fine (plea bargain). The next hearing is set for 24 September 2024, at which the preliminary investigation judge will decide on this application.

TAX DISPUTES

During December 2023, certain Regional Directorates of the Revenue Agency notified Intesa Sanpaolo and some companies in the Group, of requests for clarification regarding the tax treatment adopted in relation to the shareholder payments made by Intesa Sanpaolo in 2017 to cover the costs (IT integration, incentive for employees leaving the company, etc.) of the subsidiaries, for the integration of Banca Popolare di Vicenza and Veneto Banca ("Banche Venete"). In this regard, it should be noted that for the acquisition of the Banche Venete, Intesa Sanpaolo had received a public contribution and that, in carrying out the management and coordination of its subsidiaries, it was responsible for safeguarding them from the impact that would have caused the above-mentioned charges being incurred. The tax treatment adopted by the Group's companies – with exemption from IRES taxation of the shareholder contribution received – was in line with the response provided by the Revenue Agency to a specific request submitted by Intesa Sanpaolo.

Following discussions initiated with various offices of the Italian Revenue Agency, the Group – including the companies within the Private Banking Division – has decided to comply with the Revenue Agency's assessments by reclassifying the contributions as capital contributions, taxable on a cash basis under Article 88, paragraph 3 of the TUIR (Italian Consolidated Income Tax Act). The Group has submitted supplementary tax returns "in disfavour" and utilised the "ravvedimento operoso" (voluntary correction) procedure for the years in which the contributions were received. Given that IRES (Corporate Income Tax) is subject to offset among the companies participating in tax consolidation, the burden for the companies within the Private Banking Division will be relatively limited. It will primarily involve the payment of the additional IRES required solely from banks, specifically Fideuram - Intesa Sanpaolo Private Banking and Intesa Sanpaolo Private Banking.

Related parties transactions

Fideuram - Intesa Sanpaolo Private Banking S.p.A. is wholly owned and controlled directly by Intesa Sanpaolo S.p.A..
In accordance with the law and the internal procedures issued by Intesa Sanpaolo and Fideuram, all transactions with related parties at 30 June 2024 were conducted under arms-length conditions as for unrelated parties of corresponding nature and risk, or – in the absence of any reference – under mutually-beneficial conditions, verified taking all the related circumstances, the distinctive characteristics of the transaction and Group interests into account. The bank did not in any case engage in any atypical or unusual transactions and/or transactions under non-standard financial and contractual conditions for the types of related parties concerned.
In line with the Private Banking Division's development initiatives envisaged in the 2022-2025 Business Plan and as part of the Division's reorganisation process, the following corporate transactions were carried out in the period from 1 January to 30 June 2024:

- The Board of Directors of 26 February 2024, subject to the favourable opinion of the Related Parties Committee of Fideuram, approved the subscription of a capital increase of CHF 2.45m in favour of Asteria Investment Managers S.A., a company owned 49% by Fideuram and 51% by Man Group Holdings Limited. The transaction, which will support the company's development in line with the objectives of the partnership established in 2023 between Fideuram and Man, and at the same time reaffirm the shareholders' commitment with the local regulatory authority to supporting Asteria's growth, was completed on 29 March 2024. This was achieved through a capital reserve contribution without the issuance of new shares and without any significant impact on Fideuram's consolidated capital ratios.
- On 27 February 2024, the Board of Directors of Fideuram approved the purchase of a 2% interest in Reyl & Cie held by a company manager for a price of CHF 5.4m. The transaction, carried out in accordance with the shareholders' agreement signed at the time of Reyl's acquisition by Fideuram, was completed on 20 June 2024 with Fideuram acquiring 630,000 shares at the aforementioned price. As a result, Fideuram's interest in Reyl increased, bringing its total interest to 73% in the Swiss bank's capital.

On 29 July 2024, Fideuram's Board of Directors approved the renewal of the existing service contract with Intesa Sanpaolo, updated on the basis of the evolution of the organizational and operational context of the Group and the Bank. There was a similar update of the service contracts in place between Intesa Sanpaolo and the following Fideuram subsidiaries: Intesa Sanpaolo Private Banking, IW Private Investments SIM, Fideuram Asset Management SGR, Siref Fiduciaria, Fideuram Asset Management (Ireland), Fideuram Asset Management UK, Reyl & Cie and Intesa Sanpaolo Wealth Management.
Fideuram's new service contract with Intesa Sanpaolo, which will be signed by September 2024, provides for the disbursement of an annual fee estimated at about €94m, an increase of around €16m compared to the final figure at the end of 2023, mainly due to the activation of new services and activities. Overall, the service contracts in place between Intesa Sanpaolo and the aforementioned companies of the Fideuram Group will entail, subject to year-end adjustments, the payment of a consideration estimated for 2024 at approximately €142m, also up about €17m on the final balance at the end of 2023 for the services provided by Intesa Sanpaolo.
All other relationships that the Fideuram has with the other companies of the Intesa Sanpaolo Group fall within the sphere of ordinary operations.
Fideuram makes use of Intesa Sanpaolo for intermediation in the trading of securities. These transactions are regulated at market conditions.

All amounts receivable and payable and all income and expenses at 30 June 2024 regarding companies in the Intesa Sanpaolo Group are summarised below:

Assets 30.6.2024

(€m)

	TRANSACTIONS WITH INTESA SANPAOLO GROUP	
	AMOUNT	%
Cash	2,413	43
Debt and equity securities	18,407	79
Loans to banks	10,023	94
Loans to customers	211	2
Financial derivatives	248	91
Property and equipment	112	31
Other assets	15	1

Liabilities 30.6.2024

(€m)

	TRANSACTIONS WITH INTESA SANPAOLO GROUP	
	AMOUNT	%
Due to banks	3,610	78
Due to customers	422	1
Financial derivatives	188	65
Other liabilities	702	27
Guarantees and commitments	1,263	14

Income statement 1st Half 2024

(€m)

	TRANSACTIONS WITH INTESA SANPAOLO GROUP	
	AMOUNT	%
Interest income	587	58
Interest expense	(79)	21
Fee and commission income	486	29
Fee and commission expense	(24)	4
Net profit (loss) on financial assets	73	78
Administrative expenses	(88)	13
Depreciation of property and equipment	(13)	39

Independent Auditors’ Report

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Sole Shareholder of
Fideuram – Intesa Sanpaolo Private Banking S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the related explanatory notes of Fideuram – Intesa Sanpaolo Private Banking S.p.A. and its subsidiaries (the "Fideuram – Intesa Sanpaolo Private Banking Group") as at June 30, 2024 and for the six months then ended. The Directors of Fideuram – Intesa Sanpaolo Private Banking S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of the Fideuram – Intesa Sanpaolo Private Banking Group as at June 30, 2024 and for the six months then ended are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, August 1, 2024

EY S.p.A.
Signed by: Giovanni Pesce, Auditor

This report has been translated into the English language solely for the convenience of international readers

Schedules

Criteria for preparing reclassified financial statements

The balance sheet and income statement as at and for the period ended 30 June 2024 have been reclassified to facilitate comparison of the figures for different periods and to enable a clearer and more immediate understanding of the financial position and results. These statements were prepared by appropriately grouping the items that comprise the accounting schedules.
Moreover, the reclassified consolidated statement of profit or loss has been changed as follows to provide a clearer presentation of the Group's operating performance:

- Net profit (loss) on financial assets, net fee and commission income, and the provisions have been stated net of the returns on the insurance policies taken out as part of the Personal Financial Adviser Networks' Loyalty Schemes, recognised in the official Bank of Italy schedule as net profit (loss) on financial assets mandatorily measured at fair value, which – as pertaining to the Personal Financial Advisers – have been recognised as commission expense and provisions;
- Net profit (loss) on financial assets, net fee and commission income, and personnel expenses have been stated net of the fair value changes in Intesa Sanpaolo shares purchased under the risk-takers' incentive plans. This reclassification was adopted starting from 2024 and, as a result, the comparative data for the half-year report at 30 June 2023 has been restated accordingly;
- Reversal of the time value for the provision for employment termination indemnities and provisions for risks and charges arising from the application of the amortised cost method has been reclassified to net interest income.
- Expenses for stamp duty on current and deposit accounts, which are recognised in the official Bank of Italy schedule under administrative expenses, have been stated net of income from amounts recovered.
- Soft commissions have been reallocated to the administrative expenses that generated them.
- Expenses for fee and commission income, which are recognised in the official Bank of Italy schedule under other administrative expenses, have been reclassified among fee and commission income;
- Expenses relating to some incentive systems for employees of the distribution networks, financed on the basis of deterministic quantification criteria with fee revenues generated by the networks, have been recognised under fee and commission expense;
- Net provisions for risks and charges relating to credit risk on commitments and guarantees issued have been reclassified among net impairment of loans;
- Net impairment on debt securities have been reclassified among "Net provisions for risks and charges and net impairment of other assets";
- Non-recurring income and expenses have been reclassified as a separate item in the line "Net non-recurring income (expenses)";
- Integration and voluntary redundancy expenses have been reclassified, net of tax effect, in a separate item designated "Integration and voluntary redundancy expenses (net of tax)".
- Effects of purchase price allocation have been recognised in a specific item, net of the tax effect, designated "Effects of purchase price allocation (net of tax)";
- Expenses related to maintaining the stability of the banking and insurance system (consisting of contributions to the Deposit Guarantee System, the Single Resolution Fund, and the Insurance Guarantee Fund for life insurance) have been reclassified to a separate line item, net of tax effects, under the heading "Expenses regarding the banking and insurance system (net of tax)".

Reconciliations between consolidated and reclassified financial statements

Reconciliation of the consolidated balance sheet and reclassified consolidated balance sheet

(€m)

RECLASSIFIED BALANCE SHEET ITEMS – ASSETS	RESTATED CONSOLIDATED BALANCE SHEET ITEMS – ASSETS	30.6.2024	31.12.2023
Cash and cash equivalents		5,639	5,238
	Item 10. Cash and cash equivalents	*5,639*	*5,238*
Financial assets measured at fair value through profit or loss		736	719
	Item 20. Financial assets measured at fair value through profit or loss	*736*	*719*
Financial assets measured at fair value through other comprehensive income		3,065	3,360
	Item 30. Financial assets measured at fair value through other comprehensive income	*3,065*	*3,360*
Debt securities measured at amortised cost		19,437	19,504
	Item 40. a) (partial) Financial assets measured at amortised cost - Loans and advances to banks - securities	*17,718*	*17,786*
	Item 40. b) (partial) Financial assets measured at amortised cost - Loans and advances to customers - securities	*1,719*	*1,718*
Loans to banks		10,683	9,482
	Item 40. a) Financial assets measured at amortised cost - Loans and advances to banks	*28,401*	*27,268*
	Item 40. a) (partial) Financial assets measured at amortised cost - Loans and advances to banks - securities	*(17,718)*	*(17,786)*
Loans to customers		13,681	14,371
	Item 40. b) Financial assets measured at amortised cost - Loans and advances to customers	*15,400*	*16,089*
	Item 40. b) (partial) Financial assets measured at amortised cost - Loans and advances to customers - securities	*(1,719)*	*(1,718)*
Hedging derivatives		251	257
	Item 50. Hedging derivatives	*251*	*257*
Equity investments		243	247
	Item 70. Equity investments	*243*	*247*
Property and equipment and intangible assets		1,180	1,220
	Item 90. Property and equipment	*365*	*374*
	Item 100. Intangible assets	*815*	*846*
Tax assets		199	215
	Item 110. Tax assets	*199*	*215*
Other assets		1,968	1,802
	Item 60. Adjustments to financial assets subject to macro-hedging (+/-)	*(50)*	*(45)*
	Item 130. Other assets	*2,018*	*1,847*
Total assets	**Total assets**	**57,082**	**56,415**

RECLASSIFIED BALANCE SHEET ITEMS – LIABILITIES	RESTATED CONSOLIDATED BALANCE SHEET ITEMS – LIABILITIES	30.6.2024	31.12.2023
Due to banks		4,631	3,955
	Item 10. a) Financial liabilities measured at amortised cost - due to banks	*4,631*	*3,955*
Due to customers		43,691	46,130
	Item 10. b) Financial liabilities measured at amortised cost - due to customers	*43,691*	*46,130*
Financial liabilities held for trading		19	52
	Item 20. Financial liabilities held for trading	*19*	*52*
Hedging derivatives		268	362
	Item 40. Hedging derivatives	*268*	*362*
Tax liabilities		233	148
	Item 60. Tax liabilities	*233*	*148*
Other liabilities		2,652	1,962
	Item 50. Adjustments to financial liabilities subject to macro-hedging (+/-)	*(21)*	*(21)*
	Item 80. Other liabilities	*2,641*	*1,949*
	Item 90. Provision for employment termination indemnities	*32*	*34*
Provisions for risks and charges		589	590
	Item 100. Provisions for risks and charges	*589*	*590*
Share capital, reserves and equity instruments		4,183	3,012
	Items 120., 140., 150., 160., 170., 180. Equity attributable to owners of the parent company	*4,183*	*3,012*
Interim dividends		-	(1,200)
	Item 155. Interim dividends (-)	*-*	*(1,200)*
Equity attributable to non-controlling interests		1	1
	Item 190. Equity attributable to non-controlling interests (+/-)	*1*	*1*
Net profit		815	1,403
	Item 200. Net profit (loss) for the period (+/-)	*815*	*1,403*
Total liabilities	**Total liabilities and shareholders' equity**	**57,082**	**56,415**

Reconciliation of the consolidated income statement and reclassified consolidated income statement

(€m)

RECLASSIFIED CONSOLIDATED INCOME STATEMENT ITEMS	RESTATED CONSOLIDATED INCOME STATEMENT ITEMS	1ST HALF 2024	1ST HALF 2023
Net interest income		622	602
	Item 30. Net interest income	*625*	*601*
	- Item 30. (partial) Interest margin PPA IW Private Investments and Fideuram	*3*	*6*
	- Item 190. a) (partial) Reversal of time value of severance pay and other personnel provisions	*(1)*	*(1)*
	- Item 200. b) (partial) Reversal of time value of provisions for risks and charges	*(5)*	*(4)*
Net profit (loss) on financial assets and liabilities		24	24
	Item 70. Dividends and similar income	*4*	*2*
	Item 80. Net profit (loss) on trading activities	*22*	*22*
	Item 90. Net profit (loss) on hedging derivatives	*(1)*	*(2)*
	Item 100. Profit (loss) on sale or repurchase of financial assets	*(1)*	*1*
	Item 110. Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	*70*	*39*
	Item 110. b) (partial) Component of the return on insurance policies for the Networks	*(42)*	*(28)*
	Item 110. b) (partial) Component of the returns on Intesa Sanpaolo shares	*(28)*	*(10)*
Net fee and commission income		1,055	940
	Item 60. Net fee and commission income	*1,055*	*949*
	- Item 60 (partial) Soft commission	*(2)*	*-*
	- Item 110. b) (partial) Component of the return on insurance policies for the Networks	*3*	*2*
	- Item 190. a) (partial) Component of staff expenses relating to fee and commission income	*(20)*	*(16)*
	- Item 190. b) (partial) Component of administrative expenses relating to fee and commission income	*(4)*	*(4)*
	- Item 110. b) (partial) Component of the returns on Intesa Sanpaolo shares	*23*	*9*
Net interest and trading income		**1,701**	**1,566**
Profit on equity investments and other income (expense)		7	(1)
	Item 230. Other income/expense	*219*	*160*
	Item 250. Profit (loss) on equity investments	*6*	*1*
	- Item 230. (partial) Recovery of indirect taxes	*(202)*	*(171)*
	- Item 110. b) (partial) Component of the returns on insurance policies for the Networks	*4*	*9*
	- Item 230. (Partial) Gain on sale of the Paying Agent contract	*(20)*	*-*
Net operating income		**1,708**	**1,565**
Personnel expenses		(241)	(238)
	Item 190. a) Personnel expenses	*(267)*	*(258)*
	- Item 190. a) (partial) Reversal of time value of severance pay and other personnel provisions	*1*	*1*
	- Item 190. a) (partial) Component of staff expenses relating to fee and commission income	*20*	*16*
	- Item 190. a) (partial) Integration expenses	*-*	*2*
	- Item 110. b) (partial) Component of the returns on Intesa Sanpaolo shares	*5*	*1*
Other administrative expenses		(157)	(151)
	Item 190. b) Other administrative expenses	*(402)*	*(349)*
	- Item 60. (partial) Soft commission	*2*	*-*
	- Item 190. b) (partial) Integration expenses	*7*	*9*
	- Item 190. b) (partial) Expenses relating to the banking system	*30*	*14*
	- Item 190. b) (partial) Component of administrative expenses relating to fee and commission income	*4*	*4*
	- Item 230. (partial) Recovery of indirect taxes	*202*	*171*
Depreciation and amortisation		(50)	(43)
	Item 210. Depreciation of property and equipment	*(34)*	*(30)*
	Item 220. Amortisation of intangible assets	*(31)*	*(27)*
	- Item 220. (partial) Integration expenses	*5*	*4*
	- Item 220. (partial) Intangible amortisation client assets PPA Reyl, IW Private Investments, UBI Top Private Branch and Intesa Sanpaolo Wealth Managemet	*10*	*10*
Net operating expenses		**(448)**	**(432)**
Operating margin		**1,260**	**1,133**

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT ITEMS	RESTATED CONSOLIDATED INCOME STATEMENT ITEMS	1ST HALF 2024	1ST HALF 2023
Net impairment of loans		(18)	(11)
	Item 130. Net impairment for credit risk	*(18)*	*(8)*
	Item 200. a) Net provisions for risks and charges relating to commitments and guarantees	*-*	*(1)*
	- Item 130. a) (partial) Net impairment/reversal of impairment for credit risk related to financial assets measured at amortised cost - Debt securities	*-*	*(3)*
	- Item 130. b) (partial) Net impairment/reversal of impairment for credit risk related to financial assets measured at fair value through other comprehensive income - Debt securities	*-*	*1*
Net provisions for risks and charges and net impairment of other assets		(17)	(17)
	Item 200. b) Net provisions for risks and charges	*(60)*	*(40)*
	- Item 200. b) (partial) Reversal of time value of provisions for risks and charges	*5*	*4*
	- Item 110. b) (partial) Component of the return on insurance policies for the Networks	*35*	*17*
	- Item 200. b) Net insurance-related provisions	*3*	*-*
	- Item 130. a) (partial) Net impairment/reversal of impairment for credit risk related to financial assets measured at amortised cost - Debt securities	*-*	*3*
	- Item 130. b) (partial) Net impairment/reversal of impairment for credit risk related to financial assets measured at fair value through other comprehensive income - Debt securities	*-*	*(1)*
Net non-recurring income (expenses)		20	-
	- Item 230. (Partial) Gain on sale of the Paying Agent contract	*20*	*-*
Gross income (loss)		**1,245**	**1,105**
Income taxes for the period on continuing operations		(389)	(354)
	Item 300. Income taxes for the period on continuing operations	*(372)*	*(342)*
	- Item 300. (partial) Tax impact on integration costs	*(3)*	*(4)*
	- Item 300. (partial) Tax impact on costs related to the banking system	*(9)*	*(4)*
	- Item 300. (partial) Tax impact on PPA Reyl, IW Private Investments, UBI Top Private Branch, Fideuram and Intesa Sanpaolo Wealth Management	*(4)*	*(4)*
	- Item 300. (partial) Tax impact on net insurance-related provisions	*(1)*	*-*
Integration and voluntary redundancy expenses (net of tax)		(9)	(11)
	- Item 190. a) (partial) Integration expenses	*-*	*(2)*
	- Item 190. b) (partial) Integration expenses	*(7)*	*(9)*
	- Item 220. (partial) Integration expenses	*(5)*	*(4)*
	- Item 300. (partial) Tax impact on integration costs	*3*	*4*
Effects of purchase price allocation (net of tax)		(9)	(12)
	- Item 30. (partial) Interest margin IW Private Investments and Fideuram	*(3)*	*(6)*
	- Item 220. (partial) Intangible amortisation client assets PPA Reyl, IW Private Investments, UBI Top Private Branch and Intesa Sanpaolo Wealth Management	*(10)*	*(10)*
	- Item 300. (partial) Tax impact on PPA Reyl, IW Private Investments, UBI Top Private Branch, Fideuram and Intesa Sanpaolo Wealth Management	*4*	*4*
Expenses regarding the banking system (net of tax)		(23)	(10)
	- Item 190. b) (partial) Costs related to banking system	*(30)*	*(14)*
	- Item 200. b) Net insurance-related provisions	*(3)*	*-*
	- Item 300. (partial) Tax impact on costs related to the banking system	*9*	*4*
	- Item 300. (partial) Tax impact on net insurance-related provisions	*1*	*-*
Net profit (loss) attributable to non-controlling interests		-	(2)
	Item 340. Net profit (loss) for the period attributable to non-controlling interests	*-*	*(2)*
Net profit (loss)	*Item 350. Parent company interest in net profit (loss) for the period*	**815**	**716**

Contact us

Branches and Personal Financial Advisers’ Offices

FIDEURAM BRANCHES

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“*Panta Rhei*, the aphorism attributed to Heraclitus, captures my artistic ethos - that everything flows and changes, nothing stands still and that all things are in a state of flux - perfectly”.

Alfredo Pini was born in Mirandola in 1958. Despite graduating with a diploma from vocational business school, in 1985, he devoted himself entirely to his true passion in life: painting. He moved to Ferrara, where he opened the *Lacerba* art gallery, visited the studios of various artists and enrolled in a number of painting courses. This led him to connect with a number of prominent contemporary artists, including Primo Conti, Bruno Cassinari, Mario Schifano, Bruno Ceccobelli, Concetto Pozzati and Omar Galliani.

In 1987, he began exhibiting work and enrolled in the DAMS (Drama, Art and Music Studies) degree programme at the University of Bologna, whose teachers included Renato Barilli, Umberto Eco and Alfredo De Paz.

Through his work as a painter, he established increasingly close collaborative ties with various galleries in cities in Italy, Spain and the United States, where he continues to present his works in solo and group exhibitions today.

Pini is a figurative artist whose style is characterised by rapid and expressive brush-strokes that capture the movement and vitality of the subjects he depicts.

Cover:

Alfredo Pini
(Mirandola, 1958)
Landscape, 20th century
oil on canvas, 49 x 68 cm

While this piece from the Intesa Sanpaolo collection retains the artist’s signature pulsating energy, it shows him adopting a slower and more reflective approach. Featuring stunning mountains with patches of snow in the background and a light blue sky populated with white clouds, which - much like the cerulean blue vein-like stream coursing down the mountainside - provides a subtle hint that spring is imminent, this landscape painting depicts a natural setting that, while imposing, is not oppressive.

Enlivened by small touches of colour provided by the cloths hung out to dry in the open air and the bell tower of the small church flanked by soaring green conifers, the small village in the middle of the composition is painted with heart-felt affection. Here, a quiet rural community reliant on hard work and household tasks lives and breathes.

A lone figure, portrayed from behind, ascends a white path cutting through the middle of a grassy expanse caressed by the wind and sun.

In this painting, there is a sense of a memory evoking a simple, tranquil and almost meditative life created by brush-strokes that, in contrast to the excitable and synthetic ones of the artist’s best-known works, are vibrant yet robust. The “flux” captured in this work is not that synonymous with the hectic, breakneck pace of the modern cities that Alfredo Pini often depicts on his canvases, but rather a slow and natural one that conveys the passing of the seasons and our ancient relationship with planet Earth.

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