INTESA SANPAOLO

Basel 3 Pillar 3

Disclosure as at 30 September 2023

This is an English translation of the original Italian document "Terzo Pilastro di Basilea 3 Informativa al pubblico al 30 settembre 2023". In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails. The Italian original is available on group.intesasanpaolo.com. This document contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.
Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Intesa Sanpaolo Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.
All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date of approval of this document. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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Disclosure
as at 30 September 2023

Intesa Sanpaolo S.p.A. Registered Office: Piazza S. Carlo, 156 10121 Torino Italy Secondary Registered Office: Via Monte di Pietà, 8 20121 Milano Italy Share Capital Euro 10,368,87,930.08 Torino Company Register and Fiscal Code No. 00799960158 "Intesa Sanpaolo" VAT Group representative Vat Code No. 11991500015 (IT11991500015) Included in the National Register of Banks No. 5361 ABI Code 3069.2 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund and Parent Company of the banking group "Intesa Sanpaolo" included in the National Register of Banking Groups

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Introduction

Notes to the Basel 3 Pillar 3 disclosure

With effect from 1 January 2014, the reforms of the accord by the Basel Committee ("Basel 3") were implemented in the EU legal framework. Their aim is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, improve risk management and governance, and increase banks' transparency and disclosures. In doing so, the Committee maintained the approach founded on three Pillars, underlying the previous capital accord, known as "Basel 2", supplementing and strengthening it to increase the quantity and quality of intermediaries' available capital as well as introducing counter-cyclical regulatory instruments, provisions on liquidity risk management and financial leverage containment.

In particular, with the aim of better regulating the market, Pillar 3 identifies a set of public disclosure obligations on capital adequacy, the composition of regulatory capital, the methods used by banks to calculate their capital ratios, and on risk exposure and the general characteristics of related management and control systems.

That said, the content of "Basel 3" was incorporated into two EU legislative acts:

- Regulation (EU) 575/2013 of 26 June 2013 (Capital Requirements Regulation - CRR), as amended, applicable from 1 January 2014, which governs the prudential supervision requirements of Pillar 1 and public disclosure requirements (Pillar 3);
- Directive 2013/36/EU of 26 June 2013 (CRD IV, Capital Requirement Directive) as amended, which, among other things, deals with the access to the activity of credit institutions, freedom of establishment, freedom to provide services, supervisory review process, and additional equity reserves.

On 7 June 2019, following the publication in the Official Journal of the European Union of Regulation (EU) 2019/876 (CRR II), which was part of the broader package of regulatory reforms, also referred to as the Risk Reduction Measures (RRM), which also include the CRD V (Capital Requirements Directive), the BRRD II (Banking Recovery and Resolution Directive) and the SRMR II (Single Resolution Mechanism Regulation), significant changes were introduced to the EU framework established by the two above-mentioned regulations.

EU legislation is complemented by the provisions issued by the Bank of Italy, in particular with Circular 285 of 17 December 2013, as subsequently amended, which contains the prudential supervision regulations applicable to Italian banks and banking groups, reviewed and updated to adjust the internal regulations to the new elements of the international regulatory framework, with special reference to the new regulatory and institutional structure of banking supervision of the European Union and taking into account the needs detected while supervising banks and other intermediaries.

The public disclosure by institutions (Pillar 3) is therefore directly governed by:

- CRR, Part Eight "Disclosure by Institutions" (Articles 431-455), as amended by Regulation (EU) 2019/876 (CRR II), applicable from 28 June 2021;
- the Regulations of the European Commission that transpose the regulatory or implementing technical standards drawn up by the EBA. Of particular importance in this respect is Regulation (EU) 2021/637 of 15 March 2021, as amended, applicable from 28 June 2021, discussed further below;
- the Guidelines issued by the EBA – in line with the mandate entrusted to it by Regulation (EU) 1093/2010, which created it – for the purpose of establishing uniform templates for the publication of various types of information.

In line with the regulatory changes introduced by CRR II, the above-mentioned Implementing Regulation (EU) 2021/637, stemming from the mandate given to the EBA by Article 434a CRR II ("Uniform disclosure formats"), was published on 21 April 2021, with the aim of streamlining and harmonising the periodic disclosures to the market by providing institutions with a complete integrated set of formats, templates and tables for uniform disclosures (the single framework), able to ensure high quality disclosure and a consistent framework aligned to international standards. This Regulation, applicable from 28 June 2021, establishes implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of the CRR.

In addition, to facilitate the application of the disclosure requirements by institutions and strengthen their consistency and comparability, the EBA also has made a mapping tool available to institutions, consisting of a file that links most of the quantitative public disclosure templates with those in the prudential supervisory reports.

In addition, the requirement established by Article 448 CRR II (paragraph 1, points a) and b)), relating to the disclosure of exposures to interest rate risk on positions not held in the trading book (IRRBB – Interest Rate Risk in the Banking Book) has also been applicable from June 2021. The forms and instructions to fulfil those obligations of disclosure to the public are set out in Implementing Regulation (EU) 2022/631 of the Commission of 13 April 2022, which - in endorsing the implementing technical standards (ITS) drawn up by the EBA, and in compliance with which the Intesa Sanpaolo Group, starting from the reporting date of 30 June 2021, publishes that detailed disclosure - amends Implementing Regulation (EU) 2021/637.

With regard to the Pillar 3 provisions established by the EBA through the Guidelines, reference should be made to EBA/GL/2014/14 on the materiality, proprietary and confidentiality and frequency of Pillar 3 disclosures, under Articles 432(1) and (2) and 433 CRR.

With regard to IFRS 9, the transitional period (2018-2022) provided for by Regulation (EU) 2017/2395 to mitigate the capital impacts of its introduction ended on 31 December 2022. Moreover, from June 2020 the Intesa Sanpaolo Group has not applied either the new transitional IFRS 9 rules (in force up to 31 December 2024), or the FVOCI prudential filter (ended on 31 December 2022), which were both introduced by Regulation (EU) no. 2020/873 (CRR Quick Fix) in the context of the pandemic.
In view of this, starting from 31 March 2023, the disclosure requirements relating to the temporary treatments described above, introduced by EBA/GL/2018/01 and the subsequent EBA/GL/2020/12, which represent an amendment to the former that became necessary due to the pandemic, no longer apply to the ISP Group. With the normalisation of the situation linked to the COVID-19 pandemic and the phasing out of the related support measures established, EBA/GL/2020/07 governing the related reporting obligations were also repealed with effect from 1 January 2023.

With reference to the increasing weight that control of environmental, social and governance risks (ESG risks) is taking on within the European regulatory framework, in December 2022 Commission Implementing Regulation (EU) 2022/2453 was published in the Official Journal, amending the implementing technical standards (ITS) laid down in Implementing Regulation (EU) 2021/637 with regard to the introduction of new, standard models for disclosure of ESG risks and instructions, developed in compliance with Article 449a of the CRR. That Article requires large institutions that have issued securities traded in a regulated market of any Member State to publish disclosure on ESG risks, including physical risks and transition risks. Banks have fulfilled the related initial disclosure obligations starting from 31 December 2022, and will be required to provide this disclosure on a half-yearly basis thereafter, gradually applying the disclosure obligations based on specific models (phase-in period from December 2022 to December 2024).

With regard to the impacts for the Intesa Sanpaolo Group of the military conflict between Russia and Ukraine and the impacts of the scenario resulting from the COVID-19 pandemic, see the description provided in the Interim Statement as at 30 September 2023 and the 2022 Annual Report of the Group.

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In accordance with the above-mentioned provisions, this document has been prepared on a consolidated basis with reference to a “prudential” scope of consolidation, essentially corresponding to the definition of Banking Group for Regulatory purposes (integrated by the proportional consolidation of the jointly controlled entities).

With respect to 31 December 2022, the changes in the line-by-line accounting scope of consolidation involved the entry of:
- Reyl Finance (MEA) Ltd, previously consolidated using the equity method;

and the exit of:
- Fideuram Bank Luxembourg, merged by incorporation into Intesa Sanpaolo Wealth Management S.A. (formerly Compagnie de Banque Privée Quilvest - CBPQ);
- Asteria Obviam S.A., as it fell below the materiality threshold;
- Intesa Sanpaolo Provis S.p.A., merged by incorporation into Intesa Sanpaolo S.p.A.

For completeness, it is also noted that Banca 5 S.p.A. changed its company name to Isybank S.p.A.

The changes in the prudential scope of consolidation with respect to 31 December 2022 were the same as those indicated in the section above for the accounting scope of consolidation.

With regard to the Ukrainian subsidiary Pravex Bank, considering the limited impact on the consolidated financial statements of the balance sheet and income statement balances of the bank, and with a view to reducing operational risks, the Group decided to consolidate the Ukrainian subsidiary on a line-by-line basis, maintaining in the accounts the balance sheet balances as at 30 June 2023 and making central value adjustments linked to the impairment of the Bank’s assets. The balance sheet and income statement results of the subsidiary Banca Intesa Russia as at 30 September 2023 were incorporated through line-by-line consolidation.

In line with the related supervisory reports, the comparative data relating to previous periods were not restated to take account of the changes in the scope of consolidation.

In accordance with Article 433 of the CRR II, banks publish the Pillar 3 Disclosures required by European regulations at the same time as the financial statements or as soon as possible after that date. The frequency of publication of disclosures by large institutions (the category the Intesa Sanpaolo Group belongs to) is specifically regulated by Article 433a CRR II (“Disclosures by large institutions”).

In relation to the scope of application of the provisions of the CRR, which refers - as previously indicated - to a “prudential” consolidation scope, and the provisions of the CRR, this document does not illustrate all the types of risk that the Intesa Sanpaolo Group is exposed to. For more details, see the Group’s Interim Statement as at 30 September 2023, Half-yearly Report as at 30 June 2023 and 2022 Annual Report.

All the amounts reported in this disclosure, unless otherwise specified, are stated in millions of euro.

The preparation of the Pillar 3 disclosure on capital adequacy, risk exposure and the general characteristics of the related management and control systems of Intesa Sanpaolo is governed, in compliance with the applicable regulations, by the “Guidelines on the disclosure of Financial information to the Market”, approved by the Board of Directors. The governance of the Pillar 3 disclosure requires the Chief Risk Officer to ensure that the risk information provided therein complies with the prudential regulation and is consistent with Group risk management guidelines and policies and with the measurement and control of the Group's exposure to the different risk categories.

As regards public disclosure, the document is accompanied by the declaration of the Manager responsible for preparing the Company's financial reports, pursuant to paragraph 2 of Art. 154-bis of the Consolidated Law on Finance, which confirms that the accounting information contained in the document corresponds to the supporting documentation, ledgers and other accounting records.
The preparation of Financial disclosures to the Market is one of the processes subject to assessment under the Group "Administrative and Financial Governance Guidelines", which were also approved by the Board of Directors.

Lastly, as required by the G-SIBs assessment exercise conducted by the EBA, the Group's website publishes information, upon the required deadlines, on the value of the indicators of global systemic importance (Governance\Risk management Section of the website: "Assessment methodology indicators to identify the global systemically important banks").

Own funds

Qualitative and quantitative disclosure

Introduction

As previously mentioned, the harmonised rules for banks and investment companies contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) of 26 June 2013 and amended respectively by Directive 2019/878/EU (CRD V) and Regulation (EU) 2019/876 (CRR II), which transpose the banking supervision standards defined by the Basel Committee on Banking Supervision (the Basel 3 Framework) into European Union laws, became applicable from 1 January 2014.

The above provisions have been incorporated into the following two regulations:
- Bank of Italy Circular 285: “Supervisory regulations for banks” which renders the above-mentioned provisions operational;
- Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) 575/2013 with regard to supervisory reporting of institutions and repealing Commission Implementing Regulation (EU) 680/2014.

These provisions are supplemented by the European Commission Delegated Regulations and the ECB Decisions on the definition of Own Funds, listed below:
- Commission Delegated Regulation (EU) 342/2014 of 21 January 2014, supplementing Directive 2002/87/EC of the European Parliament and of the Council and Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the application of the calculation methods of capital adequacy requirements for financial conglomerates;
- Commission Delegated Regulation (EU) 2014/241 of 7 January 2014, as amended, supplementing Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for own funds and eligible liabilities for institutions;
- Commission Delegated Regulation (EU) 2016/101 of 26 October 2015 supplementing Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation;
- Decision No. 2015/656 of the European Central Bank of 4 February 2015 on the conditions under which credit institutions are permitted to include interim or year-end profits in Common Equity Tier 1 capital;
- Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017, amending Regulation (EU) 575/2013, through the addition of the new Article 473a (“Introduction of IFRS 9”), in relation to the transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State. The above article was amended in turn by Regulation (EU) 2020/873 of 24 June 2020 (so-called “CRR quick fix”), which makes adjustments in response to the COVID-19 pandemic;
- Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) 575/2013 as regards minimum loss coverage for non-performing exposures;
- Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Commission Delegated Regulation (EU) 241/2014 as regards the deduction of software assets from Common Equity Tier 1 items.

This regulatory framework requires that Own Funds (or regulatory capital) are made up of the following tiers of capital:
- Tier 1 Capital, in turn composed of:
  - Common Equity Tier 1 Capital (CET1);
  - Additional Tier 1 Capital (AT1);
- Tier 2 Capital (T2).

Tier 1’s predominant element is Common Equity, mainly composed of equity instruments (e.g. ordinary shares net of treasury shares), share premium reserves, retained earnings reserves, undistributed income for the period, valuation reserves, eligible minority interests, net of the deducted items.

In order to be eligible for Common Equity, the equity instruments issued must guarantee absorption of losses on going concern, by satisfying the following characteristics:
- maximum level of subordination;
- option for suspending the payment of dividends/coupons at the full discretion of the issuer and in a non-cumulative manner;
- unredeemability;
- absence of redemption incentives.

At present, with reference to the Intesa Sanpaolo Group, no equity instrument other than ordinary shares is eligible for inclusion in Common Equity.

A number of prudential filters are also envisaged with effects on Common Equity:
- filter on profits associated with future margins deriving from securitisations;
- filter on cash flow hedge (CFH) reserves;
- filter on profits or losses on liabilities designated at fair value (derivatives or otherwise) associated with changes in own credit risk (DVA);

- adjustments to fair value assets associated with the "prudent valuation".

The regulation also envisages a series of elements to be deducted from Common Equity Tier 1:

- losses for the current year;
- goodwill, intangible assets and residual intangible assets;
- deferred tax assets (DTA) associated with future income not deriving from temporary differences (e.g. DTA on losses carried forward);
- expected losses exceeding total credit risk adjustments (the shortfall reserve) for exposures weighted according to IRB approaches;
- net assets deriving from defined benefit plans;
- direct, indirect or synthetic holdings of the entity in Common Equity Tier 1 Capital instruments;
- exposures for which it is decided to opt for deduction rather than a 1,250% weighting among RWA;
- non-significant investments in CET1 instruments issued by companies operating in the financial sector (less the amount exceeding the thresholds envisaged in the regulations);
- deferred tax assets (DTA) that rely on future profitability and arise from temporary differences (deducted for the amount exceeding the thresholds envisaged in the regulation);
- significant investments in CET1 instruments issued by companies operating in the financial sector (deducted for the amount exceeding the thresholds envisaged in the regulation);
- the applicable amount of insufficient coverage for non-performing exposures, as governed by Regulation (EU) 2019/630 (minimum loss coverage);
- any negative difference between the current market value of the units or shares in CIUs held by retail customers and the present value of the minimum amount that the institution has committed as a guarantee for those customers (minimum value commitment).

The AT1 category includes equity instruments other than ordinary shares (which are eligible for Common Equity), which meet the regulatory requirements for inclusion in that level of own funds (e.g. savings shares or AT1 equity instruments), once the deductions of items and exemptions provided for in Regulation (EU) 575/2013 (CRR) and amended by Regulation (EU) 2019/876 (CRR II) have been applied.

Tier 2 Capital is mainly composed of items such as eligible subordinated liabilities and any excess of credit risk adjustments over and above expected losses (the excess reserve) for exposures weighted according to IRB approaches, once the deductions of items and exemptions provided for in Regulation (EU) 575/2013 (CRR) have been applied. Following the issue of Regulation (EU) 2019/876 (CRR II), the eligibility of Tier 2 instruments with a residual maturity of less than five years (being amortised) is determined based on the carrying amount instead of the nominal value.

With regard to the accounting standard IFRS 9, as already stated in the Introduction of this document, the transitional period (2018-2022) introduced to mitigate its impacts on capital ended on 31 December 2022. However, own funds still take account of the provisions of the 2019 Budget Act, which temporarily called for – up to 2028 – the adjustments upon first-time adoption of the Standard to be applied in instalments for tax purposes, with the recognition of the resulting DTAs. These DTAs were fully included in the elements to be deducted from own funds, over the same time period.
In addition, since June 2020 the Intesa Sanpaolo Group has not adopted the new IFRS 9 transitional rules relating to adjustments to loans after 31 December 2019 or the reintroduction of the prudential filter for exposures to central governments classified to the FVOCI category – the first of which is in force until 31 December 2024 while the second ended on 31 December 2022 – both introduced by the European Commission in Regulation 2020/873 of 24 June 2020 (quick fix).

In November 2019, Q&A 2018_4302 was published which allows the amount of net deferred tax assets that rely on future profitability to be treated for prudential purposes, within the deductions from the CET1 items provided for in the CRR, independently and distinctly from the accounting framework applied to them. In this respect, the EBA clarified that for the deduction of the above-mentioned DTAs from CET1 items, the netting rules established by the CRR apply and that therefore the amount of the DTAs – calculated for prudential purposes – may differ from the related net balance reported in the periodic reports and determined according to the applicable accounting rules.

The above-mentioned Regulation (EU) 2019/876 (CRR II), in Article 494b "Grandfathering of Own Funds instruments and eligible liabilities instruments", introduced a new transitional regime, applicable until 28 June 2025, which allows Own Funds instruments – issued before 27 June 2019 (the date of entry into force of CRR II) – which do not meet the specific conditions set out in points p), q) and r) of Article 52 ("Additional Tier 1 instruments"), as amended by Article 1 point 23) of CRR II, and in points n), o) and p) of Article 63 ("Tier 2 instruments"), as amended by Article 1 point 27) of CRR II – to qualify as AT1 and T2 instruments. Since July 2020, the Intesa Sanpaolo Group has no longer held any subordinated instruments subject to the above-mentioned transitional rules.

Since December 2020, the Intesa Sanpaolo Group has applied Delegated Regulation (EU) 2020/2176 on the deduction of software assets from Common Equity Tier 1 items, which introduced the criterion of prudential amortisation applied to all software assets over a period of three years (regardless of their estimated useful life for accounting purposes). Specifically, the difference, if positive, between the prudential accumulated amortisation and the accounting accumulated amortisation (including impairment losses) is fully deducted from CET1 capital, while the remaining portion (the portion of the net carrying amount of each software asset that is not deducted) is included in the RWAs with a risk weight of 100%.

Also worth noting is the EBA's response to a question submitted to it in 2021 by a "competent authority" (Q&A 2021_6211) in relation to the treatment of goodwill included in the valuation of significant investments in insurance companies for the calculation, set out in Article 37(b) CRR, of the amount of the CET1 deduction. The EBA clarified that the amount of goodwill to deduct from an institution's CET 1 must be that relating to directly controlled insurance companies, recognised at the date of acquisition of the significant investment in those companies, without considering the goodwill referring to subsequent acquisitions made. Starting from 30 June 2023, this goodwill amount, so far included in the deduction from CET1 made by the ISP Group, has been included in the calculation of the risk-weighted assets (RWA), and therefore comes under the ordinary treatment adopted by the Group for its investments in insurance companies under the Danish Compromise authorisation obtained in 2019.

Breakdown of Own Funds

The structure of the Intesa Sanpaolo Group's Own Funds as at 30 September 2023 is summarised in the table below.

(millions of euro)

	30.09.2023	31.12.2022
A. Common Equity Tier 1 (CET1) before the application of prudential filters	**52,126**	**52,752**
of which CET1 instruments subject to transitional adjustments	-	-
B. CET1 prudential filters (+ / -)	**96**	**149**
C. CET1 before items to be deducted and effects of transitional period (A +/- B)	**52,222**	**52,901**
D. Items to be deducted from CET1	**-11,726**	**-12,882**
E. Transitional period - Impact on CET1 (+/-)	**-**	**753**
F. Total Common Equity Tier 1 (CET1) (C-D +/-E)	**40,496**	**40,772**
G. Additional Tier 1 (AT1) before items to be deducted and effects of transitional period	**7,707**	**7,207**
of which AT1 instruments subject to transitional adjustments	-	-
H. Items to be deducted from AT1	**-**	**-**
I. Transitional period - Impact on AT1 (+/-)	**-**	**-**
L. Total Additional Tier 1 (AT1) (G - H +/- I)	**7,707**	**7,207**
M. Total Tier 1 (T1) (F + L)	**48,203**	**47,979**
N. Tier 2 (T2) before items to be deducted and effects of transitional period	**8,926**	**8,381**
of which T2 instruments subject to transitional adjustments	-	-
O. Items to be deducted from T2	**-**	**-**
P. Transitional period - Impact on T2 (+ / -)	**-**	**-**
Q. Total Tier 2 (T2) (N - O +/- P)	**8,926**	**8,381**
R. Total own funds (F + L + Q)	**57,129**	**56,360**

The tables below provide a detailed summary of the various capital levels before regulatory adjustments, together with the reconciliation between Common Equity Tier 1 and net book value.

The own funds disclosure required by the above-mentioned Regulation (EU) 2021/637, applicable from June 2021, is provided:

– Attachment 1, which contains details of the terms and conditions of the Additional Tier 1 instruments issued during the first nine months of 2023, in line with the template EU CCA of Regulation (EU) 2021/637;
– Attachment 2: template EU CC1 – Composition of regulatory own funds.

The full terms and conditions of all the other Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments have been reported in Attachment 1 to the Basel 3 Pillar 3 - Disclosure as at 31 December 2022.

Reconciliation of net book value and Common Equity Tier 1 Capital

(millions of euro)

Captions	30.09.2023	31.12.2022
Group Shareholders' equity	64,511	61,655
Minority interests	164	166
Shareholders' equity as per the Balance Sheet	**64,675**	**61,821**
Interim dividend [a]	-	1,400
Adjustments for instruments eligible for inclusion in AT1 or T2 and net income for the period		
- Other equity instruments eligible for inclusion in AT1	-7,707	-7,207
- Minority interests eligible for inclusion in AT1	-	-
- Minority interests eligible for inclusion in T2	-	-
- Ineligible minority interests on full phase-in	-164	-166
- Ineligible net income for the period [b]	-4,532	-3,165
- Treasury shares included under regulatory adjustments [c]	170	169
- Other ineligible components on full phase-in [d]	-316	-100
Common Equity Tier 1 capital (CET1) before regulatory adjustments	**52,126**	**52,752**
Regulatory adjustments (including transitional adjustments) [e]	**-11,630**	**-11,980**
Common Equity Tier 1 capital (CET1) net of regulatory adjustments	**40,496**	**40,772**

(a) As at 31 December 2022 the Shareholders' equity as per the Balance Sheet did not include the interim dividend of 1,400 million euro (net of the undistributed portion in respect of the own shares held at the record date).

(b) Common Equity Tier 1 capital as at 30 September 2023 includes the net income as at that date, less the related dividend and other foreseeable charges (accrued coupon on Additional Tier 1 instruments, net of the tax effects).

(c) The amount includes, in addition to the book value of own shares, the unused portion of the ceiling for which the Bank has received the buyback authorisations.

(d) As at 30 September 2023, the amount includes a deduction of 246 million euro following the authorisation for the repurchase of an AT1 instrument as part of a liability management transaction carried out in August.

(e) Regulatory adjustments as at 30 September 2023 no longer include the impact of the application of the IFRS 9 transitional filter, the applicability of which ended in 2022. Conversely, they include 891 million euro in additional deductions pursuant to Art. 3 of the CRR (relating to the voluntary deduction of calendar provisioning on exposures included in the scope of Pillar 2).

Common Equity Tier 1 Capital (CET1)

(millions of euro)

Information	30.09.2023	31.12.2022
Common Equity Tier 1 capital (CET1)		
Share capital - ordinary shares	10,369	10,369
Share premium reserve	28,003	28,053
Reserves (a)	14,548	15,776
Accumulated other comprehensive income (b)	-2,384	-2,635
Net income (loss) for the period	6,122	4,354
Net income (loss) for the period not eligible (c)	-4,532	-
Dividends and other foreseeable charges (d)	-	-3,165
Minority interests	-	-
Common Equity Tier 1 capital (CET1) before regulatory adjustments	**52,126**	**52,752**
Common Equity Tier 1 capital (CET1): Regulatory adjustments		
Treasury shares	-170	-1,869
Goodwill	-3,766	-4,252
Other intangible assets	-4,030	-3,949
Deferred tax assets that rely on future profitability and do not arise from temporary differences	-2,145	-2,154
Negative amounts resulting from the calculation of expected losses (shortfall reserve)	-240	-240
Defined benefit pension funds assets	-	-
Prudential filters	96	149
- of which Cash Flow Hedge Reserve	*343*	*365*
- of which Gains or Losses due to changes in own credit risk (DVA)	*-22*	*-15*
- of which Prudent valuation adjustments	*-225*	*-201*
- of which Other prudential filters	-	-
Exposures to securitisations deducted rather than risk weighted at 1250%	-30	-62
CET1 instruments of financial sector entities where the institution does not have a significant investment, held directly, indirectly and synthetically, which exceed the threshold of 10% of Common Equity	-	-
Deductions with 10% threshold (e)	-	-
- of which Deferred tax assets (DTA) that rely on future profitability and arise from temporary differences	-	-
- of which CET1 instruments of financial sector entities where the institution has a significant investment, held directly, indirectly and synthetically	-	-
Deductions with threshold of 17.65% (e)	-	-
Other CET1 deductions (pursuant to Article 3 CRR) (f)	-891	-
Positive or negative elements - other (g)	-454	-356
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-11,630**	**-12,733**
Total adjustments in the transitional period (CET1) (h)	**-**	**753**
Common Equity Tier 1 (CET1) - Total	**40,496**	**40,772**

(a) Amount included in CET1, includes a negative effect of about 3,265 million euro deriving from the adoption of IFRS 9, in addition to the 2022 income allocated to reserves.

(b) The caption "Accumulated other comprehensive income" includes a positive effect of about 328 million euro deriving from the adoption of IFRS 9.

(c) Common Equity Tier 1 capital as at 30 September 2023 includes the net income as at that date, less the related dividend and other foreseeable charges (accrued coupon on Additional Tier 1 instruments, net of the tax effects).

(d) As at 31 December 2022 the figure considers the dividends on 2022 results, the portion of the remuneration of the AT1 instruments issued at that date and the portion of 2022 income allocated to charity, net of the tax effect.

(e) See the specific table for the details of the calculation of the deduction thresholds.

(f) The additional Article 3 CRR deduction relates to the calendar provisioning on exposures included in the scope of Pillar 2.

(g) The caption includes also "Foreseeable tax charges relating to CET1 items".

(h) The applicability of the IFRS 9 transitional filter ended on 31 December 2022.

It is noted that, for the purposes of calculating own funds as at 30 September 2023, the net income for the first nine months of 2023 was considered, less the related dividend and other foreseeable charges[1].

[1] Coupons accrued on the Additional Tier 1 issues (245 million euro).

Own funds also take into account the applicable amount, object of deduction from CET1, related to the minimum coverage of losses on non-performing exposures, known as Minimum Loss Coverage, based on the provisions of Regulation (EU) 630/2019 of 17 April 2019.

Moreover, in compliance with Article 3 of the CRR ("Application of stricter requirements by institutions"), for the purpose of calculating own funds as at 30 September 2023, the voluntary deduction of calendar provisioning[2] on exposures within the scope of Pillar 2 was included, which entailed the deduction of an impact of around 30 basis points from CET 1.
Since 30 June 2023, the Intesa Sanpaolo Group has been complying with EBA Q&A 2021_6211, which clarifies that the amount of goodwill to deduct from an institution's CET 1 must be that relating to directly controlled insurance companies, recognised at the date of acquisition of the significant investment in those companies, without considering the goodwill referring to subsequent acquisitions made. The latter amount was included in the calculation of risk-weighted assets (RWA), thus falling under the ordinary treatment that the Group reserves for investments in insurance companies.

As envisaged by Article 36 (1)(k)(ii) of Regulation (EU) 575/2013 which governs this circumstance, in place of the weighting of the positions towards securitisations that meet the requirements to receive a weighting of 1,250%, it was chosen to proceed with the direct deduction of these exposures from the Own Funds.
The amount of such deduction as at 30 September 2023 is equal to 30 million euro.

Additional Tier 1 Capital (AT1)

(millions of euro)

Information	30.09.2023	31.12.2022
Additional Tier 1 capital (AT1)		
AT1 instruments	7,707	7,207
Minority interests	-	-
Additional Tier 1 capital (AT1) before regulatory adjustments	**7,707**	**7,207**
Regulatory adjustments to Additional Tier 1 (AT1)	**-**	**-**
Additional Tier 1 (AT1) - Total	**7,707**	**7,207**

Additional Tier 1 (AT1) equity instruments

Issuer	Interest rate	Step-up	Issue date	Expiry date	Early redemption as of	Currency	Subject to grandfather-ing	Original amount in currency	Contribution to the own funds (millions of euro)
Intesa Sanpaolo	7.70% fixed rate	NO	17-Sep-2015	perpetual	17-Sep-2025	USD	NO	1,000,000,000	867
Intesa Sanpaolo	7.75% fixed rate	NO	11-Jan-2017	perpetual	11-Jan-2027	Eur	NO	1,250,000,000	1,238
Intesa Sanpaolo	3.75% fixed rate	NO	27-Feb-2020	perpetual	27-Feb-2025	Eur	NO	750,000,000	744
Intesa Sanpaolo	4.125% fixed rate	NO	27-Feb-2020	perpetual	27-Feb-2030	Eur	NO	750,000,000	744
Intesa Sanpaolo	5.875% fixed rate (payable semi-annually)	NO	01-Sep-2020	perpetual	01-Sep-2031	Eur	NO	750,000,000	737
Intesa Sanpaolo	5.5% fixed rate (payable semi-annually)	NO	01-Sep-2020	perpetual	01-Mar-2028	Eur	NO	750,000,000	742
Intesa Sanpaolo	5.875% fixed rate (payable semi-annually)	NO	20-Jan-2020	perpetual	20-Jan-2025	Eur	NO	400,000,000	385
Intesa Sanpaolo	6.375% fixed rate (payable semi-annually)	NO	30-Mar-2022	perpetual	30-Mar-2028 - 30-Sep-2028	Eur	NO	1,000,000,000	988
Intesa Sanpaolo	9.125% fixed rate (payable semi-annually)	NO	07-Sep-2023	perpetual	07-Sep-2029 - 07-Mar-2030	Eur	NO	1,250,000,000	1,239
REYL & Cie SA	4.75%	NO	30-Nov-2019	perpetual	30-Nov-2024	CHF	NO	15,000,000	13
REYL & Cie SA	4.75%	NO	30-Nov-2018	perpetual	30-Nov-2023	CHF	NO	12,000,000	10
Total Additional Tier 1 equity instruments									**7,707**

With regard to AT1, following the authorisation for the repurchase and redemption granted by the ECB in July 2023, the AT1 instrument issued in May 2017 with a nominal value of 750 million euro has no longer been included as at 30 September, while the new perpetual AT1 bond issued in September with a nominal value of 1.25 billion euro has been included.

[2] The addendum to ECB Guidance on non-performing loans of 2018 contemplates the possibility that banks "deduce" on their own initiative specific amounts from CET 1, to anticipate supervisory requests, in the event of divergence between the prudential framework, which expects adjustments not based on credit risk measurement criteria, and the accounting framework.

Tier 2 Capital (T2)

(millions of euro)

	30.09.2023	31.12.2022
Tier 2 Capital (T2)		
T2 Instruments	8,088	8,308
Minority interests	-	-
Excess of provisions over expected losses eligible (excess reserve)	838	73
Tier 2 capital before regulatory adjustments	**8,926**	**8,381**
Tier 2 Capital (T2): Regulatory adjustments		
T2 instruments of financial sector entities where the institution does not have a significant investment, held directly, indirectly and synthetically	-	-
T2 instruments of financial sector entities where the institution has a significant investment, held directly, indirectly and synthetically	-	-
Positive or negative items - other	-	-
Total regulatory adjustments to Tier 2 (T2)	**-**	**-**
Tier 2 Capital (T2) - Total	**8,926**	**8,381**

Tier 2 (T2) equity instruments

Issuer	Interest rate	Step-up	Issue date	Expiry date	Early redemption as of	Currency	Subject to grandfather-ing	Original amount in currency	Contribution to the own funds (millions of euro)
Intesa Sanpaolo	5.017% fixed rate	NO	26-Jun-2014	26-Jun-2024	NO	USD	NO	2,000,000,000	276
Intesa Sanpaolo	3.928% fixed rate	NO	15-Sep-2014	15-Sep-2026	NO	Eur	NO	1,000,000,000	556
Intesa Sanpaolo	2.855% fixed rate	NO	23-Apr-2015	23-Apr-2025	NO	Eur	NO	500,000,000	150
Intesa Sanpaolo	5.71% fixed rate	NO	15-Jan-2016	15-Jan-2026	NO	USD	NO	1,500,000,000	611
Intesa Sanpaolo	3-month Euribor + 1.9%/4	NO	26-Sep-2017	26-Sep-2024	NO	Eur	NO	723,700,000	142
Intesa Sanpaolo	5.875% fixed rate	NO	04-Mar-2019	04-Mar-2029	04-Mar-2024	Eur	NO	500,000,000	523
Intesa Sanpaolo	4.375% fixed rate	NO	12-Jul-2019	12-Jul-2029	12-Jul-2024	Eur	NO	300,000,000	296
Intesa Sanpaolo	1.98% fixed rate	NO	11-Dec-2019	11-Dec-2026	NO	Eur	NO	160,250,000	92
Intesa Sanpaolo	3-month Euribor + 206 bp/4	NO	11-Dec-2019	11-Dec-2026	NO	Eur	NO	188,000,000	108
Intesa Sanpaolo	5.148% fixed rate	NO	10-Jun-2020	10-Jun-2030	NO	GBP	NO	350,000,000	310
Intesa Sanpaolo	3.75% fixed rate	NO	29-Jun-2020	29-Jun-2027	NO	Eur	NO	309,250,000	201
Intesa Sanpaolo	3-month Euribor + 405 bp/4	NO	29-Jun-2020	29-Jun-2027	NO	Eur	NO	590,500,000	443
Intesa Sanpaolo	2.925% fixed rate	NO	14-Oct-2020	14-Oct-2030	NO	Eur	NO	500,000,000	421
Intesa Sanpaolo	4.198% fixed rate	NO	01-Jun-2021	01-Jun-2032	01-Jun-2031	USD	NO	750,000,000	580
Intesa Sanpaolo	4.95% fixed rate	NO	01-Jun-2021	01-Jun-2042	01-Jun-2041	USD	NO	750,000,000	516
Intesa Sanpaolo	3-month Euribor + 345 bp/4	NO	16-Jun-2022	16-Jun-2032	NO	Eur	NO	861,800,000	792
Intesa Sanpaolo	8.505% fixed rate	NO	20-Sep-2022	20-Sep-2032	NO	GBP	NO	400,000,000	422
Intesa Sanpaolo	3-month Euribor + 415 bp/4	NO	14-Oct-2022	14-Oct-2032	NO	Eur	NO	677,400,000	652
Intesa Sanpaolo	6.184% fixed rate	NO	20-Feb-2023	20-Feb-2034	20-Nov-2028	Eur	NO	1,000,000,000	997
Total Tier 2 instruments									**8,088**

Deduction thresholds for DTAs and investments in companies operating in the financial sector

(millions of euro)

	30.09.2023	31.12.2022
A. Threshold of 10% for CET1 instruments of financial sector entities where the institution does not have a significant investment	4,142	4,576
B. Threshold of 10% for CET1 instruments of financial sector entities where the institution has a significant investment and for DTA that rely on future profitability and arise from temporary differences	4,142	4,576
C. Threshold of 17.65% for significant investments and DTA not deducted in the threshold described under point B	6,610	7,268

The regulations envisage that for certain regulatory adjustments, such as those for DTAs based on future income and deriving from temporary differences, and for significant and minor investments in CET1 instruments issued by companies in the financial sector, certain thresholds or "deductibles" are specified, calculated on Common Equity estimated using different approaches:

– for minor investments in CET1 instruments issued by companies in the financial sector, the deduction of amounts exceeding 10% of CET1 prior to deductions deriving from exceeding the thresholds is envisaged;
– for significant investments in CET1 instruments and DTAs, on the other hand, the following is envisaged:
  - an initial threshold for deductions, calculated as 10% of CET1 prior to deductions deriving from exceeding the thresholds, adjusted to take into account any excess over the threshold described in the previous point;
  - a further threshold is indicated, calculated on 17.65% of Common Equity (calculated in the same way as the point above, minus the DTAs that are dependent on future profitability and arise from temporary differences and significant investments in CET1 instruments issued by financial sector entities), to be applied in aggregate on amounts not deducted using the first threshold.

All amounts not deducted must be weighted among risk-weighted assets at 250%.

Capital requirements

Qualitative and quantitative disclosure

According to the regulations for the prudential supervision of banks (Bank of Italy Circular 285 of 17 December 2013 and subsequent amendments), which adopt the provisions on capital measurement and capital ratios (Basel 3), the Banking Group's total own funds must amount to at least 12.92% of total risk-weighted assets (total capital ratio, of which 8.76% in terms of Common Equity Tier 1 ratio)[3] arising from the risks typically associated with banking and financial activity (credit, counterparty, market and operational risk), weighted according to the regulatory segmentation of borrowers and considering credit risk mitigation techniques and the decrease in operational risks following insurance coverage. The competent authorities, as part of the Supervisory Review and Evaluation Process (SREP), may require higher capital requirements compared to those resulting from the application of the regulatory provisions.

As already illustrated in the Section on "Own Funds", the total regulatory capital is made up of the algebraic sum of the elements specified below:

- Tier 1 Capital (capable of absorbing losses under going concern conditions). This capital is divided into Common Equity Tier 1 Capital and Additional Tier 1 Capital;
- Tier 2 Capital (capable of absorbing losses in the event of a crisis).

The elements indicated above are subject to the following limits:

- Common Equity Tier 1 must at all times be equal to at least 4.5% of risk-weighted assets;
- Tier 1 Capital must at all times be equal to at least 6% of risk-weighted assets;
- Own Funds (i.e. the total regulatory capital), equal to Tier 1 plus Tier 2 Capital, must at all times be equal to at least 8.0% of risk-weighted assets.

Following the Supervisory Review and Evaluation Process (SREP), the ECB annually makes a final decision on the capital requirement that Intesa Sanpaolo must comply with at consolidated level.

On 15 December 2022, Intesa Sanpaolo announced that it had received the ECB's final decision concerning the capital requirement that the Bank has to meet, as of 1 January 2023.
The overall capital requirement to be met in terms of Common Equity Tier 1 ratio is currently 8.82%. This is the result of:

- the SREP requirement in terms of Total Capital ratio of 9.50% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is CET1, and an additional Pillar 2 capital requirement of 1.50%[4], of which 0.84% is CET1 applying the regulatory amendment introduced by the ECB and effective from 12 March 2020[5];
- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:
  - A Capital Conservation Buffer of 2.5%;
  - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.75%;
  - a Countercyclical Capital Buffer of 0.23%[6].

There were no changes in the scope of application of the internal models for credit risk, counterparty risk and operational risk compared to 30 June 2023.

The annual Internal Capital Adequacy Assessment Process (ICAAP) Report, based on the extensive use of internal risk measurement methodologies, internal capital and total capital available, was approved and sent to the ECB in March 2023.

[3] This requirement is determined by: the minimum Pillar 1 capital requirement of 8% (of which 4.5% is CET1), the additional Pillar 2 capital requirement of 1.50% (of which 0.84% is CET1) and the Combined Buffer of 3.42% (the institution-specific countercyclical capital buffer was 0.17% in the third quarter of 2023).

[4] Following the additional Article 3 CRR deduction made to Own funds in June 2023 (for the calendar provisioning on exposures included in the scope of Pillar 2), the Supervisor updated the Pillar 2 Requirement (P2R) applicable in 2023 (SREP 2022). As a result, from the second half of 2023, the P2R on Total Capital is 1.50% (compared to 1.72% previously).

[5] The regulatory change establishes that the capital instruments not qualifying as Common Equity Tier 1 may be partially used to meet the Pillar 2 requirement.

[6] Countercyclical Capital Buffer calculated taking into account the exposure as at 30 September 2023 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2023).

Overview of total risk exposure amounts (EU OV1 Reg. 2021/637)

(millions of euro)

		Total risk exposure amounts (TREA)		Total own funds requirements
		30.09.2023	30.06.2023	30.09.2023
1	**Credit risk (excluding CCR)**	**243,224**	**241,901**	**19,458**
2	*Of which the standardised approach*	*75,776*	*75,402*	*6,062*
3	*Of which the Foundation IRB (F-IRB) approach*	*751*	*1,471*	*60*
4	*Of which slotting approach*	*1,071*	*1,070*	*86*
EU 4a	*Of which equities under the simple risk-weighted approach*	*26,057*	*24,981*	*2,085*
5	*Of which the Advanced IRB (A-IRB) approach*	*134,743*	*134,206*	*10,779*
6	**Counterparty credit risk - CCR**	**5,171**	**4,973**	**414**
7	*Of which the standardised approach*	*373*	*308*	*30*
8	*Of which internal model method (IMM)*	*2,868*	*2,712*	*229*
EU 8a	*Of which exposures to a CCP*	*427*	*472*	*34*
EU 8b	*Of which credit valuation adjustment - CVA*	*934*	*943*	*75*
9	*Of which other CCR*	*569*	*538*	*46*
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap) (*)**	**9,784**	**10,058**	**783**
17	*Of which SEC-IRBA approach*	*5,052*	*5,272*	*404*
18	*Of which SEC-ERBA (including IAA)*	*111*	*115*	*9*
19	*Of which SEC-SA approach*	*4,061*	*4,076*	*325*
EU 19a	*Of which 1250%*	*-*	*-*	*-*
(**)	*Of which specific treatment for Senior tranches of qualifying NPE securitisations*	*560*	*595*	*45*
20	**Position, foreign exchange and commodities risks (Market risk)**	**13,613**	**12,364**	**1,089**
21	*Of which the standardised approach*	*2,621*	*2,681*	*210*
22	*Of which IMA*	*10,992*	*9,683*	*879*
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**26,490**	**26,490**	**2,119**
EU 23a	*Of which basic indicator approach*	*862*	*862*	*69*
EU 23b	*Of which standardised approach*	*2,593*	*2,593*	*207*
EU 23c	*Of which advanced measurement approach*	*23,035*	*23,035*	*1,843*
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (***)	9,918	9,614	793
29	**TOTAL**	**298,282**	**295,786**	**23,863**

(*) Memo item: deducted securitisations equivalent to 348 million euro of RWEAs and 28 million euro of requirement.

(**) Caption added to include the specific treatment for senior tranches of qualifying NPE securitisations envisaged by Reg. EU 2022/1944 starting from 30 June 2023.

(***) The amount is shown for information purposes only, as these exposures are already included in row 1 (Credit risk) and related “of which”.

The total amount of risk-weighted exposures recorded as at 30 September 2023 was 298.3 billion euro, an increase of around 2.5 billion euro compared to June 2023. In particular, please note the following:

- credit risk (+1.3 billion euro compared to the previous quarter, excluding counterparty risk): the increase was attributable to the roll-out of new models on Corporate and Large Corporate portfolios, the growth in the funds and equity portfolio, as well as the dynamics of the insurance business. These effects were partially offset by a positive trend in the loan portfolio and the completion of a new synthetic securitisation, as noted below;
- counterparty risk (+0.2 billion euro compared to the previous quarter): the change was attributable to the increase in default risk, relating to SFTs due to portfolio changes;
- securitisation exposures in the non-trading book (-0.3 billion euro compared to the previous quarter): the change was mainly attributable to the natural changes in the existing portfolio, partially offset by the completion of a new synthetic securitisation;
- market risk (+1.3 billion euro compared to the previous quarter): the change was attributable to the increase in the VaR and SVaR measures, as a result of the increase in interest rate volatility, and to the foreign exchange risk dynamics, only partially offset by a reduction in the IRC requirement due to the decrease in long positions on spread/default risk and a reduction in the portion of the portfolio measured using standard models;
- for operational risk, in line with the half-yearly update of the calculation, there was no change.

For details of the RWEA changes with the IRB, IMM and IMA approaches, see the qualitative comments at the bottom of the flow statements below (EU CR8, EU CCR7 and EU MR2-B). As required by the regulations (Commission Implementing Regulation (EU) 2021/637 of 15 March 2021), these tables show the RWEA flows during the last quarter.

Key metrics template (EU KM1 Reg. 2021/637)

In accordance with the requirements of Article 447 CRR II (Disclosure of key metrics), the table below reports the key capital and risk measures for the Intesa Sanpaolo Group.

(millions of euro)

		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	40,496	40,615	40,434	40,772	40,995
2	Tier 1 capital	48,203	47,822	47,641	47,979	48,202
3	Total capital	57,129	57,159	57,465	56,360	56,682
	Risk-weighted exposure amounts					
4	Total risk exposure amount	298,282	295,786	295,075	295,443	324,364
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.58%	13.73%	13.70%	13.80%	12.64%
6	Tier 1 ratio (%)	16.16%	16.17%	16.15%	16.24%	14.86%
7	Total capital ratio (%)	19.15%	19.32%	19.47%	19.08%	17.47%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.50%	1.72%	1.72%	1.79%	1.79%
EU 7b	*of which: to be made up of CET1 capital (percentage points)*	*0.84%*	*0.97%*	*0.97%*	*1.01%*	*1.01%*
EU 7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.13%*	*1.29%*	*1.29%*	*1.34%*	*1.34%*
EU 7d	Total SREP own funds requirements (%)	9.50%	9.72%	9.72%	9.79%	9.79%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.17%	0.14%	0.11%	0.08%	0.05%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.75%	0.75%	0.75%	0.75%	0.75%
11	Combined buffer requirement (%)	3.42%	3.39%	3.36%	3.33%	3.30%
EU 11a	Overall capital requirements (%)	12.92%	13.11%	13.08%	13.12%	13.09%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.23%	8.26%	8.24%	8.29%	7.13%
	Leverage ratio					
13	Total exposure measure	838,681	838,509	834,572	855,282	915,574
14	Leverage ratio (%)	5.75%	5.70%	5.71%	5.61%	5.26%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	*of which: to be made up of CET1 capital (percentage points)*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	145,017	149,684	156,725	165,790	169,140
EU 16a	Cash outflows - Total weighted value	108,611	111,564	114,093	116,767	117,322
EU 16b	Cash inflows - Total weighted value	22,976	24,041	24,916	25,608	25,705
16	Total net cash outflows (adjusted value)	85,635	87,523	89,177	91,159	91,617
17	Liquidity coverage ratio (%)	169.3%	171.1%	175.6%	181.9%	184.7%
	Net Stable Funding Ratio					
18	Total available stable funding	509,459	520,655	519,058	544,274	568,560
19	Total required stable funding	420,999	414,734	416,746	431,802	447,127
20	NSFR ratio (%)	121.0%	125.5%	124.6%	126.0%	127.2%

With regard to the above table, see the comments at the bottom of the table EU OV1 (in this section) for more details on the change in risk-weighted exposure (RWEA) and the section on Own Funds for more details on their movements.

RWEA flow statements of credit risk exposures under the IRB approach in the third quarter (EU CR8 Reg. 2021/637)

(millions of euro)

		Risk weighted exposure amount
1	**Risk weighted exposure amount as at 30 June 2023**	**166,499**
2	Asset size (+/-)	-1,128
3	Asset quality (+/-)	2,136
4	Model updates (+/-)	-385
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	327
8	Other (+/-)	-2
9	**Risk weighted exposure amount as at 30 September 2023 (*)**	**167,447**

(*) As at 30 September 2023, the RWEA amount relating to IRB models was 167,447 million euro and was attributable to the Foundation IRB approach for 751 million euro (Row 3 EU OV1), to the slotting criteria approach for 1,071 million euro (Row 4 EU OV1), Advanced IRB approach for 134,743 million euro (Row 5 EU OV1), to equity instruments measured using the simple risk weight approach for 26,057 million euro (Row 4a EU OV1), to amounts below the deduction thresholds for 1,137 million euro (of which Row 24 EU OV1), and to capital instruments measured at PD/LGD for 3,688 million euro.

As at September 2023, the aggregate of the RWEAs relating to the exposures subject to credit risk measured using advanced approaches[7] amounted to 167,447 million euro, a net increase of 948 million euro on June 2023, when the aggregate amounted to 166,499 million euro. The change during the quarter was attributable to the following:

- -1,128 million euro resulting from the reduction in transaction volumes on the Corporate portfolio, partly offset by the increase in volumes on the Banks and Equity portfolios;
- +2,136 million euro resulting from the reassignment of the rating of the counterparties in the Corporate portfolio, as part of the continuous updating of the models;
- -385 million euro attributable to the updating of the Corporate rating model for the Slovak investee Všeobecná Úverová Banka;
- +327 million euro due to changes in foreign currency exposures, reflecting exchange rate fluctuations;
- -2 million euro attributable to the caption “Other”, mainly driven by the dynamics of the securitised portfolio, with the completion and early closure of several synthetic securitisations (-792 million euro), offset by the dynamics of the insurance business and other consolidation adjustments (totalling +790 million euro).

[7] The risk-weighted exposures have been calculated in accordance with the instructions of the CRR, Part Three, Title II, Chapter 3, and the capital requirement has been calculated in accordance with Article 92(3)(a).

RWEA flow statements of CCR exposures under the IMM in the third quarter (EU CCR7 Reg. 2021/637)

(millions of euro)

		RWEA amounts
1	**RWEAs as at 30 June 2023**	**2,712**
2	Asset size	156
3	Credit quality of counterparties	-4
4	Model updates (IMM only)	-
5	Methodology and policy (IMM only)	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	4
8	Other	-
9	**RWEAs as at 30 September 2023**	**2,868**

As required by Reg. 2021/637, the table does not include exposures to central counterparties (CCPs).

With regard to the changes in RWEAs related to CCR exposures (derivatives and SFTs, determined based on the Internal Model Method (IMM), in accordance with part three, title II, chapter 6 of the CRR) the value of the aggregate increased in the quarter: 2,712 million euro at the end of June 2023 and 2,868 million euro at the end of September 2023. The increase of +156 million euro was attributable to the increase in portfolio exposures, mainly on the Corporate and Banks scope.

RWEA flow statements of market risk exposures under the IMA in the third quarter (EU MR2-B Reg. 2021/637)

(millions of euro)

		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1	**RWEAs as at 30 June 2023**	**3,288**	**3,842**	**2,513**	**-**	**40**	**9,683**	**775**
1a	*Regulatory adjustment*	*2,242*	*2,796*	*203*	*-*	*-*	*5,241*	*420*
1b	*RWEAs at the previous quarter-end (end of the day)*	*1,046*	*1,046*	*2,310*	*-*	*40*	*4,442*	*355*
2	Movement in risk levels	142	473	-364	-	-26	225	18
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
8a	*RWEAs at the end of the disclosure period (end of the day)*	*1,188*	*1,519*	*1,946*	*-*	*14*	*4,667*	*373*
8b	*Regulatory adjustment*	*3,105*	*2,889*	*316*	*-*	*15*	*6,325*	*506*
8	**RWEAs as at 30 September 2023**	**4,293**	**4,408**	**2,262**	**-**	**29**	**10,992**	**879**

The market RWEAs calculated using the IMA, as of 30 September 2023, increased compared to the previous quarter. The rise was primarily due to an increase in position on interest rate which affects both VaR and Stressed VaR. Conversely, the Incremental Risk Charge decreased due to a reduced exposure to financial spread risk in the euro area.

Institution-specific Countercyclical Capital Buffer

Below is the information relating to the "Countercyclical capital buffer", prepared based on the ratios applicable at 30 September 2023 and Implementing Regulation (EU) 2021/637 of the Commission of 15 March 2021 (repealing Delegated Regulation (EU) 2015/1555) which supplements Regulation (EU) 575/2013 of the European Parliament and of the Council (CRR) with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440 of the same CRR. As established by Article 140, paragraph 1, of directive 2013/36/EU (so-called CRD IV), the institution-specific countercyclical capital buffer is the weighted average of the countercyclical ratios which are applied in the countries where the relevant credit exposures of the institutions are located.
CRD IV established the obligation for the designated national authorities to activate an operational framework for the definition of the ratio of the countercyclical capital buffer (CCyB) starting from 1 January 2016. The ratio is subject to review on a quarterly basis. The European regulation was implemented in Italy with Bank of Italy circular 285, which contains suitable regulations concerning CCyB. Based on the analysis of the reference indicators, the Bank of Italy decided to set the countercyclical buffer rate (for exposures towards Italian counterparties) at 0% also for the fourth quarter of 2023.
The relevant credit exposures include all the classes of exposure other than those under Article 112, letters from a) to f), of Regulation (EU) 575/2013. The following portfolios are excluded: exposures to central administrations or central banks; exposures to regional administrations or local authorities; exposures to public-sector entities; exposures to multilateral development banks; exposures to international organisations; exposures to institutions.

With reference to 30 September 2023:

- countercyclical capital ratios at country level have been generally set, as outlined above, at 0%, except for the following countries: Australia (1.00%), Bulgaria (1.50%), Croatia (0.50%), Denmark (2.50%), Estonia (1.00%), France (0.50%), Germany (0.75%), Hong Kong (1.00%), Ireland (0.50%), Iceland (2.00%), Luxembourg (0.50%), Norway (2.50%) Netherlands (1.00%), United Kingdom (2.00% from 1.00% in the previous quarter), Czech Republic (2.25% from 2.50% in the previous quarter), Romania (0.50%), Slovakia (1.50% from 1.00% in the previous quarter), and Sweden (2.00%);
- at consolidated level, Intesa Sanpaolo's specific countercyclical ratio amounts to 0.17%.

Amount of the Institution-specific countercyclical capital buffer as at 30 September 2023 (EU CCyB2 Reg. 2021/637)

(millions of euro)

Total risk exposure amount	298,282
Institution specific countercyclical capital buffer rate	0.17%
Institution specific countercyclical capital buffer requirement	507

Liquidity risk

LIQUIDITY RISK

The Group's liquidity position - supported by suitable high-quality liquid assets (HQLA) and the significant contribution from stable customer deposits - remained well within the risk limits set out in the current Group Liquidity Policy in the first nine months of 2023. Both regulatory indicators, LCR and NSFR, were above the minimum regulatory requirements.

Over the last 12 months, the Liquidity Coverage Ratio (LCR) of the Intesa Sanpaolo Group, measured according to Delegated Regulation (EU) 2015/61, has amounted to an average of 169.3% (181.9% in December 2022).

The table below contains the quantitative information on the Liquidity Coverage Ratio (LCR) of the Intesa Sanpaolo Group, measured in accordance with the EU regulations and subject to periodic reporting to the competent Supervisory Authority. The figures shown refer to the simple quarterly average of the last 12 months of monthly observations, in accordance with Regulation (EU) 2021/637.

Quantitative information on LCR (Liquidity Coverage Ratio) (EU LIQ1 Reg. 2021/637)

(millions of euro)

SCOPE OF CONSOLIDATION		TOTAL UNWEIGHTED VALUE (AVERAGE)				TOTAL WEIGHTED VALUE (AVERAGE)			
EU1a	Quarter ending on	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22
EU1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA) (a)**					**145,017**	**149,684**	**156,725**	**165,790**
CASH-OUTFLOWS									
2	**Retail deposits and deposits from small business customers, of which:**	**287,661**	**293,239**	**296,627**	**297,499**	**20,631**	**21,132**	**21,404**	**21,459**
3	*Stable deposits*	*206,639*	*208,766*	*209,886*	*209,804*	*10,332*	*10,438*	*10,494*	*10,490*
4	*Less stable deposits*	*81,022*	*84,473*	*86,741*	*87,695*	*10,299*	*10,694*	*10,910*	*10,969*
5	**Unsecured wholesale funding**	**127,901**	**135,747**	**143,145**	**149,608**	**54,878**	**57,958**	**61,007**	**63,739**
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*43,204*	*46,650*	*49,696*	*51,490*	*10,764*	*11,639*	*12,413*	*12,870*
7	*Non-operational deposits (all counterparties)*	*81,749*	*86,231*	*90,537*	*95,417*	*41,166*	*43,453*	*45,682*	*48,168*
8	*Unsecured debt*	*2,948*	*2,866*	*2,912*	*2,701*	*2,948*	*2,866*	*2,912*	*2,701*
9	**Secured wholesale funding**					**2,025**	**2,227**	**2,141**	**2,150**
10	**Additional requirements**	**84,269**	**83,452**	**81,584**	**80,972**	**21,390**	**21,050**	**20,153**	**19,562**
11	*Outflows related to derivative exposure and other collateral requirements*	*5,934*	*5,814*	*5,027*	*4,527*	*5,934*	*5,814*	*5,027*	*4,527*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*78,335*	*77,638*	*76,557*	*76,445*	*15,456*	*15,236*	*15,126*	*15,035*
14	**Other contractual funding obligations**	**7,411**	**7,653**	**7,503**	**7,505**	**4,177**	**3,534**	**3,642**	**4,085**
15	**Other contingent funding obligations**	**113,237**	**116,291**	**118,065**	**118,719**	**5,510**	**5,663**	**5,746**	**5,772**
16	**TOTAL CASH OUTFLOWS**					**108,611**	**111,564**	**114,093**	**116,767**
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	12,384	16,062	19,385	22,003	225	258	325	470
18	Inflows from fully performing exposures	18,685	20,409	21,490	22,472	12,045	13,088	13,764	14,541
19	Other cash inflows	28,397	28,465	28,381	27,687	10,706	10,695	10,827	10,597
EU19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**59,466**	**64,936**	**69,256**	**72,162**	**22,976**	**24,041**	**24,916**	**25,608**
EU20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU20c	*Inflows subject to 75% cap*	*59,466*	*64,936*	*69,256*	*72,162*	*22,976*	*24,041*	*24,916*	*25,608*
TOTAL ADJUSTED VALUE									
EU21	**LIQUIDITY BUFFER**					**145,017**	**149,684**	**156,725**	**165,790**
22	**TOTAL NET CASH OUTFLOWS**					**85,635**	**87,523**	**89,177**	**91,159**
23	**LIQUIDITY COVERAGE RATIO**					**169.3%**	**171.1%**	**175.6%**	**181.9%**

(a) Liquidity reserves held by subsidiaries based in a third country subject to restrictions to assets transferability are recognised only for the portion intended to cover net cash outflows in that third country. All excess amounts are therefore excluded from the Group's consolidated LCR.

At the end of September 2023, the exact value of all the Group's unencumbered liquidity reserves totalled 182.1 billion euro (177.7 billion euro at the end of December 2022), of which 143.6 billion euro (172.5 billion euro at the end of 2022) represented by unencumbered HQLA reserves with the Group Treasuries and 38.5 billion euro (5.2 billion euro as at 31 December 2022) relating to other marketable reserves and/or eligible reserves for Central Banks, including retained self-securitisations.
The Group's total reserves increased in relation to the ECB's return of the collateral underlying the TLTROs repaid during the first nine months of the year, a change only partially offset by the decrease in available cash among HQLAs, thanks to the inflows from the sales networks and new medium and long-term (MLT) funding volumes in the financial markets.

(millions of euro)

	Unencumbered (net of haircut)	
	30.09.2023	**31.12.2022**
HQLA Liquidity Reserves	**143,556**	**172,528**
Cash and Deposits held with Central Banks (HQLA)	77,376	109,792
Highly liquid securities (HQLA)	56,868	55,931
Other HQLA securities not included in LCR	9,312	6,805
Other eligible and/or marketable reserves	**38,526**	**5,222**
Total Group's Liquidity Buffer	**182,082**	**177,750**

As at 30 September 2023, the Intesa Sanpaolo Group's NSFR, supported by a solid base of stable deposits from customers, adequate wholesale medium/long-term securities funding and, now to a residual extent, the remaining portion of TLTRO funding from the ECB, was 121.0% (126.0% at the end of 2022). The stress tests, in view of the high availability of unencumbered liquidity reserves, yielded results in excess of the maximum threshold for the Intesa Sanpaolo Group, with a liquidity surplus capable of meeting extraordinary cash outflows for a period longer than 3 months. Adequate and timely information regarding the development of market conditions and the position of the Bank and/or Group was regularly provided to the corporate bodies and internal committees in order to ensure full awareness and manageability of the main risk factors.

Impacts of the Russia-Ukraine conflict

In light of the low exposure to Russian and Ukrainian counterparties, there were no significant impacts on the Group's consolidated liquidity position deriving from the Russia-Ukraine conflict.

Leverage Ratio

Qualitative and quantitative disclosure

Under the Basel 3 prudential regulations, the Leverage ratio entered definitively into effect on 1 January 2015. The Leverage ratio measures the degree to which Tier 1 Capital covers the Banking Group's total exposure. The ratio is calculated by considering off-balance sheet exposures and assets.
The objective of the indicator is to contain the degree of indebtedness on banks' accounts by establishing a minimum level of coverage of exposures with equity. The ratio, which is monitored by the authorities, is expressed as a percentage and is subject to a minimum threshold of 3%. From June 2021, this limit became a Pillar 1 requirement under the provisions of Article 92(1)(d) of Regulation (EU) 2019/876 (CRR II).
The Leverage ratio is calculated quarterly. The indicator is monitored at both the individual and Banking Group level.
The Leverage ratio is calculated as the ratio of Tier 1 Capital to total exposure. The total exposure includes the on-balance sheet exposures, in derivatives and SFTs, net of deductions and offsetting allowed by the regulations, as well as the off-balance sheet exposures.

Leverage ratio of the Intesa Sanpaolo Group

The disclosure of the leverage ratio of the Intesa Sanpaolo Group as at 30 September 2023, provided in accordance with the regulatory principles of the CRR amended by Regulation 2019/876 (CRR II), is presented below.
The quantitative disclosure required by the above-mentioned Regulation 2021/637, applicable from June 2021, is published half-yearly, in accordance with the regulatory requirement for large institutions. In the interest of completeness, a summary quantitative disclosure of the leverage ratio is provided below.

As already described in the Introduction of this document, the IFRS 9 transitional period provided for in Article 473a of the CRR ended on 1 January 2023.

(millions of euro)

Capital and total exposure measure	30.09.2023	31.12.2022
Tier 1 capital	48,203	47,979
Leverage ratio total exposure measure	838,681	855,282
Leverage ratio	**5.75%**	**5.61%**

Declaration of the Manager responsible for preparing the Company’s financial reports

Pursuant to art. 154-bis, subsection 2 of the Italian Consolidated Law on Finance, the Manager responsible for preparing the Company’s financial reports, Fabrizio Dabbene, hereby declares that the accounting information contained in this document “Basel 3 - Pillar 3 as at 30 September 2023” corresponds to corporate records, books and accounts.

Milan, 3 November 2023

Fabrizio Dabbene
Manager responsible for preparing
the Company’s financial reports

Attachment 1

Own Funds: Main features of regulatory own funds instruments issued during the period (EU CCA Reg. 2021/637)

1	Issuer	Intesa Sanpaolo S.p.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2589361240
2a	Public or private placement	public placement
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
	REGULATORY TREATMENT	
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art. 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	997
9	Nominal amount of instrument (million)	1000 EUR
	Nominal amount of instrument in currency used for the reporting obligations (million of Euro)	1,000
EU 9a	Issue price	100
EU 9b	Redemption price	100
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	20/02/2023
12	Perpetual or dated	Dated
13	Original maturity date	20/02/2034
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	20/11/2028
16	Subsequent call dates, if applicable	Early redemption exercisable every day from 20/11/2028 to 20/02/2029 (included)
	COUPONS / DIVIDENDS	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.184% per annum, payable annually (until first call date)
19	Existence of a dividend stopper	No
EU 20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU 20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU 34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Except in case of bail-in, the loan shall be redeemed: i) only after fulfilment of the obligations towards all the Issuer's non-subordinated creditors (including the depositors) or those having a lower subordination level compared to the Bonds; ii) pari passu with the holders of all the Issuer's financial instruments having the same subordination level and with the Issuer's creditors having the same subordination level; iii) in any case, before the Issuer's shares and the other Tier 1 equity instruments.
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://group.intesasanpaolo.com/it/investor-relations/prospetti/emissioni-internazionali/mtn

N/A = Not applicable

1	Issuer	Intesa Sanpaolo S.p.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2678939427
2a	Public or private placement	public placement
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
	REGULATORY TREATMENT	
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1 capital
5	Post-transitional CRR rules	Additional Tier 1 capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art. 52 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1,239
9	Nominal amount of instrument (million)	1250 EUR
	Nominal amount of instrument in currency used for the reporting obligations (million of Euro)	1,250
EU 9a	Issue price	100
EU 9b	Redemption price	100
10	Accounting classification	Shareholders' equity
11	Original date of issuance	07/09/2023
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	07/09/2029 - 07/03/2030
16	Subsequent call dates, if applicable	Early redemption exercisable on each interest payment date starting from 07/09/2029 to 07/03/2030 and thereafter on each interest payment date
	COUPONS / DIVIDENDS	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	9,125% per annum, payable semi-annually (until first call date)
19	Existence of a dividend stopper	No
EU 20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU 20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Write-down of nominal capital if CET1 of Intesa Sanpaolo or Intesa Sanpaolo Group is below 5.125 pct.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Temporary
34	If temporary write-down, description of write-up mechanism	If CET1 of ISP or the Group returns to 5.125 pct or above, the issuer may decide to revaluate the Nominal Capital within the limits of the Maximum Distributable Amount.
34a	Type of subordination (only for eligible liabilities)	N/A
EU 34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to Equity and subordinate to instruments having a lower subordination level (i.e. T2)
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://group.intesasanpaolo.com/it/investor-relations/prospetti/emissioni-internazionali/durata-perpetua

N/A = Not applicable

Attachment 2

Own funds: Composition of regulatory own funds (EU CC1 Reg. 2021/637)

(millions of euro)

			30.09.2023	31.12.2022	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	Reference article of Regulation (EU) 575/2013
Common Equity Tier 1 (CET1) capital: instruments and reserves						
1		Capital instruments and the related share premium accounts	38,372	38,422	9, 10	26, paragraph 1, 27, 28, 29
		of which: instrument type 1	38,372	38,422	9, 10	EBA list as per article 26 (3)
		of which: instrument type 2	-	-		EBA list as per article 26 (3)
		of which: instrument type 3	-	-		EBA list as per article 26 (3)
2		Retained earnings	17,813	19,041	8	26, paragraph 2(c)
3		Accumulated other comprehensive income (and other reserves)	-5,649	-5,900	6, 8	26, paragraph 1, 27, 28, 29
EU3a		Funds for general banking risk	-	-		26, paragraph 1(f)
4		Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-		486, paragraph 2
5		Minority interests (amount allowed in consolidated CET1)	-	-	12.1	84
EU5a		Independently reviewed interim profits net of any foreseeable charge or dividend	1,590	1,189	13	26, paragraph 2
6		**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**52,126**	**52,752**		**Sum of rows from 1 to 5a**
Common Equity Tier 1 (CET1) capital: regulatory adjustments						
7		Additional value adjustments (negative amount)	-225	-201	15	34, 105
8		Intangible assets (net of related tax liability) (negative amount)	-7,796	-8,201	1.1, 2, 5.2.1	36, paragraph 1(b), 37
9		Not applicable				
10		Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-2,145	-2,154	3, 3.1	36, paragraph 1(c), 38
11		Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	343	365	6, 6.3	33, paragraph 1(a)
12		Negative amounts resulting from the calculation of expected loss amounts	-240	-240	17	36, paragraph 1(d), 40, 159
13		Any increase in equity that results from securitised assets (negative amount)	-	-		32, paragraph 1
14		Gains or losses on liabilities measured at fair value resulting from changes in own credit standing	58	71	14	33, paragraph 1(b)
15		Defined-benefit pension fund assets (negative amount)	-	-		36, paragraph 1(e), 41
16		Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-170	-1,869	11	36, paragraph 1(f), 42
17		Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-		36, paragraph 1(g), 44
18		Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	1	36(1)(h), 43, 45, 46, 49 (2 and 3), 79
19		Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	1	36(1)(i), 43, 45, 47, 48(1)(b), 49 (1,2 and 3), 79
20		Not applicable				
EU20a		Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	-30	-62	16	36, paragraph 1(k)
	EU20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-		36, paragraph 1(k)(i), 89, 90, 91
	EU20c	of which: securitisation positions (negative amount)	-30	-62	16	36, paragraph 1(k)(ii), 244 (1)(b), 245 (1)(b), 253
	EU20d	of which: free deliveries (negative amount)	-	-		36, paragraph 1(k)(iii), 379 (3)
21		Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-		36, paragraph 1(c), 38, 48 (1)(a)
22		Amount exceeding the 17.65% threshold (negative amount)	-	-		48, paragraph 1
	23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-		36(1)(i), 48(1)(b)
24		Not applicable				
	25	of which: deferred tax assets arising from temporary differences	-	-		36, paragraph 1(c), 38, 48 (1)(a)
EU25a		Losses for the current financial year (negative amount)	-	-		36, paragraph 1(a)
EU25b		Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	21	36, paragraph 1(l)
26		Not applicable				
27		Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-		36, paragraph 1(j)
27a		Other regulatory adjustments	-1,425	311	8.1, 19, 21	
28		**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-11,630**	**-11,980**		**Sum of rows from 7 to 20a, 21, 22 and from 25a to 27a**
29		**Common Equity Tier 1 (CET1) capital**	**40,496**	**40,772**		**Row 6 less row 28**

(millions of euro)

		30.09.2023	31.12.2022	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	Reference article of Regulation (EU) 575/2013
Additional Tier 1 (AT1) capital: instruments					
30	Capital instruments and the related share premium accounts	8,054	7,307	7	51, 52
31	of which: classified as equity under applicable accounting standards	8,054	7,307	7	
32	of which: classified as liabilities under applicable accounting standards	-	-		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-		486, paragraph 3
EU33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-		494a, paragraph 1
EU33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-		494b, paragraph 1
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	12.2	85, 86
35	of which: instruments issued by subsidiaries subject to phase out	-	-		486, paragraph 3
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**8,054**	**7,307**		**Sum of rows 30, 33, 33a, 33b and 34**
Additional Tier 1 (AT1) capital: regulatory adjustments					
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-100	-100	7	52, paragraph 1(b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-		56 (d), 59, 79
41	Not applicable				
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-		56 (e)
42a	Other regulatory adjustments to AT1 capital	-247	-		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-347**	**-100**		**Sum of rows from 37 to 42a**
44	**Additional Tier 1 (AT1) capital**	**7,707**	**7,207**		**Row 36 less row 43**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**48,203**	**47,979**		**Sum of rows 29 and 44**
Tier 2 (T2) capital: instruments					
46	Capital instruments and the related share premium accounts	8,281	8,474	4, 4.2	62, 63
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2	-	-		486, paragraph 4
EU47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	-		494a, paragraph 2
EU47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	-		494b, paragraph 2
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-	12.3	87, 88
49	of which: instruments issued by subsidiaries subject to phase out	-	-		486, paragraph 4
50	Credit risk adjustments	838	820	18	62 (c)(d) and Art. 473a Reg. 2395/2017 (7)(c)
51	**Tier 2 (T2) capital before regulatory adjustments**	**9,119**	**9,294**		
Tier 2 (T2) capital: regulatory adjustments					
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-193	-166	4, 4.2	63 (b)(i), 66 (a), 67
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-		66 (b), 68
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-		66 (c), 69, 70, 79
54a	Not applicable				
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	20	66 (d), 69, 79
56	Not applicable				
EU56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-		66 (e)
EU56b	Other regulatory adjustments to T2 capital	-	-747		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-193**	**-913**		**Sum of rows from 52 to 56b**
58	**Tier 2 (T2) capital**	**8,926**	**8,381**		**Row 51 less row 57**
59	**Total capital (TC = T1 + T2)**	**57,129**	**56,360**		**Sum of rows 45 and 58**
60	**Total Risk exposure amount**	**298,282**	**295,443**		

(millions of euro)

		30.09.2023	31.12.2022	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	Reference article of Regulation (EU) 575/2013
Capital ratios and requirements including buffers					
61	Common Equity Tier 1 capital (as a percentage of the risk exposure amount)	13.58%	13.80%		92, paragraph 2(a)
62	Tier 1 capital (as a percentage of the risk exposure amount)	16.16%	16.24%		92, paragraph 2(b)
63	Total capital (as a percentage of the risk exposure amount)	19.15%	19.08%		92, paragraph 2(c)
64	Institution CET1 overall capital requirements	8.76%	8.84%		CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	2.50%		
66	of which: countercyclical buffer requirement	0.17%	0.08%		
67	of which: systemic risk buffer requirement	-	-		
EU67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.75%	0.75%		
EU67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.84%	1.01%		
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (a)	8.23%	8.29%		CRD 128
National minima (if different from Basel III)					
69	Not applicable		-		
70	Not applicable				
71	Not applicable				
Amounts below the thresholds for deduction (before risk weighting)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,603	1,335		36(1)(h), 46, 45, 56 (c) 59, 60; 66 (c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	765	989		36, paragraph 1(i), 45, 48
74	Not applicable				
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	3,174	3,308		36, paragraph 1(c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-		62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	1,206	928		62
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	838	820		62
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)					
80	Current cap on CET1 instruments subject to phase-out arrangements	-	-		484 (3), 486 (2 and 5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-		484 (3), 486 (2 and 5)
82	Current cap on AT1 instruments subject to phase-out arrangements	-	-		484 (4), 486 (3 and 5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-		484 (4), 486 (3 and 5)
84	Current cap on T2 instruments subject to phase-out arrangements	-	-		484 (5), 486 (4 and 5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-		484 (5), 486 (4 and 5)

(a) The minimum capital requirements considered in the calculation are the CET1 ratio (4.5%, Article 92(1)(a) CRR) and the additional SREP requirement for CET1 (Article 104a CRD).

Contacts

Intesa Sanpaolo S.p.A.

Registered office
Piazza San Carlo, 156
10121 Torino
Telephone: +39 011 555 1

Secondary registered office
Via Monte di Pietà, 8
20121 Milano
Telephone: +39 02 879 11

Investor Relations & Price-Sensitive Communication
Telephone: +39 02 8794 3180
Fax +39 02 8794 3123
E-mail investor.relations@intesasanpaolo.com

Media Relations
Telephone: +39 02 8796 3845
Fax: +39 02 8796 2098
E-mail stampa@intesasanpaolo.com

Internet: group.intesasanpaolo.com

Editing and production: Agema®

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GALLERIE D’ITALIA.
FOUR MUSEUMS, ONE NATIONWIDE CULTURAL NETWORK.

Gallerie d’Italia enables Intesa Sanpaolo to share its artistic and architectural heritage with the general public: the art collections of the Bank, ranging from archaeological artefacts to contemporary works of art, are housed in historic buildings located in four cities, in a unique network of museums.

Gallerie d’Italia - Milano hosts, in a building of great architectural importance, a significant selection of two hundred 19th century Lombard masterpieces from art collections owned by Fondazione Cariplo and Intesa Sanpaolo, with a dedicated exhibit on 20th century Italian art.

Gallerie d’Italia - Vicenza showcases examples of 18th century art from the Veneto region, including a collection of paintings by Pietro Longhi and the extraordinary sculpture depicting *The Fall of the Rebel Angels*, with more than seventy figures carved from a single block of Carrara marble. It also holds one of the most important collections of Russian icons in the West.

Gallerie d’Italia - Napoli: the new location opened in spring 2022 through a project by Michele De Lucchi – AMDL Circle transforms the spaces of the historic monumental building of the former Banco di Napoli and expands the well-known collection of Neapolitan and southern Italian art to include masterpieces from the 17th to the 20th century, an exhibit of Attic and Magna Graecia pottery and a rich offering of modern and contemporary art.

Gallerie d’Italia - Torino: the recent architectural project designed by Michele De Lucchi - AMDL Circle transforms the spaces of Palazzo Turinetti into a place where photography and video art document and preserve images, events and reflections to promote issues related to the evolution of sustainability. Gallerie d’Italia – Torino is also home to an invaluable collection of Piedmontese works, withpaintings, sculptures, tapestries and furnishings from the 14th to the 18th centuries, including the nine large canvases produced in the second half of the 17th century for the old Oratory of the Saint Paul Company, which has since been destroyed; it also holds the Intesa Sanpaolo Publifoto Archive, which is a collection of more than seven million images from the news as well as political, cultural and social events from the 1930s to the 1980s.

Cover:

Gallerie d’Italia - Torino
Sala Turinetti
Piazza San Carlo 156, Turin
Inside the new museum complex
Project by AMDL CIRCLE and
Michele De Lucchi
Photo: DSL Studio