

Consolidated financial statements



CONSOLIDATED BALANCE SHEET

Asset items	31/12/2021	31/12/2020 (*)
10. Cash and cash equivalents	29,153,316	9,410,687
20. Financial assets at fair value through profit and loss	6,337,110	9,043,525
a) financial assets held for trading	4,538,625	7,248,348
c) other financial assets mandatorily measured at fair value	1,798,485	1,795,177
30. Financial assets measured at fair value through other comprehensive income	10,675,079	10,710,796
40. Financial assets at amortised cost	140,448,388	141,249,323
a) loans to banks	12,773,990	11,422,214
b) loans to customers	127,674,398	129,827,109
50. Hedging derivatives	127,076	75,046
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	2,875	52,288
70. Interests in associates and joint ventures	1,794,116	1,664,772
90. Property, plant and equipment	3,278,245	3,552,482
100. Intangible assets	1,213,722	1,218,632
of which:		
- goodwill	54,858	51,100
110. Tax assets	4,540,229	4,704,196
a) current	246,601	236,993
b) deferred	4,293,628	4,467,203
120. Non-current assets and disposal groups held for sale	229,971	72,823
130. Other assets	2,689,089	1,930,612
Total assets	200,489,216	183,685,182

(*) Items "10. Cash and cash equivalents" and "40. a) Financial assets at amortised cost - loans to banks" of the previous year have been restated to take into account the amendments introduced by the 7th update of Circular no. 262 of the Bank of Italy.

Liabilities and shareholders' equity items	31/12/2021	31/12/2020
10. Financial liabilities at amortised cost	166,561,146	151,420,894
a) due to banks	45,691,578	33,944,598
b) due to customers	107,788,219	102,915,666
c) debt securities in issue	13,081,349	14,560,630
20. Financial liabilities held for trading	14,132,931	12,687,544
30. Financial liabilities designated at fair value	1,405,190	955,781
40. Hedging derivatives	227,972	585,680
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(47,812)	130,912
60. Tax liabilities	302,816	464,570
a) current	8,894	5,672
b) deferred	293,922	458,898
80. Other liabilities	3,613,968	3,797,227
90. Provisions for employee severance pay	320,303	369,498
100. Provisions for risks and charges	876,643	1,045,975
a) commitments and guarantees given	131,108	127,442
b) post-employment benefits and similar obligations	124,879	133,654
c) other provisions	620,656	784,879
120. Valuation reserves	341,360	310,412
140. Equity instruments	1,092,832	695,417
150. Reserves	3,999,850	4,112,500
170. Share capital	7,100,000	7,100,000
180. Own shares (-)	(8,159)	(14,002)
190. Non-controlling interests (+/-)	1,108	1,894
200. Profit (loss) for the year (+/-)	569,068	20,880
Total liabilities and shareholders' equity	200,489,216	183,685,182

CONSOLIDATED INCOME STATEMENT

Items	2021	2020
10. Interest and similar income	2,425,188	2,416,605
of which: interest income using the effective interest method	2,137,845	2,280,772
20. Interest and similar expense	(409,048)	(460,005)
30. Net interest income	2,016,140	1,956,600
40. Fee and commission income	2,018,601	1,765,869
50. Fee and commission expense	(117,906)	(123,996)
60. Net fee and commission income	1,900,695	1,641,873
70. Dividends and similar income	53,718	42,015
80. Net trading income	79,523	16,912
90. Fair value gains/losses on hedging derivatives	(848)	(7,657)
100. Gains (losses) on disposal or repurchase of:	(129,080)	(149,126)
a) financial assets at amortised cost	(145,262)	(271,534)
b) financial assets measured at fair value through other comprehensive income	16,256	124,311
c) financial liabilities	(74)	(1,903)
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	16,342	133,747
a) financial assets and liabilities designated at fair value	7,894	14,235
b) other financial assets mandatorily measured at fair value	8,448	119,512
120. Operating income	3,936,490	3,634,364
130. Net credit impairment losses/recoveries relating to:	(630,954)	(1,049,430)
a) financial assets at amortised cost	(629,997)	(1,049,211)
b) financial assets measured at fair value through other comprehensive income	(957)	(219)
140. Gains (losses) from contractual modification without derecognition	(8,521)	(1,256)
150. Net income from financial activities	3,297,015	2,583,678
180. Net income from financial and insurance activities	3,297,015	2,583,678
190. Administrative expenses:	(2,771,573)	(2,897,178)
a) personnel expenses	(1,670,739)	(1,836,216)
b) other administrative expenses	(1,100,834)	(1,060,962)
200. Net provisions for risks and charges	(26,039)	(57,625)
a) commitments and guarantees given	(5,254)	(11,464)
b) other net provisions	(20,785)	(46,161)
210. Depreciation and impairment losses on property, plant and equipment	(165,828)	(165,437)
220. Amortisation and impairment losses on intangible assets	(114,457)	(112,122)
230. Other operating expenses/income	363,082	329,188
240. Operating expenses	(2,714,815)	(2,903,174)
250. Gains (losses) of associates and joint ventures	213,314	130,799
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(141,633)	(36,721)
270. Value adjustments to goodwill	-	(25,100)
280. Gains (losses) on disposal of investments	(142)	1,190
290. Profit (loss) before tax from continuing operations	653,739	(249,328)
300. Taxation charge related to profit or loss from continuing operations	(84,955)	265,960
310. Profit (loss) after tax from continuing operations	568,784	16,632
330. Profit (loss) for the year	568,784	16,632
340. Profit (loss) for the year attributable to non-controlling interests	284	4,248
350. Parent Company's profit (loss) for the year	569,068	20,880
Basic EPS (euro)	0.38	0.01
Diluted EPS (euro)	0.38	0.01

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items	31/12/2021	31/12/2020
10. Profit (loss) for the year	568,784	16,632
Other comprehensive income after tax without reclassification to the income statement	139,815	(133,680)
20. Equity instruments designated at fair value through other comprehensive income	14,591	(126,130)
30. Financial liabilities designated at fair value through profit and loss (changes to its own credit risk)	2,131	(11,900)
50. Property, plant and equipment	128,784	(2,732)
70. Defined benefit plans	(5,517)	7,174
90. Share of valuation reserves related to interests in associates and joint ventures carried at equity	(174)	(92)
Other comprehensive income after tax with reclassification to the income statement	(108,790)	96,116
100. Foreign investment hedges	(802)	(7)
110. Exchange rate differences	2,138	256
120. Cash flow hedges	(12,129)	2,618
140. Financial assets (other than equity instruments) measured at fair value through other comprehensive income	(86,744)	84,958
160. Share of valuation reserves related to interests in associates and joint ventures carried at equity	(11,253)	8,291
170. Total other comprehensive income after tax	31,025	(37,564)
180. Comprehensive income (Items 10+170)	599,809	(20,932)
190. Consolidated comprehensive income attributable to non-controlling interests	(284)	(4,242)
200. Consolidated comprehensive income attributable to the Parent Company	600,093	(16,690)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

31 December 2021	Balance as at 31/12/2020	Changes in opening balances	Allocation of profit from previous year		Changes in the year							Shareholders' equity as at 31/12/2021	Group shareholders' equity as at 31/12/2021	Non-controlling interests as at 31/12/2021	
			Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on own shares	Stock options				Changes in equity interests
Share capital:	7,101,310	-	-	-	-	-	-	-	-	-	-	-	7,100,736	7,100,000	736
a) ordinary shares	7,101,310	-	-	-	-	-	-	-	-	-	-	-	7,100,736	7,100,000	736
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves:	4,117,332	-	16,632	(38,792)	(4,194)	-	(90,544)	72	72	4,000,506	3,999,850	656			
a) retained earnings	3,796,621	-	16,632	(47,742)	(4,194)	-	(90,544)	72	72	3,670,845	3,670,187	658			
b) other	320,711	-	-	8,950	-	-	-	-	-	329,661	329,663	(2)			
Valuation reserves	310,412	-	-	(77)	-	-	-	-	-	341,360	341,360	-			
Equity instruments	695,417	-	-	-	-	-	397,415	-	-	1,092,832	1,092,832	-			
Own shares	(14,002)	-	-	-	5,843	-	-	-	-	(8,159)	(8,159)	-			
Profit (loss) for the year	16,632	-	(16,632)	-	-	-	568,784	568,784	(284)	569,068	569,068	(284)			
Shareholders' equity	12,227,101	-	12,227,101	(38,869)	1,649	-	(90,544)	397,415	(502)	13,096,059	13,094,951	1,108			
- of the Group	12,225,207	-	12,225,207	(38,869)	1,649	-	(90,544)	397,415	-	13,094,951	13,094,951	-			
- of non-controlling interests	1,894	-	-	-	-	-	-	-	(502)	(284)	1,108	-			

31 December 2020	Changes in the year		Allocation of profit from previous year				Changes in the year					Non-controlling interests as at 31/12/2020					
	Balance as at 31/12/2019	Changes in opening balances	Balance as at 01/01/2020	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on own shares		Stock options	Changes in equity interests	Comprehensive income as at 31/12/2020	Shareholders' equity as at 31/12/2020	Group shareholders' equity as at 31/12/2020
Share capital:	7,163,693	-	7,163,693	-	-	(37,944)	-	-	-	-	-	-	(24,439)	-	7,101,310	7,100,000	1,310
a) ordinary shares	7,163,693	-	7,163,693	-	-	(37,944)	-	-	-	-	-	-	(24,439)	-	7,101,310	7,100,000	1,310
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves:	3,490,528	-	3,490,528	781,437	-	(156,862)	(2,270)	-	-	-	-	-	4,499	-	4,117,332	4,112,500	4,832
a) retained earnings	2,980,837	-	2,980,837	781,437	-	32,118	(2,270)	-	-	-	-	-	4,499	-	3,796,621	3,791,787	4,834
b) other	509,691	-	509,691	-	-	(188,980)	-	-	-	-	-	-	-	-	320,711	320,713	(2)
Valuation reserves	164,830	-	164,830	-	-	183,146	-	-	-	-	-	-	-	(37,564)	310,412	310,412	-
Equity instruments	298,112	-	298,112	-	-	-	-	-	397,305	-	-	-	-	-	695,417	695,417	-
Own shares	(11,518)	-	(11,518)	-	-	-	1,596	(4,080)	-	-	-	-	-	(14,002)	(14,002)	(14,002)	-
Profit (loss) for the year	781,437	-	781,437	(781,437)	-	-	-	-	-	-	-	-	16,632	16,632	16,632	20,880	(4,248)
Shareholders' equity	11,887,082	-	11,887,082	-	-	(11,660)	(674)	(4,080)	-	397,305	-	-	(19,940)	(20,932)	12,227,101	12,225,207	1,894
- of the Group	11,861,006	-	11,861,006	-	-	(11,660)	(674)	(4,080)	-	397,305	-	-	(16,690)	(16,690)	12,225,207	12,225,207	-
- of non-controlling interests	26,076	-	26,076	-	-	-	-	-	-	-	-	-	(19,940)	(4,242)	1,894	1,894	-

CONSOLIDATED CASH FLOW STATEMENT

Indirect method

A. Operating activities	31/12/2021	31/12/2020 (*)
1. Cash flow from operations	1,270,260	795,904
- profit (loss) for the year (+/-)	568,784	16,632
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit and loss (-/+)	(111,965)	(231,066)
- capital gains/losses on hedging derivatives (-/+)	848	7,657
- net credit impairment losses/recoveries (-/+)	639,475	1,050,686
- net impairment losses/recoveries on property, plant and equipment and intangible assets (+/-)	280,285	302,659
- net provisions for risks and charges and other costs/revenues (+/-)	28,229	56,823
- net premiums not collected (-)		
- other insurance income/expenses not collected (-/+)		
- taxes, duties and tax credits not settled (+/-)	77,587	(280,936)
- net impairment losses/recoveries on discontinued operations net of taxes (-/+)		
- other adjustments (+/-)	(212,983)	(126,551)
2. Cash flow from/used in financial assets	2,433,061	(9,570,840)
- financial assets held for trading	2,762,800	(1,445,798)
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	41,670	(198,936)
- financial assets measured at fair value through other comprehensive income	34,760	1,815,757
- financial assets at amortised cost	162,417	(10,061,538)
- other assets	(568,586)	319,675
3. Cash flow from/used in financial liabilities	15,977,948	16,220,648
- financial liabilities at amortised cost	15,962,095	13,199,488
- financial liabilities held for trading	2,457,926	1,017,672
- financial liabilities designated at fair value	469,112	532,476
- other liabilities	(2,911,185)	1,471,012
Net cash flow from/used in operating activities	19,681,269	7,445,712
B. Investing activities		
1. Cash flow from:	18,036	9,749
- sales of interests in associates and joint ventures	314	-
- dividends collected on interests in associates and joint ventures		
- sales of property, plant and equipment	17,722	9,735
- sales of intangible assets	-	14
- sales of subsidiaries and business segments		
2. Cash flow used in:	(198,527)	(221,106)
- purchases of interests in associates and joint ventures	-	(68,240)
- purchases of property, plant and equipment	(92,323)	(66,358)
- purchases of intangible assets	(106,204)	(86,508)
- purchases of subsidiaries and business segments		
Net cash flow from/used in investing activities	(180,491)	(211,357)
C. Financing activities		
- issues/purchases of own shares	-	(4,080)
- issues/purchases of equity instruments	332,395	358,805
- dividend distribution and other allocations	(90,544)	-
- third-party sales/purchases		
Net cash flow from/used in financing activities	241,851	354,725
Net cash flow from/used during the year	19,742,629	7,589,080

(*) The figures relating to the previous year have been restated to take into account the amendments introduced by the 7th update of Circular no. 262 of the Bank of Italy. The profit (loss) for the year includes the profit (loss) of non-controlling interests.

Reconciliation	31/12/2021	31/12/2020 (*)
- Cash and cash equivalents at the beginning of the year	9,410,687	1,821,607
- Net cash flow from/used during the year	19,742,629	7,589,080
- Cash and cash equivalents: foreign exchange effect		
Cash and cash equivalents at the end of the year	29,153,316	9,410,687

(*) The figures relating to the previous year have been restated to take into account the amendments introduced by the 7th update of Circular no. 262 of the Bank of Italy.

Below is the information required under IAS 7, paragraph 44, A and B.

<i>(thousands of euro)</i>	31/12/2020	Cash flows	Non-monetary changes			31/12/2021
			Business combinations /loss of control of companies	Fair value changes	Other	
Liabilities deriving from loan activities (items 10, 20 and 30 in the liabilities)	165,064,219	18,889,133	2,498	(1,062,994)	(793,589)	182,099,267