

PART L – SEGMENT REPORTING

According to IFRS 8, companies must provide information enabling users of financial statements to assess the nature and the effects on the financial statements of their business activities and the economic contexts in which they operate.

Therefore, it is necessary to highlight the contribution of the various “operating segments” to the formation of the Group’s income.

The identification of the “operating segments” of this Section is consistent with the procedures adopted by Company Management to make operating decisions and is based on internal reporting, used for allocating resources to the various segments and analysing their performance. In that view, also to improve the representation of the Group’s profitability, operating segments that are below the quantitative thresholds put forward in paragraph 13 of IFRS 8 are also highlighted.

Accordingly, also with a view to improving how the Group’s profitability is represented, the Segment Reporting structure was revised, effective from 31 December 2022, to emphasise the process of internalising the bancassurance business, undertaken by the Group during the current year. In addition, the Leases segment, now a residual activity in terms of the Group’s operations, was transferred to the Corporate Centre.

Therefore, for 2022, the operating segments taken as a reference to provide the disclosure in question are as follows:

- Retail;
- Corporate;
- Institutional;
- Private;
- Investment Banking;
- Insurance;
- Strategic Partnerships;
- Corporate Centre.

For a description of the configuration of said operating segments, refer to the disclosure set out in the Section “Results by business segment” of the Report on operations of the Group.

The tables below provide the detailed income statement and balance sheet figures by segment as at 31 December 2022, compared with the corresponding figures for the previous year. As envisaged by par. 29 of IFRS 8, the figures referring to 2021 have been restated with respect to those published in the Annual Financial Report for 2021, to reflect the changes introduced in the composition of the operating segments indicated above, so as to allow a like-for-like comparison.

Segment results - income statement figures

2022	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Net interest income	2,314,409	1,183,947	474,250	94,552	4,091	56,509	(39)	(1,961)	503,060
Gains (losses) on interests in associates and joint ventures carried at equity	157,483	-	-	-	-	-	5,399	150,221	1,863
Financial margin	2,471,892	1,183,947	474,250	94,552	4,091	56,509	5,360	148,260	504,923
Net fee and commission income	1,887,322	1,442,055	278,601	50,118	97,177	50,237	-	-	(30,866)
Other net operating income	71,602	5,965	58	3,470	5	962	1,219	-	59,923
Net financial result	242,983	(7,529)	(18,338)	(466)	(429)	13,278	-	-	256,467
Profit (loss) on insurance business	31,718	-	-	-	-	-	31,718	-	-
Other operating income	2,233,625	1,440,491	260,321	53,122	96,753	64,477	32,937	-	285,524
Operating income	4,705,517	2,624,438	734,571	147,674	100,844	120,986	38,297	148,260	790,447
Personnel expenses	(1,608,901)	(1,046,107)	(76,838)	(13,884)	(57,159)	(29,590)	(8,133)	(1,741)	(375,449)
Other administrative expenses	(650,380)	(718,958)	(134,810)	(31,113)	(15,259)	(60,478)	(6,478)	(619)	317,335
Net value adjustments to property, plant and equipment and intangible assets	(280,088)	(107,446)	(4,102)	(607)	(3,501)	(370)	(948)	(40)	(163,074)
Operating expenses	(2,539,369)	(1,872,511)	(215,750)	(45,604)	(75,919)	(90,438)	(15,559)	(2,400)	(221,188)
Profit (loss) from operations	2,166,148	751,927	518,821	102,070	24,925	30,548	22,738	145,860	569,259
Net adjustments to loans to customers	(682,281)	(410,028)	(191,673)	(1,396)	541	111	-	-	(79,836)
Fair value gains (losses) on property, plant and equipment	(108,347)	-	-	-	-	-	-	-	(108,347)
Net adjustments to securities and other financial assets	(9,106)	-	-	-	-	(68)	-	-	(9,038)
Net provisions for risks and charges	(57,214)	(33,761)	(11,915)	(386)	(4,665)	(83)	(3)	-	(6,401)
Gains (losses) on interests in associates and joint ventures and other investments	2,258	-	-	-	-	-	-	-	2,258
Profit (loss) before tax from continuing operations	1,311,458	308,138	315,233	100,288	20,801	30,508	22,735	145,860	367,895
Taxation charge related to profit or loss from continuing operations	(408,931)	(108,011)	(105,648)	(33,160)	(7,240)	(9,227)	(5,900)	1,429	(141,174)
Profit (loss) after tax from continuing operations	902,527	200,127	209,585	67,128	13,561	21,281	16,835	147,289	226,721
Charges related to the banking system, net of taxes	(151,887)	(110,412)	(14,348)	(13,976)	(963)	(2,556)	-	-	(9,632)
Goodwill impairment	(8,132)	-	-	-	-	-	-	-	(8,132)
Change in own credit risk on Certificates issued by the Group, net of taxes	4,818	-	-	-	-	-	-	-	4,818
Purchase Price Allocation net of taxes	(45,523)	(23,926)	110	(25)	(2,490)	-	-	-	(19,192)
Profit (loss) for the year attributable to non-controlling interests	786	-	-	-	-	-	-	-	786
Parent Company's profit (loss) for the year	702,589	65,789	195,347	53,127	10,108	18,725	16,835	147,289	195,369

2021 (*)	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Net interest income	2,041,628	1,041,503	472,599	51,219	(2,557)	53,830	-	(4,919)	429,953
Gains (losses) on interests in associates and joint ventures carried at equity	231,940	-	-	-	-	-	-	229,608	2,332
Financial margin	2,273,568	1,041,503	472,599	51,219	(2,557)	53,830	-	224,689	432,285
Net fee and commission income	1,911,203	1,475,885	243,007	42,585	100,394	43,424	-	-	5,908
Other net operating income	75,280	5,167	61	3,504	5	1,126	-	-	65,417
Net financial result	250,695	4,010	22,373	(420)	(283)	13,414	-	-	211,601
Other operating income	2,237,178	1,485,062	265,441	45,669	100,116	57,964	-	-	282,926
Operating income	4,510,746	2,526,565	738,040	96,888	97,559	111,794	-	224,689	715,211
Personnel expenses	(1,667,799)	(1,069,629)	(76,023)	(12,972)	(55,953)	(33,528)	-	(1,935)	(417,759)
Other administrative expenses	(601,151)	(722,089)	(118,711)	(28,186)	(15,909)	(58,038)	-	(521)	342,303
Net value adjustments to property, plant and equipment and intangible assets	(246,825)	(110,248)	(4,629)	(749)	(3,423)	(356)	-	(190)	(127,230)
Operating expenses	(2,515,775)	(1,901,966)	(199,363)	(41,907)	(75,285)	(91,922)	-	(2,646)	(202,686)
Profit (loss) from operations	1,994,971	624,599	538,677	54,981	22,274	19,872	-	222,043	512,525
Net adjustments to loans to customers	(87,199)	(438,667)	(390,234)	(8,054)	(265)	(55)	-	-	(49,924)
Fair value gains (losses) on property, plant and equipment	(141,633)	-	-	-	-	-	-	-	(141,633)
Net adjustments to securities and other financial assets	(328)	-	-	-	-	17	-	-	(345)
Net provisions for risks and charges	(26,039)	(14,978)	(5,242)	(149)	(204)	490	-	-	(5,956)
Gains (losses) on interests in associates and joint ventures and other investments	(18,768)	-	-	-	-	-	-	(18,673)	(95)
Profit (loss) before tax from continuing operations	921,004	170,954	143,201	46,778	21,805	20,324	-	203,370	314,572
Taxation charge related to profit or loss from continuing operations	(253,828)	(61,690)	(48,316)	(15,439)	(7,327)	(5,834)	-	2,487	(117,709)
Profit (loss) after tax from continuing operations	667,176	109,264	94,885	31,339	14,478	14,490	-	205,857	196,863
Charges related to the banking system, net of taxes	(144,995)	(92,946)	(11,159)	(10,726)	(772)	(3,836)	-	-	(25,556)
Impact of the realignment of tax values to book values	81,709	29,967	1,850	842	242	-	-	-	48,808
Change in own credit risk on Certificates issued by the Group, net of taxes	4,354	-	-	-	-	-	-	-	4,354
Purchase Price Allocation net of taxes (*)	(39,460)	(28,107)	167	(38)	(2,680)	-	-	-	(8,802)
Profit (loss) for the year attributable to non-controlling interests	284	-	-	-	-	-	-	-	284
Parent Company's profit (loss) for the year	569,068	18,178	85,743	21,417	11,268	10,654	-	205,857	215,951

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 31 December 2022.

The following tables show the details of fee and commission income of 2022 and the previous year disaggregated by type of service provided and defined with an operating outlook, and by IFRS 8 operating segment, in line with the disclosure requirements introduced by IFRS 15.

2022 Service type/Amounts	Group	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Savings products	666,251	589,316	1,230	5,537	98,710	-	-	-	(28,542)
of which:									
<i>Indirect upfront - Network</i>	209,130	200,977	89	1,181	6,883	-	-	-	-
Administered	26,247	24,831	18	132	1,266	-	-	-	-
Portfolio management and funds	143,125	137,724	70	888	4,443	-	-	-	-
Life	39,758	38,422	1	161	1,174	-	-	-	-
<i>Indirect running - Network</i>	485,663	388,339	1,141	4,356	91,827	-	-	-	-
Administered	62,713	52,969	314	1,460	7,970	-	-	-	-
Portfolio management and funds	377,936	297,712	779	2,670	76,775	-	-	-	-
Life	45,014	37,658	48	226	7,082	-	-	-	-
<i>Indirect non-Commercial Network</i>	(28,542)	-	-	-	-	-	-	-	(28,542)
Investment Banking	82,132	-	-	-	-	82,132	-	-	-
Insurance protection	50,252	49,970	18	39	90	-	-	-	135
Other fees and commissions	1,207,839	880,754	289,746	47,387	1,912	-	-	-	(11,960)
Fee and commission income	2,006,474	1,520,040	290,994	52,963	100,712	82,132	-	-	(40,367)
Fee and commission expense	(119,152)	(77,985)	(12,393)	(2,845)	(3,535)	(31,895)	-	-	9,501
Net fee and commission income	1,887,322	1,442,055	278,601	50,118	97,177	50,237	-	-	(30,866)

2021 (*) Service type/Amounts	Group	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Savings products	779,857	660,149	1,095	5,516	102,564	-	-	-	10,533
of which:									
<i>Indirect upfront - Network</i>	281,186	270,981	87	1,447	8,671	-	-	-	-
Administered	8,588	8,398	30	40	120	-	-	-	-
Portfolio management and funds	232,919	224,510	56	1,260	7,093	-	-	-	-
Life	39,679	38,073	1	147	1,458	-	-	-	-
<i>Indirect running - Network</i>	474,967	389,168	1,008	4,069	93,893	-	-	-	(13,171)
Administered	48,549	52,751	256	1,483	7,230	-	-	-	(13,171)
Portfolio management and funds	381,540	298,551	702	2,390	79,897	-	-	-	-
Life	44,878	37,866	50	196	6,766	-	-	-	-
<i>Indirect non-Commercial Network</i>	23,704	-	-	-	-	-	-	-	23,704
Investment Banking	70,295	-	-	-	-	70,295	-	-	-
Insurance protection	49,512	49,242	20	36	75	-	-	-	139
Other fees and commissions	1,129,445	832,686	255,811	38,708	1,645	-	-	-	595
Fee and commission income	2,029,109	1,542,077	256,926	44,260	104,284	70,295	-	-	11,267
Fee and commission expense	(117,906)	(66,192)	(13,919)	(1,675)	(3,890)	(26,871)	-	-	(5,359)
Net fee and commission income	1,911,203	1,475,885	243,007	42,585	100,394	43,424	-	-	5,908

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 31 December 2022.

The following tables provide the details of the item "Other fees and commissions" for 2022 and for the previous year, broken down by the type of service provided:

Other fees and commissions 2022	Group	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Keeping and management of current accounts, Credit Availability Fee (CDC)	506,619	431,723	59,406	14,343	1,095	-	-	-	52
of which:									
Credit Availability Fee (CDC)	241,433	196,102	41,145	3,918	268	-	-	-	-
Keeping and management of current accounts	265,186	235,621	18,261	10,425	827	-	-	-	52
Commission on loans (including consumer credit) and unsecured loans Italy	255,614	79,523	158,013	14,552	115	-	-	-	3,411
of which:									
Commission on loans	157,219	13,299	130,856	12,863	(6)	-	-	-	207
Commission on unsecured loans	45,439	17,245	27,157	1,688	105	-	-	-	(756)
Consumer Credit	52,956	48,979	-	1	16	-	-	-	3,960
Abroad (including unsecured loans)	81,617	35,761	45,612	589	175	-	-	-	(520)
Collection and payment services, e-money	365,990	336,931	27,133	18,347	1,459	-	-	-	(17,880)
of which:									
Collection and payment services	182,332	146,066	19,957	12,294	742	-	-	-	3,273
E-money	183,658	190,865	7,176	6,053	717	-	-	-	(21,153)
Other services	(2,001)	(3,184)	(418)	(444)	(932)	-	-	-	2,977
of which:									
Commercial refunds	(6,149)	(3,907)	(722)	(451)	(932)	-	-	-	(137)
Retrocessions to financial advisors	-	-	-	-	-	-	-	-	-
Other	4,148	723	304	7	-	-	-	-	3,114
Total other fees and commissions	1,207,839	880,754	289,746	47,387	1,912	-	-	-	(11,960)

Other fees and commissions 2021 (*)	Group	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Keeping and management of current accounts, Credit Availability Fee (CDC)	508,842	438,145	56,806	12,631	1,140	-	-	-	120
of which:									
Credit Availability Fee (CDC)	248,409	201,803	42,321	3,965	269	-	-	-	51
Keeping and management of current accounts	260,433	236,342	14,485	8,666	871	-	-	-	69
Commission on loans (including consumer credit) and unsecured loans Italy	218,406	70,531	133,407	8,599	76	-	-	-	5,793
of which:									
Commission on loans	132,607	17,855	107,243	7,143	7	-	-	-	359
Commission on unsecured loans	43,647	17,970	26,164	1,453	58	-	-	-	(1,998)
Consumer Credit	42,152	34,706	-	3	11	-	-	-	7,432
Abroad (including unsecured loans)	77,805	31,552	40,905	507	193	-	-	-	4,648
Collection and payment services, e-money	322,506	294,734	24,923	17,202	1,321	-	-	-	(15,674)
of which:									
Collection and payment services	167,853	134,717	18,640	12,163	684	-	-	-	1,649
E-money	154,653	160,017	6,283	5,039	637	-	-	-	(17,323)
Other services	1,886	(2,276)	(230)	(231)	(1,085)	-	-	-	5,708
of which:									
Commercial refunds	(5,108)	(3,056)	(493)	(236)	(1,085)	-	-	-	(238)
Other	6,994	780	263	5	-	-	-	-	5,946
Total other fees and commissions	1,129,445	832,686	255,811	38,708	1,645	-	-	-	595

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 31 December 2022.

Segment results - balance sheet figures

31/12/2022	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Loans to customers:	133,647,528	63,164,637	31,307,219	6,829,089	542,448	1,773,022	765	-	30,030,348
• loans to customers	107,521,998	63,164,637	31,092,530	6,704,832	542,448	1,773,022	765	-	4,243,764
• debt securities	26,125,530	-	214,689	124,257	-	-	-	-	25,786,584

31/12/2021 (*)	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Loans to customers:	127,674,398	61,625,508	30,171,846	6,488,818	428,751	1,963,699	-	-	26,995,776
• loans to customers	107,085,822	61,625,508	29,936,846	6,488,818	428,751	1,963,699	-	-	6,642,200
• debt securities	20,588,576	-	235,000	-	-	-	-	-	20,353,576

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 31 December 2022.

31/12/2022	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Direct funding	120,639,083	82,910,556	7,506,563	11,032,058	2,674,626	1,838,956	-	-	14,676,324

31/12/2021 (*)	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Direct funding	120,213,016	81,426,305	10,125,501	10,915,228	2,771,365	956,547	-	-	14,018,070

(*) The figures for the previous year have been restated to reflect the changes introduced in the composition of the operating segments as at 31 December 2022.

31/12/2022	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Interests in associates and joint ventures	1,453,955	-	-	-	-	-	154,758	1,279,312	19,885

31/12/2021	Total	Retail	Corporate	Institutional	Private	Investment Banking	Insurance	Strategic Partnerships	Corporate Centre
Interests in associates and joint ventures	1,794,116	-	-	-	-	-	-	1,775,259	18,857

Note that most of the activities and operating income are achieved in Italy, confirming the deep roots throughout the country, considered to be the main area of action of the Group. The weight of activities and operating income achieved abroad is significantly lower than the threshold of 5%.