

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

Asset items	31/12/2022	31/12/2021
10. Cash and cash equivalents	13,130,815	29,153,316
20. Financial assets at fair value through profit and loss	8,935,495	6,337,110
a) financial assets held for trading	4,508,497	4,538,625
c) other financial assets mandatorily measured at fair value	4,426,998	1,798,485
30. Financial assets measured at fair value through other comprehensive income	12,826,691	10,675,079
40. Financial assets at amortised cost	139,139,766	140,448,388
a) loans to banks	5,492,238	12,773,990
b) loans to customers	133,647,528	127,674,398
50. Hedging derivatives	1,717,211	127,076
60. Fair value change of financial assets in macro fair value hedge portfolios (+/-)	(488,403)	2,875
70. Interests in associates and joint ventures	1,453,955	1,794,116
80. Technical reserves of reinsurers	3,087	-
90. Property, plant and equipment	3,034,689	3,278,245
100. Intangible assets	1,286,734	1,213,722
of which:		
- goodwill	56,709	54,858
110. Tax assets	4,622,827	4,540,229
a) current	265,552	246,601
b) deferred	4,357,275	4,293,628
120. Non-current assets and disposal groups held for sale	214,737	229,971
130. Other assets	3,808,291	2,689,089
Total assets	189,685,895	200,489,216

Liabilities and shareholders' equity items	31/12/2022	31/12/2021
10. Financial liabilities at amortised cost	153,874,094	166,561,146
a) due to banks	32,636,506	45,691,578
b) due to customers	108,307,067	107,788,219
c) debt securities in issue	12,930,521	13,081,349
20. Financial liabilities held for trading	10,181,692	14,132,931
30. Financial liabilities designated at fair value	3,938,518	1,405,190
40. Hedging derivatives	948,424	227,972
50. Fair value change of financial liabilities in macro fair value hedge portfolios (+/-)	(1,173,078)	(47,812)
60. Tax liabilities	279,983	302,816
a) current	1,610	8,894
b) deferred	278,373	293,922
70. Liabilities associated with assets classified as held for sale	31,731	-
80. Other liabilities	3,430,984	3,613,968
90. Provisions for employee severance pay	258,457	320,303
100. Provisions for risks and charges	730,395	876,643
a) commitments and guarantees given	144,164	131,108
b) post-employment benefits and similar obligations	99,330	124,879
c) other provisions	486,901	620,656
110. Technical reserves	4,414,424	-
120. Valuation reserves	(624,011)	341,360
140. Equity instruments	1,389,794	1,092,832
150. Reserves	4,219,445	3,999,850
170. Share capital	7,100,000	7,100,000
180. Own shares (-)	(18,266)	(8,159)
190. Non-controlling interests (+/-)	720	1,108
200. Profit (loss) for the year (+/-)	702,589	569,068
Total liabilities and shareholders' equity	189,685,895	200,489,216

CONSOLIDATED INCOME STATEMENT

Items	2022	2021
10. Interest and similar income	2,937,053	2,425,188
of which: interest income using the effective interest method	2,656,868	2,137,845
20. Interest and similar expense	(595,587)	(409,048)
30. Net interest income	2,341,466	2,016,140
40. Fee and commission income	1,998,389	2,018,601
50. Fee and commission expense	(143,896)	(117,906)
60. Net fee and commission income	1,854,493	1,900,695
70. Dividends and similar income	60,840	53,718
80. Net trading income	174,105	79,523
90. Fair value gains/losses on hedging derivatives	1,402	(848)
100. Gains (losses) on disposal or repurchase of:	(165,927)	(129,080)
a) financial assets at amortised cost	(60,948)	(145,262)
b) financial assets measured at fair value through other comprehensive income	(101,636)	16,256
c) financial liabilities	(3,343)	(74)
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit and loss	(9,146)	16,342
a) financial assets and liabilities designated at fair value	163,348	7,894
b) other financial assets mandatorily measured at fair value	(172,494)	8,448
120. Operating income	4,257,233	3,936,490
130. Net credit impairment losses/recoveries relating to:	(482,702)	(630,954)
a) financial assets at amortised cost	(480,574)	(629,997)
b) financial assets measured at fair value through other comprehensive income	(2,128)	(957)
140. Gains (losses) from contractual modification without derecognition	1,713	(8,521)
150. Net income from financial activities	3,776,244	3,297,015
160. Net premiums	359,803	-
170. Balance of other income/expenses from insurance activities	(357,484)	-
180. Net income from financial and insurance activities	3,778,563	3,297,015
190. Administrative expenses:	(2,758,642)	(2,771,573)
a) personnel expenses	(1,609,881)	(1,670,739)
b) other administrative expenses	(1,148,761)	(1,100,834)
200. Net provisions for risks and charges	(57,214)	(26,039)
a) commitments and guarantees given	(14,407)	(5,254)
b) other net provisions	(42,807)	(20,785)
210. Depreciation and impairment losses on property, plant and equipment	(183,093)	(165,828)
220. Amortisation and impairment losses on intangible assets	(135,102)	(114,457)
230. Other operating expenses/income	345,930	363,082
240. Operating expenses	(2,788,121)	(2,714,815)
250. Gains (losses) of associates and joint ventures	146,781	213,314
260. Fair value gains (losses) on property, plant and equipment and intangible assets	(108,347)	(141,633)
270. Value adjustments to goodwill	(8,132)	-
280. Gains (losses) on disposal of investments	2,258	(142)
290. Profit (loss) before tax from continuing operations	1,023,002	653,739
300. Taxation charge related to profit or loss from continuing operations	(321,199)	(84,955)
310. Profit (loss) after tax from continuing operations	701,803	568,784
330. Profit (loss) for the year	701,803	568,784
340. Profit (loss) for the year attributable to non-controlling interests	786	284
350. Parent Company's profit (loss) for the year	702,589	569,068
Basic EPS (euro)	0.46	0.38
Diluted EPS (euro)	0.46	0.38

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items	31/12/2022	31/12/2021
10. Profit (loss) for the year	701,803	568,784
Other comprehensive income after tax without reclassification to the income statement	2,018	139,815
20. Equity instruments designated at fair value through other comprehensive income	(35,428)	14,591
30. Financial liabilities designated at fair value through profit and loss (changes to its own credit risk)	(8,478)	2,131
50. Property, plant and equipment	4,883	128,784
70. Defined benefit plans	40,378	(5,517)
90. Share of valuation reserves related to interests in associates and joint ventures carried at equity	663	(174)
Other comprehensive income after tax with reclassification to the income statement	(952,330)	(108,790)
100. Foreign investment hedges	(872)	(802)
110. Exchange rate differences	2,371	2,138
120. Cash flow hedges	(11,239)	(12,129)
140. Financial assets (other than equity instruments) measured at fair value through other comprehensive income	(739,300)	(86,744)
160. Share of valuation reserves related to interests in associates and joint ventures carried at equity	(203,290)	(11,253)
170. Total other comprehensive income after tax	(950,312)	31,025
180. Comprehensive income (Items 10+170)	(248,509)	599,809
190. Consolidated comprehensive income attributable to non-controlling interests	(786)	(284)
200. Consolidated comprehensive income attributable to the Parent Company	(247,723)	600,093

31 December 2021	Balance as at 31/12/2020	Changes in opening balances	Allocation of profit from previous year		Balance as at 1/01/2021	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	Comprehensive income as at 31/12/2021
Share capital:	7,101,310	-	-	-	7,101,310	-	-	-	-	-	-	-	-	-	7,100,736	7,100,000	736
a) ordinary shares	7,101,310	-	-	-	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	-	-	-	4,000,506	3,999,850	656
a) retained earnings	3,796,621	-	16,632	(47,742)	(4,194)	-	(90,544)	-	-	-	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	-	-	-	695,417	-	-	-	-	-	397,415	-	-	-	1,092,832	1,092,832	-
Own shares	(14,002)	-	(16,632)	-	(14,002)	-	-	5,843	-	-	-	-	-	-	(8,159)	(8,159)	-
Profit (loss) for the year	16,632	-	(16,632)	-	16,632	-	-	-	-	-	568,784	-	-	-	568,784	569,068	(284)
Shareholders' equity	12,227,101	-	-	(38,869)	12,227,101	-	(90,544)	1,649	-	(90,544)	397,415	-	-	-	13,096,059	13,094,951	1,108
- of the Group	12,225,207	-	-	(38,869)	12,225,207	-	(90,544)	1,649	-	(90,544)	397,415	-	-	-	13,094,951	13,094,951	-
- of non-controlling interests	1,894	-	-	-	1,894	-	-	-	-	-	(502)	-	-	-	(284)	(284)	1,108

CONSOLIDATED CASH FLOW STATEMENT

Indirect method

A. Operating activities	31/12/2022	31/12/2021
1. Cash flow from operations	1,763,018	1,270,260
- profit (loss) for the year (+/-)	701,803	568,784
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit and loss (-/+)	(14,535)	(111,965)
- capital gains/losses on hedging derivatives (-/+)	(1,402)	848
- net credit impairment losses/recoveries (-/+)	480,989	639,475
- net impairment losses/recoveries on property, plant and equipment and intangible assets (+/-)	326,327	280,285
- net provisions for risks and charges and other costs/revenues (+/-)	63,260	28,229
- net premiums not collected (-)	(153)	-
- other insurance income/expenses not collected (-/+)	57,287	-
- taxes, duties and tax credits not settled (+/-)	306,139	77,587
- net impairment losses/recoveries on discontinued operations net of taxes (-/+)	-	-
- other adjustments (+/-)	(156,697)	(212,983)
2. Cash flow from/used in financial assets	(6,079,114)	2,433,061
- financial assets held for trading	40,287	2,762,800
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	(2,793,070)	41,670
- financial assets measured at fair value through other comprehensive income	(2,153,740)	34,760
- financial assets at amortised cost	829,761	162,417
- other assets	(2,002,352)	(568,586)
3. Cash flow from/used in financial liabilities	(11,359,632)	15,977,948
- financial liabilities at amortised cost	(12,490,168)	15,962,095
- financial liabilities held for trading	(6,336,795)	2,457,926
- financial liabilities designated at fair value	1,246,802	469,112
- other liabilities	6,220,529	(2,911,185)
Net cash flow from/used in operating activities	(15,675,728)	19,681,269
B. Investing activities		
1. Cash flow from:	76,839	18,036
- sales of interests in associates and joint ventures	75,000	314
- dividends collected on interests in associates and joint ventures	-	-
- sales of property, plant and equipment	1,839	17,722
- sales of intangible assets	-	-
- sales of subsidiaries and business segments	-	-
2. Cash flow used in:	(327,275)	(198,527)
- purchases of interests in associates and joint ventures	(700)	-
- purchases of property, plant and equipment	(122,290)	(92,323)
- purchases of intangible assets	(204,285)	(106,204)
- purchases of subsidiaries and business segments	-	-
Net cash flow from/used in investing activities	(250,436)	(180,491)
C. Financing activities		
- issues/purchases of own shares	(16,016)	-
- issues/purchases of equity instruments	208,015	332,395
- dividend distribution and other allocations	(288,336)	(90,544)
- third-party sales/purchases	-	-
Net cash flow from/used in financing activities	(96,337)	241,851
Net cash flow from/used during the year	(16,022,501)	19,742,629

Reconciliation	31/12/2022	31/12/2021
- Cash and cash equivalents at the beginning of the year	29,153,316	9,410,687
- Net cash flow from/used during the year	(16,022,501)	19,742,629
- Cash and cash equivalents: foreign exchange effect	-	-
Cash and cash equivalents at the end of the year	13,130,815	29,153,316

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

<i>(thousands of euro)</i>	31/12/2021	Cash flows	Non-monetary changes			31/12/2022
			Business combinations/ loss of control of companies	Fair value changes	Other	
Liabilities deriving from loan activities (items 10, 20 and 30 in the liabilities)	182,099,267	(17,580,161)	1,104,863	2,166,059	204,276	167,994,304