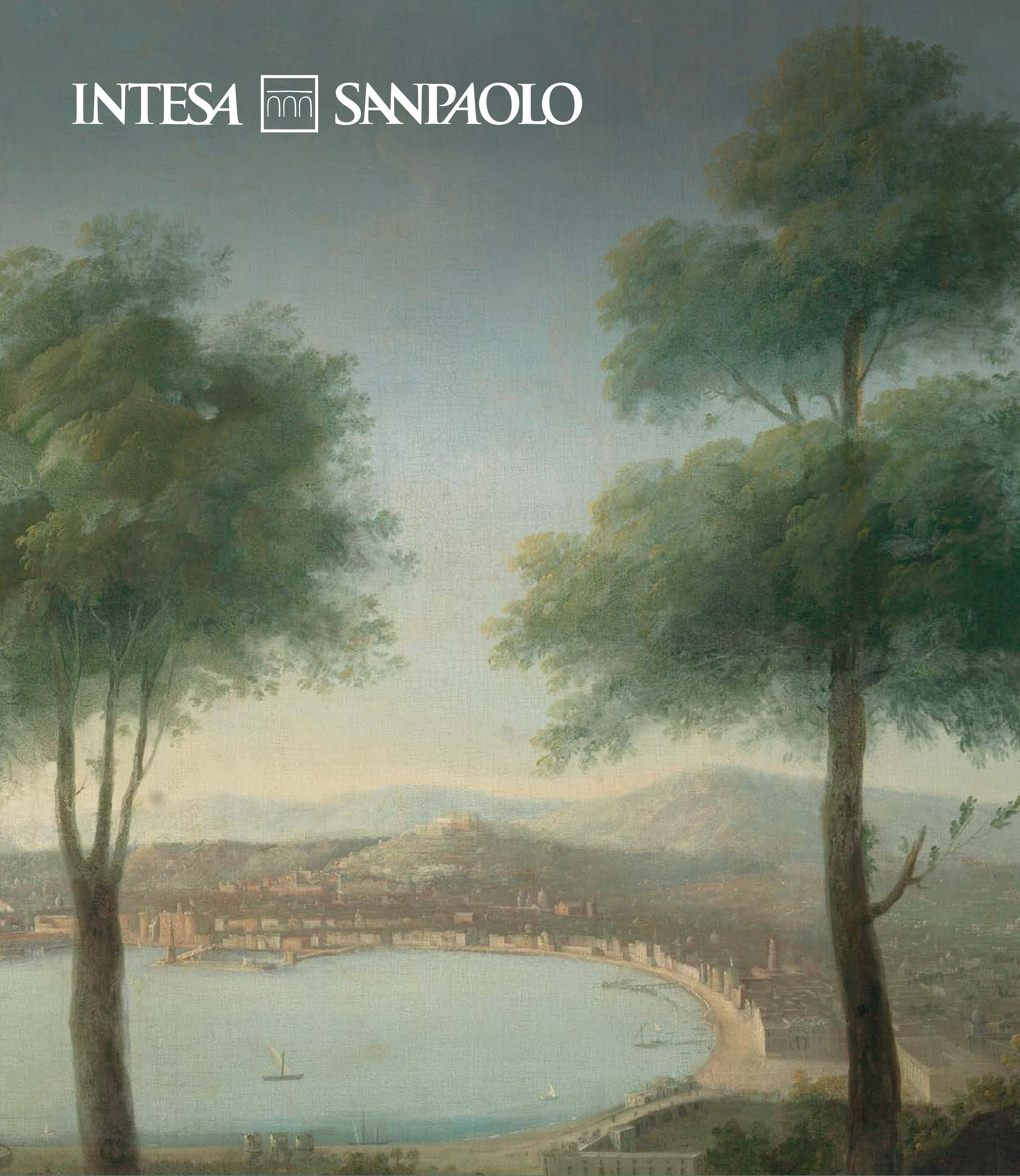

Basel 3 Pillar 3

Disclosure as at 31 March 2025

This is an English translation of the original Italian document "Terzo Pilastro di Basilea 3 Informativa al pubblico al 31 marzo 2025". 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.

Basel 3 Pillar 3
Disclosure
as at 31 March 2025

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 10,368,870,930.08 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

Contents

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 (illustrated hereinafter), 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 (CRR2), 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.

On 19 June 2024, **Regulation (EU) 2024/1623 (also known as CRR3)** which, in transposing the principles of Basel IV into European law, amending Regulation (EU) 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor was published in the Official Journal of the European Union. The most significant amendments introduced by the new regulatory framework came into effect **from 1 January 2025**.

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) 2024/1623 (CRR 3), applicable from 1 January 2025;
- the **Regulations of the European Commission** that transpose the regulatory or implementing technical standards drawn up by the EBA. Specifically, we highlight the importance of Commission Implementing Regulation (EU) 2024/3172 of 31 December 2024, applicable from 1 January 2025, replacing Commission Implementing Regulation (EU) 2021/637, illustrated hereinafter;
- the **Directive 2014/59/EU of 15 May 2014 (BRRD, Banking Recovery and Resolution Directive)**, as amended, establishing a framework for the recovery and resolution of credit institutions and investment firms;
- 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 **new regulatory framework** introduced by CRR3, Commission Implementing Regulation (EU) 2024/3172 was published on 31 December 2024 in the Official Journal of the European Union, laying down implementing technical standards for the application of the provisions regarding the disclosure of information referred to in Titles II and III of Part Eight of the CRR. That Implementing Regulation, applicable from 1 January 2025, amends several disclosure models to reflect the regulatory changes introduced by the CRR3 and repeals the previous Commission Implementing Regulation (EU) 2021/637 – which had included in the disclosure the changes introduced in 2019 by Regulation (EU) 2019/876 (CRR2) – with the exception of the provisions regarding disclosure on market risk, which shall apply until 31 December 2025. The **main regulatory changes** that entail changes to the existing models for disclosure rather than the introduction of new models are the following, merely by way of example: i) the introduction of the output floor mechanism, common to all the risk types, which involves applying a minimum floor to the RWA values calculated using internal models, to limit the potential deviation of these values to 72.5% (fully phased in) of the RWAs that would be determined using the standardised approach; ii) the inclusion of more detailed disclosure on the classes of exposure in the standardised approach; iii) the limits introduced to the internal models approach (IRB) for certain classes of exposure in order to calculate credit risk requirements; iv) the adoption of a single new standardised approach to calculate the operational risk requirement; v) the changes made to the methods for calculating CVA risk; vi) the changes introduced in the regulatory framework for calculating the own funds requirement for market risk (Fundamental Review of Trading Book – FRTB) applicable starting on 1 January 2026[1] in line with the postponement of the framework (save for additional postponements of the regulation); and vii) the provision of temporary prudential treatment for exposures in crypto-assets[2].

The new Commission Implementing Regulation (EU) 2024/3172 also endorses the models of disclosure and related instructions previously introduced by both Commission Implementing Regulation (EU) 2022/2453 and Commission Implementing Regulation (EU) 2022/631, both amending the previous Commission Implementing Regulation (EU) 2021/637, and developed to fulfil the disclosure obligations set out in Article 449(a) of the CRR, which requires large institutions that have issued securities in a regulated market of any Member State to publish information regarding ESG risk, including physical risks and transition risks, as well as Article 448 CRR (paragraph 1, points a) and b)), relating to the disclosure on exposures to interest rate risk on positions not included in the trading book (IRRBB – Interest Rate Risk in the Banking Book).

Additionally, in accordance with Implementing **Regulation (EU) 2021/763** as amended, from 30 June 2024 the Intesa Sanpaolo Group has published the disclosure relating to the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) established by Directive 2014/59/EU (Bank Recovery and Resolution Directive – BRRD).

In line with the goal of facilitating the application of the disclosure requirements by institutions and strengthen their consistency and comparability – previously pursued at the time of issue of the Commission Implementing Regulation (EU) 2021/637 – the EBA revised the **mapping tool,** the file made available to institutions to reconcile most of the quantitative public disclosure templates with those in the prudential supervisory reports.

With the goal of improving the transparency and comparability of Pillar 3 disclosure, using specific IT solutions composed of exchanges of structured data and automated valuation methods capable of also guaranteeing greater efficiency in managing and publishing prudential disclosure, the initiative begun by the EBA, directly mandated by Article 434(a) of the CRR3 - the **Pillar 3 Data Hub (P3DH)** - aimed at centralising prudential disclosures in a single electronic access point on the EBA's website is being finalised. Based on the timeline shown in the Final Draft ITS (EBA/ITS/2025/01), a gradual transition to this new system is planned, involving its adoption by large institutions (including the ISP Group) and other institutions **starting on 30 June 2025** – the first reference date for Pillar 3 disclosure – and by small, non-complex institutions by 31 December 2025.

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.

Lastly, with regard to the impacts for the Intesa Sanpaolo Group of the military conflict between Russia and Ukraine, see the information provided in the Interim Statement as at 31 March 2025 and the Group's 2024 Financial Statements.

* * * * * *

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).

Compared to 31 December 2024, there were no new additions to the line-by-line accounting scope of consolidation, while exits concerned:
- the merger by incorporation of Epsilon SGR S.p.A. into Eurizon Capital SGR S.p.A., with legal effect from 1 March 2025 and accounting and tax effects from 1 January 2025 (being a transaction under common control, there is no impact at consolidated level);
- the reclassification of Intesa Sanpaolo Rent Foryou S.p.A.'s assets as assets held for sale as of 31 March 2025.

Finally, for the sake of completeness, it should be noted that Private Equity International S.A. – previously a direct subsidiary of Intesa Sanpaolo S.p.A. – is now held through Intesa Sanpaolo Holding International S.A.

Compared to 31 December 2024, among the changes illustrated above, only the merger by incorporation of Epsilon SGR S.p.A. into Eurizon Capital SGR S.p.A. impacted the prudential scope of consolidation (as it was an operation under common control, there were no impacts at consolidated level.

With regard to the Ukrainian subsidiary Pravex Bank, given the continuing critical situation in the city of Kiev (where the subsidiary is headquartered) it was decided – with a view to containing "operational" risk – that it was best to consolidate the Ukrainian bank's figures by means of the accounting values as at 31 December 2024. In detail, for the Report as at 31 March 2025, the balance sheet results[3] of Pravex were included on the basis of a consolidation package, drawn up in compliance with the IAS/IFRSs, as set out in the Group Accounting Policies, related to 31 December 2024, using the exchange rate as at 31 March 2025 for conversion into Euro.
The decision to use the data as at 31 December 2024 for the line-by-line consolidation of Pravex, also taken in light of the slight materiality of the subsidiary, and motivated by objective operational restrictions, is also based on the indications in IFRS 10, though for specific cases.

[1] Following the approval of this document, on 12 June 2025 the European Commission adopted a Delegated Act that postpones the application of the FRTB to 1 January 2027. The act will enter into force only if the European Parliament and Council raise no objections during the consultation period (3 months, which could be extended to 6).

[2] For additional information on the new prudential framework and the related adjustments, refer to that indicated in the paragraph Basel Regulation and the Internal Project, below, and in the discussion of the single risk profiles hereinafter.

[3] The consolidation of Pravex only included the balance sheet figures, due to the immateriality of income statement items.

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, "*Frequency and scope of disclosures*", Pillar 3 Disclosures required by European regulations are published at the same time as the financial statements or as soon as possible after that date. In this regard, with reference to 31 March 2025, considering that, given the first-time adoption of the CRR3, the remittance date of supervisory reports (which, through the Mapping tool discussed above, give rise to the Pillar 3 quantitative disclosure), was postponed from 12 May 2025 to 30 June 2025, note that the publication of this Pillar 3 report is in line with the timing set out for supervisory reporting.
The frequency of publication of disclosures by large institutions (the category the Intesa Sanpaolo Group belongs to) is specifically regulated by Article 433(a) CRR ("*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 31 March 2025 and 2024 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.

Furthermore, 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").

Basel Regulation and the Internal Project

The Basel 4 reform project resulted in a major overhaul of the prudential framework, which came into effect on 1 January 2025, with the first regulatory reporting on the reporting date of March 2025[4].
In accordance with the principles and guidelines formalised by the Basel Committee, in 2021 the European Commission put forward a legislative proposal (the CRR3/CRD4 package) to implement the standards set by the new Basel 4 framework, taking into account the specific features of the European banking sector and harmonising the supervisory regimes adopted by the Member States. The new regulatory framework sought to strengthen confidence in the representativeness of capital ratios and the resilience of the banking sector, also through measures aimed at reducing the volatility of the results of the internal models used by institutions. The final text was issued on 6 December 2023, following the completion of the negotiation in the trilogue between the European Commission, Parliament and Council, with the subsequent publication of Regulation (EU) 2024/1623 in the Official Journal of the European Union in June 2024.

The Intesa Sanpaolo Group has set up the compliance initiatives for the adoption of the regulatory provisions through a dedicated project (Basel 4 Project) in which procedural implementations have been developed for the management of the information required by the measurement system, with adaptations aligned to the governance processes.
Intesa Sanpaolo has implemented a multi-year work programme based on a specific project roadmap, launched in the second half of 2023, starting with an assessment to identify the main changes introduced by the regulatory provisions and develop coherent methodological, organisational and architectural approaches to adopt going forward. The activities continued steadily throughout 2024, including through systematic dialogue with the regulators, industry associations, recognised ECAIs (External Credit Assessment Institutions), peers and consultancy firms, to organically introduce the required system of rules and measurement criteria, with modifications to IT architectures, application procedures, organisational processes, internal regulations and contractual relationships with customers. The work programme, which is constantly monitored with regular updates submitted to the Project Management, Control Functions and Management Bodies, is progressing smoothly in line with the scheduled timelines.

As briefly noted, the new framework has reconfigured the calculation of the capital requirements for all the main types of risk (credit risk, market and counterparty risk, operational risk), as well as the regulatory reporting processes, also introducing the concept of "Output Floor", common to all the risk types, which involves applying a minimum threshold to RWA values calculated using internal models, to limit the potential deviation of these values to 72.5% (fully phased in) of the RWAs that would be determined using the standard approach.

[4] Transitional provisions have also been established with a phased introduction over time through to 2033.

In greater detail, with regard to the provisions concerning the determination of capital requirements for **credit risk**, the main amendments introduced involve the:

- discontinuation of the option of using the:
  - Advanced Internal Ratings-Based (AIRB) approach for the Large Corporate, Financial Institutions and Other Financial Sector Entities portfolios;
  - Internal Ratings-Based (IRB) approach for the Equity portfolio, which must now be treated according to the Standardised Approach (SA-CR);
- revision of the measurement criteria based on IRB approaches, with the:
  - introduction/recalibration of floors for some internally estimated risk parameters (i.e. PD, LGD, Credit Conversion Factor – CCF);
  - elimination of the multiplier factor (of 1.06) in the formula used to determine the risk weight;
- revision of the measurement criteria based on the standardised approach with substantial modifications applied to the:
  - risk weights assignment to Real Estate portfolio exposures;
  - introduction of sub-categories for Retail and Specialised Lending portfolios;
  - determination of CCF values for off-balance sheet exposures;
  - valuation process for unrated Banks exposures;
  - validation, through internal due diligence, of the ratings obtained from ECAIs, for Corporate, Institutions and Covered Bond portfolios.

With regard to the regulatory developments, the work programme involved modifications to the:

- input systems and application procedures, for the recovery of certain information attributes relating to the stock of existing exposures, in order to adapt the information necessary for valuations to the regulatory requirements;
- calculation systems for determining the capital requirements, to incorporate the new computation criteria, adapting the approaches, calculation algorithms and risk weights allocation criteria;
- reporting systems, to reflect the changes in the reporting templates and methods of consolidation.

Regarding compliance with Basel 4 regulation, counterparty risk has been affected by changes related to the credit risk weights applied to counterparties in derivative and SFTs (Securities Financing Transactions) operations. Additionally, the necessary developments for implementing the new CVA risk framework established by the regulation have been completed.

For **operational risks**, the Group used the internal AMA model (in partial use together with the standardised and basic approaches) for determining the capital requirement up to 31 December 2024.
The new CRR3/Basel 4 regulatory framework has fundamentally altered the methodology for calculating the prudential capital requirement, eliminating the possibility of using internal models and introducing a new, single standardised calculation method, referred to as the Standardised Approach (SA). This methodology requires the determination of the capital requirement in line with the size of business activities (Business Indicator – BI), primarily using FINREP items (averaged over the previous three years), weighted with regulatory coefficients by band. The methodology also requires the inclusion of the duly reconciled accounting impact of the operational losses over the three-year period. The new regulatory framework therefore confirms the importance of high-quality operational loss data collection, in addition to the requirement for an effective, properly structured overall operational risk governance framework, supported by suitable infrastructure and verified by an independent function.
However, the regulations permit the use of the Advanced Measurement Approach (AMA), based on internal models, for the calculation of economic capital for Pillar 2 management purposes.
The regulatory amendments also affect the Pillar 3 disclosure requirements, introducing the obligation to report a ten-year trend of net operational loss data.

With regard to the new developments in the regulatory framework for the calculation of own funds requirements for **market risk** (Fundamental Review of the Trading Book – FRTB), these will become applicable from 1 January 2026[5], unless there are further postponements to the regulations.

For the Intesa Sanpaolo Group, the impact deriving from the first-time adoption of the CRR3/Basel 4 was slightly more than 40 basis points in the CET1 Ratio.

[5] Following the approval of this document, on 12 June 2025 the European Commission adopted a Delegated Act that postpones the application of the FRTB to 1 January 2027. The act will enter into force only if the European Parliament and Council raise no objections during the consultation period (3 months, which could be extended to 6).

Key metrics template (EU KM1 Reg. 2024/3172)

In accordance with the requirements of Article 447 (*Disclosure of key metrics*), the table below reports the key capital and risk measures for the Intesa Sanpaolo Group.
In addition, starting with this disclosure (first-time adoption of CRR3), the table was updated as envisaged by Reg. 2024/3172, to implement the new output floor mechanism. As previously indicated, this involves applying a minimum floor to the RWA values calculated using internal models, to limit the potential deviation of these values to 72.5% (fully phased in) of the RWAs that would be determined using the standardised approach.
Starting in March 2025, thus, the total amount of exposure to risk (row 4) and the related capital ratios (rows 5, 6 and 7) are now calculated considering that mechanism, and are also presented excluding the impact of that mechanism (in the new rows 4a, 5b, 6b and 7b, respectively). In line with that set out in Article 26, paragraph 5 of Reg. 2024/3172, the figures for previous periods are not presented if the figures are being published for the first time.
With regard to the ISP Group, as at 31 March 2025 the conditions to apply that mechanism were not met.

(millions of euro)

		31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	39,634	39,307	40,555	40,503	40,448
2	Tier 1 capital	47,185	46,858	49,257	49,204	48,150
3	Total capital	56,370	56,397	57,708	57,739	57,361
Risk-weighted exposure amounts						
4	Total risk exposure amount	304,636	296,366	297,425	298,923	303,233
4a	Total risk exposure pre-floor	304,636				
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	13.01%	13.26%	13.64%	13.55%	13.34%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	13.01%				
6	Tier 1 ratio (%)	15.49%	15.81%	16.56%	16.46%	15.88%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	15.49%				
7	Total capital ratio (%)	18.50%	19.03%	19.40%	19.32%	18.92%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	18.50%				
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.50%	1.50%	1.50%	1.50%	1.50%
EU 7e	*of which: to be made up of CET1 capital (percentage points)*	*0.84%*	*0.84%*	*0.84%*	*0.84%*	*0.84%*
EU 7f	*of which: to be made up of Tier 1 capital (percentage points)*	*1.13%*	*1.13%*	*1.13%*	*1.13%*	*1.13%*
EU 7g	Total SREP own funds requirements (%)	9.50%	9.50%	9.50%	9.50%	9.50%
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 (%)	0.28%	0.26%	0.26%	0.25%	0.20%
EU 9a	Systemic risk buffer (%)	0.22%	0.26%	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 (%)	1.25%	1.25%	1.25%	1.25%	1.25%
11	Combined buffer requirement (%)	4.25%	4.27%	4.01%	4.00%	3.95%
EU 11a	Overall capital requirements (%)	13.75%	13.77%	13.51%	13.50%	13.45%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.67%	7.92%	8.29%	8.21%	7.99%
Leverage ratio						
13	Total exposure measure	824,130	821,853	838,618	827,194	823,518
14	Leverage ratio (%)	5.73%	5.70%	5.87%	5.95%	5.85%
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)	119,351	124,856	131,689	135,015	140,803
EU 16a	Cash outflows - Total weighted value	103,580	103,543	104,669	105,666	106,534
EU 16b	Cash inflows - Total weighted value	22,546	22,888	23,206	23,134	23,048
16	Total net cash outflows (adjusted value)	81,034	80,655	81,463	82,532	83,486
17	Liquidity coverage ratio (%)	147.4%	154.8%	161.5%	163.5%	168.7%
Net Stable Funding Ratio						
18	Total available stable funding	510,762	518,493	515,294	518,491	508,437
19	Total required stable funding	421,771	427,145	421,255	418,101	420,152
20	NSFR ratio (%)	121.1%	121.4%	122.3%	124.0%	121.0%

With regard to the above table, see the comments at the bottom of the table EU OV1 (in the following section Capital requirements) for more details on the change in risk-weighted exposure (RWEA) and the section on Own Funds for more details on their movements and the section relating to Liquidity Risk for further details on that topic.

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) and in Regulation (EU) 575/2013 (CRR), as subsequently amended[6], which transpose the banking supervision standards defined by the Basel Committee on Banking Supervision (the Basel 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) 2024/3117 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) 2021/451.

These provisions are also 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) 241/2014 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) 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".

[6] The amendments include the new Regulation (EU) no. 2024/1623 (also known as CRR3), previously described in the Introduction to this document, and Directive (EU) no. 2024/1619 (also known as CRD VI).

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) no. 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 capital instruments), once the deductions of items and exemptions provided for in the CRR.

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 the CRR. Following the issue of Regulation (EU) 2019/876 (CRR2), 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, the transitional period (2018-2022) introduced to mitigate its impacts on capital ended on 31 December 2022. Nonetheless, 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 calculation of the thresholds established in Article 48 CRR, over the same time period.

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 2) added Article 494b “Grandfathering of Own Funds instruments and eligible liabilities instruments” to Regulation (EU) 575/2013 (CRR), establishing a 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 2) – which do not meet the specific conditions set out in points p), q) and r) of Article 52 CRR (“Additional Tier 1 instruments”), as amended by Article 1 point 23) of CRR II, and in points n), o) and p) of Article 63 CRR (“Tier 2 instruments”), as amended by Article 1 point 27) of CRR 2 – to qualify as AT1 and T2 instruments. The Intesa Sanpaolo Group no longer holds any subordinated instruments governed by English law subject to the above-mentioned transitional rules.

Since December 2020, the Intesa Sanpaolo Group has applied Delegated Regulation (EU) no. 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 CET1 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.

In addition, with regard to the regulatory provisions of Article 3 of the CRR ("Application of stricter requirements by institutions"), the voluntary deduction from CET1 relating to the calendar provisioning on exposures included in the Pillar 2 scope is included for the purposes of the calculation of Own funds as at 31 March 2025[7].

Lastly, it is noted that Commission Implementing Regulation (EU) no. 2024/3117, laying down implementing technical standards for the application of the CRR, as amended by Regulation (EU) 2024/1623 (CRR3), repealed Commission Implementing Regulation (EU) no. 2021/451, with the exception of the provisions relating to reporting obligations concerning own funds requirements for market risk, which will continue to apply up to 31 December 2025, in line with the postponement of the entry into force of the FRTB framework.

Breakdown of Own Funds

The structure of the Intesa Sanpaolo Group's Own Funds as at 31 March 2025 is summarised in the table below.

(millions of euro)

	31.03.2025	31.12.2024
A. Common Equity Tier 1 (CET1) before the application of prudential filters	**53,438**	**53,359**
B. CET1 prudential filters (+ / -)	**-35**	**96**
C. CET1 before items to be deducted (A +/- B)	**53,403**	**53,455**
D. Items to be deducted from CET1	**-13,769**	**-14,148**
E. Total Common Equity Tier 1 (CET1) (C-D)	**39,634**	**39,307**
F. Additional Tier 1 (AT1) before items to be deducted	**7,551**	**7,551**
G. Items to be deducted from AT1	**-**	**-**
H. Total Additional Tier 1 (AT1) (F - G)	**7,551**	**7,551**
I. Total Tier 1 (T1) (E + H)	**47,185**	**46,858**
L. Tier 2 (T2) before items to be deducted	**9,185**	**9,539**
M. Items to be deducted from T2	**-**	**-**
N. Total Tier 2 (T2) (L - M)	**9,185**	**9,539**
O. Total own funds (E + H + N)	**56,370**	**56,397**

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.

[7] The addendum to the ECB Guidance on non-performing loans of 2018 contemplates the possibility that banks "deduct" on their own initiative specific amounts from CET1, 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.

Reconciliation of net book value and Common Equity Tier 1 Capital

(millions of euro)

	31.03.2025	31.12.2024
Group Shareholders' equity	66,633	65,176
Minority interests	134	145
Shareholders' equity as per the Balance Sheet	**66,767**	**65,321**
Interim dividend [(a)]	3,022	3,022
Adjustments for instruments eligible for inclusion in AT1 or T2 and net income for the period		
- Other equity instruments eligible for inclusion in AT1	-7,551	-7,551
- Minority interests eligible for inclusion in AT1	-	-
- Minority interests eligible for inclusion in T2	-	-
- Ineligible minority interests on full phase-in	-134	-145
- Ineligible net income for the period [(b)]	-2,615	-6,217
- Own shares included under regulatory adjustments [(c)]	2,178	2,176
- Buyback of own shares [(d)]	-2,000	-2,000
- Other ineligible components on full phase-in [(e)]	-6,229	-1,247
Common Equity Tier 1 capital (CET1) before regulatory adjustments	**53,438**	**53,359**
Regulatory adjustments [(f)]	**-13,804**	**-14,052**
Common Equity Tier 1 capital (CET1) net of regulatory adjustments	**39,634**	**39,307**

(a) As at 31 March 2025 and 31 December 2024, Shareholders' Equity as per the Balance Sheet does not include the interim dividend, amounting to 3,022 million euro (net of the amount not distributed in respect of own shares held at the record date).

(b) The Common Equity Tier 1 capital as at 31 March 2025 does not include any net income accrued in the quarter, in accordance with the ECB guidance, which specifically states that a supervised entity is not allowed to include any interim or year-end profits in CET1 capital in case it adopts a distribution policy that does not specify any upper limit for cash dividends and any share buybacks, and it does not commit not to distribute neither via cash dividends nor via share buybacks the profits that it wants to include in CET1.

(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 buyback authorisations.

(d) The amount refers to the total of the own programme of purchase of own shares for annulment (buyback), amounting to 2 billion euro, authorised on 31 January 2025 by the Supervisory Authority and on 29 April 2025 by the Shareholders' Meeting.

(e) The amount as at 31 March 2025 mainly includes the dividend and the amount allocated to charitable donations from the 2024 net income, approved by the Shareholders' Meeting of 29 April 2025.

(f) Regulatory adjustments include, among other items, the book value of own shares and those for which the Group has already received buyback authorisations, as well as an additional deduction of 877 million euro pursuant to Article 3 of the CRR (relating to the voluntary deduction of calendar provisioning on exposures included in the scope of Pillar 2).

Further details are provided below on the composition of each capital level making up Own Funds.

Common Equity Tier 1 Capital (CET1)

(millions of euro)

Information	31.03.2025	31.12.2024
Common Equity Tier 1 capital (CET1)		
Share capital - ordinary shares	10,369	10,369
Share premium reserve	27,605	27,602
Reserves (a)	23,771	15,271
Accumulated other comprehensive income	-2,216	-2,332
Net income (loss) for the period	2,615	8,666
Net income (loss) for the period not eligible (b)	-2,615	-6,217
Dividends and other foreseeable charges (c)	-6,091	-
Minority interests	-	-
Common Equity Tier 1 capital (CET1) before regulatory adjustments	**53,438**	**53,359**
Common Equity Tier 1 capital (CET1): Regulatory adjustments		
Own shares	-2,178	-2,176
Goodwill	-3,688	-3,699
Other intangible assets	-3,946	-3,830
Deferred tax assets that rely on future profitability and do not arise from temporary differences	-2,507	-2,742
Negative amounts resulting from the calculation of expected losses (shortfall reserve)	-	-233
Defined benefit pension funds assets	-	-
Prudential filters	-35	96
- of which Cash Flow Hedge Reserve	*94*	*111*
- of which Gains or Losses due to changes in own credit risk (DVA)	*127*	*181*
- of which Prudent valuation adjustments	*-256*	*-196*
- of which Other prudential filters	*-*	*-*
Exposures to securitisations deducted rather than risk weighted at 1250%	-42	-48
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 (d)	-	-
- 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% (d)	-	-
Other CET1 deductions (pursuant to Article 3 CRR) (e)	-877	-941
Positive or negative elements - other (f)	-531	-479
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-13,804**	**-14,052**
Common Equity Tier 1 (CET1) - Total	**39,634**	**39,307**

(a) The share that can be calculated as part of CET1 as at 31 March 2025 includes the 2024 income allocated to reserves and the coupon amount on Additional Tier 1 instruments net of taxes.

(b) The Common Equity Tier 1 capital as at 31 March 2025 does not include any net income accrued in the quarter, in accordance with the ECB guidance, which specifically states that a supervised entity is not allowed to include any interim or year-end profits in CET1 capital in case it adopts a distribution policy that does not specify any upper limit for cash dividends and any share buybacks, and it does not commit not to distribute neither via cash dividends nor via share buybacks the profits that it wants to include in CET1.

(c) As at 31 March 2025, the figure takes account of the dividends on the 2024 income and the portion of 2024 income to be allocated to charity.

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

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

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

Even if the transitional period of IFRS 9 has ended, own funds 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 calculation of the thresholds established in Article 48 CRR, over the same time period.
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.
The total of the programme of purchase of own shares for annulment (buyback), amounting to 2 billion euro, authorised by the Supervisory Authority and approved by the Shareholders' Meeting on 29 April 2025 was deducted from the amount of own funds.
Moreover, in compliance with Article 3 of the CRR ("Application of stricter requirements by institutions"), the calculation of the own funds as at 31 March 2025 included the voluntary deduction of around 29 basis points from the CET 1 of the calendar provisioning[8] on exposures within the scope of Pillar 2.
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 equity investments in insurance companies.
In the calculation of own funds as at 31 March 2025, foreseeable charges[9] were considered, while it was not included any net income of the first quarter of 2025, in compliance with the ECB's guidance, which specifically states that a supervised entity is not allowed to include any interim or year-end profits in CET1 capital in case it adopts a distribution policy that does not specify any upper limit for cash dividends and any share buybacks, and it does not commit not to distribute neither via cash dividends nor via share buybacks the profits that it wants to include in CET1.

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 31 March 2025 is equal to 42 million euro.

Additional Tier 1 Capital (AT1)

(millions of euro)

	31.03.2025	31.12.2024
Additional Tier 1 capital (AT1)		
AT1 instruments	7,551	7,551
Minority interests	-	-
Additional Tier 1 capital (AT1) before regulatory adjustments	**7,551**	**7,551**
Regulatory adjustments to Additional Tier 1 (AT1)	**-**	**-**
Additional Tier 1 (AT1) - Total	**7,551**	**7,551**

As at 31 March 2025, there were no new issues of AT1 instruments calculated in own funds compared to 31 December 2024. 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 2024.

[8] 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.
[9] Coupons accrued on the Additional Tier 1 issues (105 million euro).

Tier 2 Capital (T2)

(millions of euro)

	31.03.2025	31.12.2024
Tier 2 Capital (T2)		
T2 Instruments	8,432	8,752
Minority interests	-	-
Excess of provisions over expected losses eligible (excess reserve)	753	787
Tier 2 capital before regulatory adjustments	**9,185**	**9,539**
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	**9,185**	**9,539**

As at 31 March 2025, there were no new issues of T2 instruments calculated in own funds compared to 31 December 2024. 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 2024.

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

(millions of euro)

	31.03.2025	31.12.2024
A. Threshold of 10% for CET1 instruments of financial sector entities where the institution does not have a significant investment	4,051	4,032
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	4,051	4,032
C. Threshold of 17.65% for significant investments and DTA not deducted in the threshold described under point B	6,470	6,400

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 13.75% of total risk-weighted assets (total capital ratio, of which 9.59% in terms of Common Equity Tier 1 ratio)[10] 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 10 December 2024, 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 2025.
The overall capital requirement to be met in terms of Common Equity Tier 1 ratio is currently 9.84%. 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%, of which 0.84% is CET1 applying the regulatory amendment introduced by the ECB and effective from 12 March 2020[11];
- 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 1.25%;
  - a Countercyclical Capital Buffer of 0.30%[12];
  - Systemic Risk Buffer of 0.45%[13].

In the area of application of internal models, with regard to credit risk, in February 2025 the ECB granted authorisation for regulatory purposes for the new Large Corporate model.
There were no changes in counterparty risk. However, we specify that, with regard to the component of CVA risk, with the introduction of the new Basel 4 rules, the advanced approach is no longer available, and the basic approach is used (BA-CVA), still based on exposures estimated using internal models.
With regard to operational risks, starting on 1 January 2025, the standardised approach is applied, as envisaged by the new Basel 4 regulations.

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 2025.

[10] This requirement is determined by: the minimum Pillar 1 capital requirement of 8% (of which 4.5% is CET1), the Pillar 2 capital requirement of 1.50% (of which 0.84% is CET1) and the combined buffer of 4.25% (of which the institution-specific countercyclical capital buffer was 0.28% as at 31 March 2025 and the systemic risk buffer was 0.22% as at 31 March 2025).

[11] 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.

[12] The Countercyclical Capital Buffer is calculated taking into account the exposure as at 31 March 2025 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 2026, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for the first half of 2025).

[13] Systemic Risk Buffer calculated taking into account the exposure as at 31 March 2025 to residents in Italy and the fully loaded requirement as at 30 June 2025.

Overview of total risk exposure amounts (EU OV1 Reg. 2024/3172)

(millions of euro)

		Total risk exposure amounts (TREA)	Total own funds requirements
		31.03.2025	**31.03.2025**
1	**Credit risk (excluding CCR)**	**226,899**	**18,152**
2	*of which the standardised approach*	*98,133*	*7,851*
3	*of which the Foundation IRB (F-IRB) approach*	*52,635*	*4,211*
4	*of which slotting approach*	*827*	*66*
EU 4a	*of which equities under the simple risk weighted approach*	*-*	*-*
5	*of which the Advanced IRB (A-IRB) approach*	*67,954*	*5,436*
6	**Counterparty credit risk - CCR**	**4,503**	**360**
7	*of which the standardised approach*	*440*	*35*
8	*of which internal model method (IMM)*	*3,125*	*250*
EU 8a	*of which exposures to a CCP*	*396*	*32*
9	*of which other CCR*	*542*	*43*
10	**Credit valuation adjustments risk - CVA risk**	**660**	**53**
EU 10a	*of which the standardised approach (SA)*	*-*	*-*
EU 10b	*of which the basic approach (F-BA and R-BA)*	*660*	*53*
EU 10c	*of which the simplified approach*	*-*	*-*
11	Not applicable		
12	Not applicable		
13	Not applicable		
14	Not applicable		
15	**Settlement risk**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap) (*)**	**8,658**	**693**
17	*of which SEC-IRBA approach*	*5,053*	*405*
18	*of which SEC-ERBA (including IAA)*	*291*	*23*
19	*of which SEC-SA approach*	*2,800*	*224*
EU 19a	*of which 1250%*	*-*	*-*
(**)	*of which specific treatment for Senior tranches of qualifying NPE securitisations*	*514*	*41*
20	**Position, foreign exchange and commodities risks (Market risk)**	**13,584**	**1,087**
21	*of which the Alternative standardised approach (A-SA) (***)*	*n.a.*	*n.a.*
EU 21a	*of which the Simplified standardised approach (S-SA) (***)*	*n.a.*	*n.a.*
22	*of which Alternative Internal Model Approach (A-IMA) (***)*	*n.a.*	*n.a.*
EU 22a	**Large exposures**	**-**	**-**
23	**Reclassifications between the trading and non-trading books**	**-**	**-**
24	**Operational risk**	**50,262**	**4,021**
EU 24a	**Exposures to crypto-assets**	**70**	**5**
25	Amounts below the thresholds for deduction (subject to 250% risk weight) (****)	9,746	780
26	Output floor applied (%)	50.00	
27	Floor adjustment (before application of transitional cap)	-	
28	**Floor adjustment (after application of transitional cap)**	**-**	
29	**TOTAL**	**304,636**	**24,371**

(*) Memo item: Banking Book securitisations deducted from Regulatory Capital as at 31 March 2025 equivalent to 509 million euro of RWEAs and 41 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.

(***) Not applicable in 2025 given the postponement of the introduction of the new regulatory framework for calculating own funds requirements for market risk (Fundamental Review of Trading Book – FRTB).

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

In the table above, based on the requirements of point d) of Art. 438 (Disclosure on requirements of own funds and on amounts of risk weighted exposures) of the CRR, a summary overview of the total amounts of the Intesa Sanpaolo Group's exposure to risk is provided.
Starting with this disclosure as at 31 March 2025 (first-time adoption of the CRR3), that table has been updated as set out in Reg. 2024/3172, mainly to endorse the changes regarding:

- credit valuation adjustment risk - CVA Risk (new row 10 and additional sub-rows);
- reclassification to trading book positions and positions outside the trading book (new row 23);
- single standardised approach to calculate the operational risk requirement (row 24);
- exposures to crypto-assets (new row EU 24a);
- output floor mechanism (new rows 26, 27 and 28) which, as previously described, involves applying a minimum floor to the RWA values calculated using internal models, to limit the potential deviation of these values to 72.5% (fully phased in) of the RWAs that would be determined using the standardised approach. Note that, with regard to the ISP Group, as at 31 March 2025 the conditions to apply that mechanism were not met. For further details, see the tables EU CMS1 and EU CMS2 below.

In line with that set out in Article 26, paragraph 5 (Disclosure period and frequency) of Commission Implementing Regulation 2024/3172, the figures for previous periods are not presented if the figures are being published for the first time.

The total amount of risk-weighted exposures recorded as at 31 March 2025 was 304.6 billion euro, an increase of around 8.3 billion euro compared to the end of December 2024. In particular, please note the following:

- credit risk excluding counterparty risk (-10.6 billion euro compared to the previous quarter): the decrease was mainly attributable to the effects of the model change on the Large Corporate portfolio and the introduction of the Basel 4 regulatory framework, specifically due to the change in prudential treatment of the equity portfolio and to the benefit on the insurance scope under the Danish Compromise. Those effects were partially offset by the evolution of the securities portfolio and the business performance;
- counterparty risk and CVA risk (-0.4 billion euro compared to the previous quarter): the trend is attributable to the component subject to internal models, for a combined effect of the introduction of the CRR3 and the asset size on corporate counterparties;
- securitisation exposures in the non-trading book (-0.9 billion euro compared to the previous quarter): the decrease was related to the natural progression of the outstanding portfolio;
- market risk (+1.0 billion euro compared to the previous quarter): the change is attributable to the exposures under internal models, due to the greater contribution of the credit risk factor;
- operational risk (+19.2 billion euro compared to the previous quarter): the increase is attributable to the introduction of the new CRR3/Basel 4 regulations, with the resulting application of the standardised approach to calculate the capital requirement.

For details of the RWEA changes with the IRB, IMM and IMA approaches (relating to credit risk, counterparty risk and market risk, respectively), 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) no. 2024/3172), these tables show the RWEA flows during the last quarter.

Two new detailed tables introduced by the new Regulation 2024/3172 on the output floor mechanism are shown below. One refers to all types of risk (EU CMS1) and the other only to credit risk (EU CMS2).
As stated, with regard to the ISP Group, as at 31 March 2025 the conditions to apply that mechanism were not met.

Comparison of modelled and standardised risk weighted exposure amounts at risk level (EU CMS1 Reg. 2024/3172)

(millions of euro)

		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that banks have supervisory approval to use (a)	RWEAs for portfolios where standardised approaches are used (b)	Total actual RWEAs (c=a+b)	RWEAs calculated using full standardised approach (d)	RWEAs that is the base of the output floor (EU d)
1	Credit risk (excluding counterparty credit risk)	128,766	98,133	226,899	293,066	293,066
2	Counterparty credit risk	3,345	1,158	4,503	13,798	12,536
3	Credit valuation adjustment		660	660	660	660
4	Securitisation exposures in the banking book	5,415	3,243	8,658	21,156	12,711
5	Market risk	9,735	3,849	13,584	16,785	16,785
6	Operational risk		50,262	50,262	50,262	50,262
7	Other risk weighted exposure amounts		70	70	70	70
8	**Total**	**147,261**	**157,375**	**304,636**	**395,797**	**386,090**

The table shows the risk-weighted assets divided into columns based on the type of calculation, and rows based on the type of risk.
As at 31 March 2025, risk-weighted assets referred to exposures measured using advanced approaches, considering that the transitional regimes provided by the CRR3 amount to 147.3 billion euro (column (a)). Column (b) represents, for 157.3 billion euro, risk-weighted assets referring to exposures measured using the standardised approach (STD). Summing the figures set out in columns (a) and (b) determines the Regulatory RWEAs (mixed AIRB), amounting to 304.6 billion euro (column (c)).
The total RWEA aggregate, calculated using only the standardised approach, keeping the transitional approach only as per the provisions of Article 495 of the CRR3, amounts to 395.8 billion euro (column (d)) (full STD), while the same aggregate calculated using only the standardised approach, but applying the transitional provisions of both Article 465 and Article 495 of the CRR3 amounts to 386.1 billion euro (column (EU d)).
The difference between the regulatory RWEAs determined partly using the advanced approach and partly using the standardised approach (column (c)) and the RWEAs determined by exclusively applying the STD approach (column (d)) amounts to:

- 66.2 billion euro in credit risk (row 1). More details can be found as the difference between column (a) and column (b) in the following table EU CMS2;
- 9.3 billion euro in counterparty risk (row 2), a burden that is partially decreased using the pro output floor standardised calculation (8 billion euro) due to the use of a lower alpha factor in calculating the Exposure at Default (EAD).
  In general, the increase in RWAs on counterparty risk calculated using the standardised approach is mainly attributable to the different methods adopted in the two approaches for calculating the EAD: in the AIRB approach, the EPE approach can be used, both for derivatives and for repurchase agreements, based on internal models to estimate the exposure of transactions subject to counterparty risk, while in the STD calculation, the SA-CCR methodology is applied to derivatives and the comprehensive method to repurchase agreements, which are both more conservative. To a lesser extent, the increase was also attributable to the application of different weighting factors in the two approaches;
- 12.5 billion euro for exposures to securitisation (row 4), a burden which is significantly decreased using the pro output floor standardised calculation (4.1 billion euro) due to the application of the p-factor to values that are halved compared to the full STD calculation.
  In general, the RWAS for this area are attributable to the move from the SEC-IRBA approach, where permitted, in calculating the mixed AIRB, to the SEC-SA and SEC-ERBA approaches in calculations using the standardised approach.

With regard to total risks, the ratio of RWEAs calculated using the mixed AIRB approach, amounting to 304.6 billion euro to the RWAs calculated using the full STD approach, amounting to 395.8 billion euro, came to 76.97%, while the ratio to the pro output floor standardised approach, amounting to 386.1 billion euro, came to 78.90%.

Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level (EU CMS2 Reg. 2024/3172)

(millions of euro)

		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use (a)	**RWEAs for column (a) if re-computed using the standardised approach (b)**	**Total actual RWEAs (c)**	**RWEAs calculated using full standardised approach (d)**	**RWEAs that is the base of the output floor (EU d)**
1	Central governments and central banks	-	45	18,096	18,141	18,141
EU 1a	Regional governments or local authorities	1,519	796	1,921	1,198	1,198
EU 1b	Public sector entities	1,630	2,744	1,907	3,021	3,021
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	-	-	-
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	6,308	5,789	9,724	9,206	9,206
3	Equity	-	-	20,959	20,959	20,959
4	*Not applicable*					
5	Corporates	80,416	116,415	97,457	133,455	133,455
5.1	*Of which: F-IRB is applied*	*49,427*	*78,803*	*49,427*	*78,803*	*78,803*
5.2	*Of which: A-IRB is applied*	*30,989*	*47,829*	*30,990*	*47,829*	*47,829*
EU 5a	*Of which: Corporates - General*	*76,192*	*106,919*	*92,381*	*123,108*	*123,108*
EU 5b	*Of which: Corporates - Specialised lending*	*4,224*	*9,496*	*5,076*	*10,347*	*10,347*
EU 5c	*Of which: Corporates - Purchased receivables*	-	-	-	-	-
6	Retail	25,320	47,127	34,888	56,695	56,695
6.1	*Of which: Retail - Qualifying revolving*	*12*	*41*	*12*	*41*	*41*
EU 6.1a	*Of which: Retail - Purchased receivables*	-	-	-	-	-
EU 6.1b	*Of which: Retail - Other*	*7,416*	*15,866*	*16,984*	*25,434*	*25,434*
6.2	*Of which: Retail - Secured by residential real estate*	*17,892*	*31,220*	*17,892*	*31,220*	*31,220*
7	*Not applicable*					
EU 7a	Categorised as secured by immovable properties and ADC exposures in SA	8,388	13,511	14,112	19,235	19,235
EU 7b	Collective investment undertakings (CIU)	719	1,938	9,203	10,422	10,422
EU 7c	Categorised as exposures in default in SA	2,343	3,647	2,914	4,219	4,219
EU 7d	Categorised as subordinated debt exposures in SA	1,173	2,153	1,278	2,258	2,258
EU 7e	Categorised as covered bonds in SA	950	524	1,383	957	957
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	-	-	-
8	Other non-credit obligation assets	-	244	13,057	13,300	13,300
9	**Total**	**128,766**	**194,933**	**226,899**	**293,066**	**293,066**

The aggregate presents risk-weighted assets only for credit risk (row 1 of the previous table EU CMS1) differentiating it by calculation type. The columns show, respectively:

- column (a): RWEA relating to exposures for which the application of internal models was validated (128.8 billion euro);
- column (b): RWEA of exposures in the previous point recalculated using the standardised approach (STD) (194.9 billion euro);
- column (c): total RWEAs always for only credit risk calculated using the mixed AIRB approach (226.9 billion euro);
- column (d): total RWEAs always for only credit risk recalculated using the standardised approach, applying only the transitional provisions of Article 495 of the CRR3 (293.1 billion euro);
- column (EU d): total RWEAs always for only credit risk recalculated using the standardised approach, applying only the transitional provisions of both Article 465 and Article 495 of the CRR3 (293.1 billion euro);

The most significant RWEA burdens in shifting from calculating using internal models to calculating using the standardised approach regard the Corporate (+36 billion euro) and Retail portfolios (+22 billion euro) and Exposures classified as secured by immovable property and ADC exposures[14] (+5 billion euro). Those RWEAs, similar to the smaller burdens, are attributable to the change in methodology, which absorbs more capital when the standardised approach is used. Conversely, in shifting to the standardised approach, there was a decrease in RWEAs in the Regional government or local authorities (-0.7 billion euro)

[14] Exposures that finance the acquisition, development and construction of real estate (ADC - Acquisition Development Construction).

and Institutions portfolios (-0.5 billion euro) and those Classified as covered bonds according to the standardised approach SA (-0.4 billion euro).
At the level of exposure, the asset classes of the captions EU 7a and from EU 7c to EU 7f are exclusively calculated using the standardised approach. As a result, the amounts of AIRB RWEAs presented were separated out from their specific portfolios (captions 1 to 7 of the table referred to above).
As at 31 March 2025, the ratio of RWEAs calculated according to the mixed AIRB approach, amounting to 226.9 billion euro to RWAs calculated using the full STD approach, amounting to 293.1 billion euro, came to 77.42%.
Lastly, with reference to asset class 5. Corporates, shown in column (b) of the table above (representing the RWAs of the positions on which internal models recalculated using the standardised approach are applied), the amounts indicated in sub-classes 5.1 – to which the F-IRB approach is applied for 78.8 billion euro and 5.2 – to which the A-IRB approach is applied for 47.8 billion euro (determined based on assigning portfolios using internal models) include - compared to the total indicated in class 5. Corporates, amounting to 116.4 billion euro - also exposures included in following asset classes of the table (which, instead, assigns portfolios based on the standardised approach):

- EU 7a – Exposures classified as secured by immovable property and ADC exposures[15] according to the SA, for around 8 billion euro;
- EU 7c - Exposures in default according to the SA, for around 2 billion euro.

As a result of that approach, the two sub-classes mentioned (5.1 and 5.2) take on a total value that exceeds the total of class 5. Corporates.

[15] See the previous note.

RWEA flow statements of credit risk exposures under the IRB approach in the first quarter (EU CR8 Reg. 2024/3172)

(millions of euro)

		Risk weighted exposure amount
1	**Risk weighted exposure amount as at 31 December 2024**	**160,849**
2	Asset size (+/-)	1,288
3	Asset quality (+/-)	1,244
4	Model updates (+/-)	-10,870
5	Methodology and policy (+/-)	-29,624
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	-494
8	Other (+/-)	-258
9	**Risk weighted exposure amount as at 31 March 2025 (*)**	**122,135**

(*) As at 31 March 2025, the RWEA amount relating to IRB models was 122,135 million euro and was attributable to the Foundation IRB approach for 52,635 million euro (Row 3 EU OV1), to the slotting criteria approach for 827 million euro (Row 4 EU OV1), Advanced IRB approach for 67,954 million euro (Row 5 EU OV1), and to exposures to UCIs accounted for using internal models for 719 million euro.

As at March 2025, the aggregate of the RWEAs relating to the exposures subject to credit risk measured using advanced approaches[16] amounted to 122,135 million euro, recording a net decrease of -38,714 million euro on December 2024, when the aggregate amounted to 160,849 million euro.
The change during the quarter was attributable to the following:

- +1,288 million euro deriving mainly from the increase in exposures on the Banks portfolio;
- +1,244 million euro relating to the remodulation of the risk profile for the Large Corporate, Public Entities and Retail portfolios backed by real estate collateral;
- -10,870 million euro deriving from the positive effects recorded on the Corporate asset class, which benefited from the introduction of the new Large Corporate rating model, authorised by the Regulator, replacing the previous penalising limitation with a different provision with less impact;
- -29,624 million euro as the effect of the alignment with the new CRR3/Basel 4 regulations, which involved the restatement of the Equity portfolio (around -33.6 million euro in December 2024) under the standardised approach, partially offset by the increase in RWEAs (around 4 million euro in RWEAs) due to the changeover to FIRB of the Large Corporate (adoption of standard CCF and LGD set at 40% in place of those estimated internally) and Banks portfolios (LGD set at 45%), as well as the repealment of the scaling factor (1.06) in the formula for calculating RWEAs (Structured Finance and Corporate scope);
- -494 million euro due to changes in foreign currency exposures, with specific reference to the fluctuations in the USD exchange rate;
- -258 million euro attributed to the caption "Other", due to the trend in the securitised portfolio, with the finalisation of a synthetic securitisation.

[16] 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 first quarter (EU CCR7 Reg. 2024/3172)

(millions of euro)

		RWEA amounts
1	**RWEAs as at 31 December 2024**	**3,609**
2	Asset size	-183
3	Credit quality of counterparties	-173
4	Model updates (IMM only)	-571
5	Methodology and policy (IMM only)	450
6	Acquisitions and disposals	-
7	Foreign exchange movements	-7
8	Other	-
9	**RWEAs as at 31 March 2025**	**3,125**

As required by Reg. 2024/3172, the table does not include exposures to central counterparties (CCPs).

With regard to the changes in RWAs 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 decreased in the quarter: 3,609 million euro in December 2024 and 3,125 million euro at the end of March 2025. The decrease of -484 million euro was attributable to the following:

- -183 million euro deriving from the decrease in exposures in the Corporate portfolio, partially offset by the increase recorded on the Banks portfolio;
- -173 million euro due to a recomposition of the Banks portfolio;
- -571 million euro deriving from the positive effects recorded on the Corporate asset class, due to the introduction of the new Large Corporate rating model, which entailed removing the previous limitation imposed by the Regulator, which was directly applied to the RWEAs, and introducing a less penalising measure that acts on the PD;
- +450 million euro deriving from the application of the new CRR3/Basel 4 regulations;
- -7 million euro attributable to exchange rate fluctuations.

RWEA flow statements of market risk exposures under the IMA in the first 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 31 December 2024**	**1,931**	**3,824**	**2,961**	**-**	**22**	**8,738**	**699**
1a	*Regulatory adjustment*	*1,378*	*2,877*	*1,367*	*-*	*-*	*5,622*	*450*
1b	*RWEAs at the previous quarter-end (end of the day)*	*553*	*947*	*1,594*	*-*	*22*	*3,116*	*249*
2	Movement in risk levels	76	818	245	-	-4	1,135	91
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)*	*629*	*1,765*	*1,839*	*-*	*18*	*4,251*	*340*
8b	*Regulatory adjustment*	*1,299*	*3,282*	*903*	*-*	*-*	*5,484*	*439*
8	**RWEAs as at 31 March 2025**	**1,928**	**5,047**	**2,742**	**-**	**18**	**9,735**	**779**

As at 31 March 2025, the RWEAs increased on the previous quarter (+1 billion euro). The increase was mainly recorded on the Stressed VaR due to a greater contribution of the credit risk profile.

Statements of RWEAs of the CVA risk based on the standardised approach (SA) (EU CVA4 Reg. 2024/3172)

The Intesa Sanpaolo Group does not calculate the Credit Valuation Adjustment risk (CVA) based on the standardised approach.

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 within the risk limits set out in the current Group Liquidity Policy in the first three months of 2025. 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 147.4% (154.8% in December 2024).

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 average of the last 12 months of monthly observations, in accordance with Regulation (EU) 2024/3172.

Quantitative information on LCR (Liquidity Coverage Ratio) (EU LIQ1 Reg. 2024/3172)

(millions of euro)

SCOPE OF CONSOLIDATION		TOTAL UNWEIGHTED VALUE (AVERAGE)				TOTAL WEIGHTED VALUE (AVERAGE)			
EU1a	Quarter ending on	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
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)**					**119,351**	**124,856**	**131,689**	**135,015**
CASH-OUTFLOWS									
2	**Retail deposits and deposits from small business customers, of which:**	**270,397**	**269,666**	**269,435**	**271,671**	**19,070**	**18,989**	**18,971**	**19,166**
3	*Stable deposits*	*199,034*	*198,604*	*198,280*	*199,256*	*9,952*	*9,930*	*9,914*	*9,963*
4	*Less stable deposits*	*71,363*	*71,062*	*71,155*	*72,415*	*9,118*	*9,059*	*9,057*	*9,203*
5	**Unsecured wholesale funding**	**121,044**	**120,184**	**119,918**	**120,575**	**52,532**	**52,405**	**52,473**	**52,698**
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*38,409*	*39,162*	*39,787*	*40,218*	*9,551*	*9,736*	*9,889*	*9,997*
7	*Non operational deposits (all counterparties)*	*79,466*	*77,759*	*76,883*	*76,911*	*39,812*	*39,406*	*39,336*	*39,255*
8	*Unsecured debt*	*3,169*	*3,263*	*3,248*	*3,446*	*3,169*	*3,263*	*3,248*	*3,446*
9	**Secured wholesale funding**					**3,314**	**2,723**	**2,133**	**1,882**
10	**Additional requirements**	**84,784**	**84,521**	**84,825**	**85,681**	**20,165**	**20,934**	**21,660**	**22,221**
11	*Outflows related to derivative exposure and other collateral requirements*	*4,874*	*5,315*	*5,749*	*5,994*	*4,874*	*5,315*	*5,749*	*5,994*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*79,910*	*79,206*	*79,076*	*79,687*	*15,291*	*15,619*	*15,911*	*16,227*
14	**Other contractual funding obligations**	**6,955**	**6,669**	**7,528**	**7,666**	**3,381**	**3,237**	**4,043**	**4,300**
15	**Other contingent funding obligations**	**110,208**	**110,158**	**110,125**	**110,375**	**5,118**	**5,255**	**5,389**	**5,399**
16	**TOTAL CASH OUTFLOWS**					**103,580**	**103,543**	**104,669**	**105,666**
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	13,983	13,403	11,758	9,816	559	452	343	284
18	Inflows from fully performing exposures	19,219	19,062	18,995	18,436	12,846	12,571	12,504	12,061
19	Other cash inflows	24,023	24,991	25,968	26,938	9,141	9,865	10,359	10,789
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**	**57,225**	**57,456**	**56,721**	**55,190**	**22,546**	**22,888**	**23,206**	**23,134**
EU20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU20c	*Inflows subject to 75% cap*	*57,225*	*57,456*	*56,721*	*55,190*	*22,546*	*22,888*	*23,206*	*23,134*
TOTAL ADJUSTED VALUE									
EU21	**LIQUIDITY BUFFER**					**119,351**	**124,856**	**131,689**	**135,015**
22	**TOTAL NET CASH OUTFLOWS**					**81,034**	**80,655**	**81,463**	**82,532**
23	**LIQUIDITY COVERAGE RATIO**					**147.4%**	**154.8%**	**161.5%**	**163.5%**

(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 March 2025, the value of the total unencumbered HQLA reserves, at the various Treasury Departments of the Group, amounted to 127.1 billion euro (127.4 billion euro at the end of 2024). Adding the other marketable reserves and/or eligible Central Bank reserves, including retained self-securitisations, the Group's total unencumbered liquidity reserves amounted to 206.9 billion euro (207 billion euro at the end of 2024).
The Group's total available reserves were substantially stable compared to the previous quarter.

(millions of euro)

	Unencumbered (net of haircut)	
	31.03.2025	**31.12.2024**
HQLA Liquidity Reserves	**127,067**	**127,378**
Cash and Deposits held with Central Banks (HQLA)	31,146	35,446
Highly liquid securities (HQLA)	84,713	81,064
Other HQLA reserves not included in LCR	11,208	10,868
Other eligible and/or marketable reserves	**79,832**	**79,621**
Total Group's Liquidity Buffer	**206,899**	**206,999**

The NSFR was higher than the minimum requirement of 100%, supported by a solid base of stable deposits from customers, in addition to adequate wholesale medium/long-term securitised funding. As at 31 March 2025, the Intesa Sanpaolo Group's NSFR, measured in accordance with regulatory instructions, was 121.1% (121.4% at the end of 2024).
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.

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 indicator is subject to reporting at both the individual and Banking Group level on a quarterly basis.

The Leverage ratio is calculated as the ratio of Tier 1 Capital to total exposure.
The total exposure includes the on-balance sheet exposures, exposures in derivatives and in SFTs, net of deductions and offsetting allowed by the regulations, and 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 31 March 2025, provided in accordance with the regulatory principles of the CRR amended by Regulation 2024/1623 (CRR 3), is presented below.
The quantitative disclosure required by the above-mentioned Regulation 2024/3172, applicable from 1 January 2025, 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.

(millions of euro)

Capital and total exposure measure	**31.03.2025**	**31.12.2024**
Tier 1 capital	47,185	46,858
Leverage ratio total exposure measure	824,130	821,853
Leverage ratio	**5.73%**	**5.70%**

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

The Manager responsible for preparing the Company's financial reports, Elisabetta Stegher, declares, pursuant to par. 2 of art. 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document "Basel 3 - Pillar 3 as at 31 March 2025" corresponds to the corporate records, books and accounts.

Milan, 6 May 2025

Elisabetta Stegher
Manager responsible for preparing
the Company's financial reports

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Antonio Joli, View of the Gulf of Naples from the slopes of Vesuvius

This large painting by eighteenth-century painter and scenographer Antonio Joli forms part of the Intesa Sanpaolo art collections, and is permanently exhibited in the Gallerie d'Italia in Naples as part of the exhibition "From Caravaggio to Gemito", which also includes two other views of Naples by his predecessor Gaspar van Wittel.

Cover:

Antonio Joli
(Modena, 1700 around - Naples 1777)
View of the Gulf of Naples from the slopes of Vesuvius, 1765-1770 ca
oil on canvas, 157 x 235.5 cm
Intesa Sanpaolo Collection
Gallerie d'Italia - Naples

The evocative depiction of the Gulf of Naples seen from the slopes of Vesuvius (one of the most significant examples of Joli's celebratory Vedutism) belongs to the artist's mature period post-1762. At that time, after frequent stays in Rome and Venice, he settled and worked in Naples, as a brilliant scenographer and view painter in the manner of Canaletto and Bellotto. From this later period of production, the painting in question reveals his most typical characteristics, including the choice to represent particular moments of court life, within wide and scenic views of the city of Naples. In this case, to animate the landscape, the result of Joli's careful and lucid observation of reality, there is a procession of dignitaries strolling in the garden of the Royal Villa of Portici, together with Viceroy Ferdinand IV of Bourbon as a Capuchin friar kneels in homage. In other paintings, Ferdinando's horseback ride in the Capodimonte park, the ball game at the Aragonese fortifications, or the return by carriage of Ferdinando and Maria Carolina along the Via di Foria in Naples, all offer the painter suitable subjects to orchestrate evocative views of Naples. This view of the city, also including the Campi Flegrei and Ischia, follows the drawing made by Joli himself for the decorative apparatus of the "Topographic Map" of Naples, proposed by Duke Giovanni Carafa from Noja in 1750 but not actually published until 1775. As frequently occurs with the artist, the perspectives of this view multiply, skillfully combining into a global, authentic, and complex image. The author's eye captures Naples in its entirety, encircling the city, with a visual layout that constitutes the true modernity of Joli's vedutism, as an artist supported by remarkable technical expertise and a highly suggestive pictorialism. The sequence of trees that punctuates the sky, in fact, opens up to an image not only described in detail, but also vibrant with light and colours, measured out in light tones and on the delicate chiaroscuro differences, created between the shaded foregrounds and illuminated background.