Basel 2 Pillar 3

Disclosure as at 30 September 2010

This is an English translation of the Italian original "Terzo pilastro di Basilea 2 – Informativa al pubblico al 30 settembre 2010" and has been prepared solely for the convenience of the reader. The Italian version takes precedence and will be made available to interested readers upon request to Intesa Sanpaolo S.p.A.. This document contains certain forward-looking statements and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements 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.
The Intesa Sanpaolo Group's ability to achieve its projected 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.
The following important factors could cause the Group's actual results to differ materially from those projected or implied in any forward-looking statements:

- *the Group's ability to successfully integrate the employees, products, services and systems of mergers and acquisitions;*
- *the impact of regulatory decisions and changes in the regulatory environment;*
- *the impact of political and economic developments in Italy and other countries in which the Group operates;*
- *the impact of fluctuations in currency exchange and interest rates;*
- *the Group's ability to achieve the expected return on the investments and capital expenditures it has made in Italy and in foreign countries; and*
- *the Group's ability to finalise capital management actions on its non-core assets (including disposals, either full or partial, partnerships, listings, etc.).*

The foregoing factors should not be construed as exhaustive. 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. All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. 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 2 Pillar 3
Disclosures as at 30 September 2010

Intesa Sanpaolo S.p.A.
Registered office: Piazza San Carlo, 156 10121 Torino Secondary registered office: Via Monte di Pietà, 8 20121 Milano Share capital 6,646,547,922.56 Euro Registration number on the Torino Company Register and Fiscal Code 00799960158 VAT number 10810700152 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund, included in the National Register of Banks No. 5361 and Parent Company of "Intesa Sanpaolo", included in the National Register of Banking Groups.

Contents (*)

(*) As described in detail in the introduction to this document, the other Tables envisaged in the Bank of Italy's instructions (Tables 1 to 2 and Tables 5 to 14) are not published in the quarterly disclosure as specifically laid down by the reference regulations.

Introduction

Notes to the Basel 2 Pillar 3 disclosure

The purpose of the disclosure defined as "Third pillar of Basel 2" is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2), by encouraging market efficiency through the development of a set of disclosure requirements that will allow market participants to assess key pieces of information on regulatory capital, risk exposures, risk assessment processes, and therefore the capital adequacy of the institution. This has particular relevance under the framework introduced by Basel 2, where reliance on internal methodologies gives banks more discretion in assessing capital requirements.

The procedures to be adopted by Italian banks or banking groups when disclosing information (referred to in brief as Pillar 3) to the public have been laid down by the Bank of Italy in its Circular 263 of 27 December 2006: "New regulations for the prudential supervision of banks" (Attachment A, Title IV). This disclosure has been prepared in compliance with these provisions, which incorporate the provisions of Annex XII to EU Directive 2006/48 and the subsequent changes and additions made to the regulatory framework.

In accordance with the provisions of the abovementioned Circular, this document is divided into sections called "Tables" and has been drawn up 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). The Tables include both a "qualitative section" and a "quantitative section". The "Pillar 3 Basel 2" disclosure is published in accordance with the rules laid down by the Bank of Italy with the following frequency:

- figures as at 31 December: full qualitative and quantitative disclosure;
- figures as at 30 June: update of the quantitative disclosure only, because Intesa Sanpaolo is one of the groups that have adopted IRB and/or AMA approaches for credit and operational risk;
- figures as at 31 March/30 September: update solely of the quantitative disclosure on capital (Table 3) and capital adequacy (Table 4), because Intesa Sanpaolo forms part of the groups that have adopted IRB and/or AMA approaches for credit and operational risk.

Please therefore refer to the document as at 31 December 2009 for a more comprehensive examination of the qualitative aspects. Furthermore, this report highlights any significant changes in the first nine months of the year compared to the Annual Report 2009.
For the sake of completeness, please also note that the information on regulatory capital and capital adequacy is also published in the Interim Statement as at 30 September 2010.

The regulations governing the drafting of the "Pillar 3 Basel 2" disclosure require credit institutions to adopt a formal policy to meet the minimum public disclosure requirements and to put procedures in place that enable them to assess its adequacy, also in terms of its verification and frequency. To this end, the Supervisory Board of the Parent Company Intesa Sanpaolo S.p.A. has approved a specific document "Guidelines on Pillar 3 disclosure". This document sets out the duties and responsibilities of the Corporate Bodies and the various Group departments involved in the different stages of the process governing this disclosure. Given its public importance, this document is submitted for approval to the competent Corporate Bodies by the Manager responsible for preparing the Company's financial reports. This document is therefore subject to the related certification, pursuant to Art. 154 bis of Legislative Decree 58/1998 (Consolidated Law on Finance). As a consequence, the "Pillar 3 Basel 2" disclosure is subject to the checks and controls established in the Group's "Guidelines for administrative and financial governance", the document that sets out the rules for the implementation of art. 154 bis of the Consolidated Law on Finance in the Intesa Sanpaolo Group. In particular, the internal control system for accounting and financial information is designed to ensure the ongoing verification of the adequacy and effective implementation of the administrative and accounting procedures at Group level.

The regulatory provisions governing the publication of the "Pillar 3 Basel 2" disclosure establish exemptions to the disclosure requirements that allow the omission, in exceptional cases, of the publication of proprietary or confidential information, provided that the information that is not disclosed and the reasons for non-disclosure are specified and more general information is published on the matter involved. The Intesa Sanpaolo Group has not made use of this option in the drafting of this document as at 30 September 2010.

All the amounts reported in this disclosure, unless otherwise specified, are stated in millions of euro. The figures shown for comparison refer to the "Pillar 3 Basel 2" disclosure published as at 31 December 2009.

The Intesa Sanpaolo Group publishes this disclosure (Basel 2 Pillar 3) and subsequent updates on its Internet site at the address group.intesasanpaolo.com.

Capital ratios as at 30 September 2010

(millions of euro)

Regulatory capital and capital ratios	30.09.2010	31.12.2009
Regulatory capital		
Tier 1 capital	31,680	30,205
of which: preferred shares	*4,500*	*4,499*
Tier 2 capital	16,305	15,472
Minus items to be deducted	-3,576	-2,923
REGULATORY CAPITAL	**44,409**	**42,754**
Tier 3 subordinated loans	-	-
TOTAL REGULATORY CAPITAL	**44,409**	**42,754**
Risk-weighted assets		
Credit and counterparty risks	310,345	316,258
Market risks	15,669	16,804
Operational risks	28,507	28,113
Other risks	449	473
RISK-WEIGHTED ASSETS	**354,970**	**361,648**
Capital ratios %		
Core Tier 1 ratio	7.7	7.1
Tier 1 ratio	8.9	8.4
Total capital ratio	12.5	11.8

In compliance with the provisions of the Bank of Italy Circular 263/2006, in the calculation of capital ratios, elements to be deducted from total regulatory capital have been deducted separately and for an equal amount from Tier 1 and Tier 2 capital, with the exception of the contributions deriving from the insurance business that refer to contracts which arose prior to 20 July 2006, and as such continue to be deducted from total capital.

All capital ratios improved compared to 31 December 2009. The Total capital ratio stood at 12.5%, while the Group's Tier 1 ratio was 8.9%. The ratio of Tier 1 capital net of preferred shares to risk-weighted assets (Core Tier 1) was 7.7%.

The improvement in ratios compared to 31 December 2009 was the result not only of ordinary operations, but also of the sale of the securities services business (+37 basis points on the Core Tier 1 ratio) and the application of the internal approach to determine capital requirements for residential mortgages for private individuals following authorisation from the Bank of Italy (+13 basis points on the Core Tier 1 ratio). The acquisition of the Monte dei Paschi di Siena branches and the purchase of 50% of Intesa Vita had a negative impact (respectively, -7 and -11 basis points on the Core Tier 1). Regarding the latter transaction, in the statements as at 30 September 2010 accounting according to IFRS 3 was provisional, and therefore also the impact on regulatory capital could change slightly in the final accounting on closing of the Annual Report 2010.

Table 3 – Regulatory capital structure

Quantitative disclosure

Regulatory capital structure

The structure of the regulatory capital of the Intesa Sanpaolo Group as at 30 September 2010 is summarised in the table below.

(millions of euro)

Information	30.09.2010	31.12.2009
A. Tier 1 capital before the application of prudential filters	**33,933**	**32,170**
B. Tier 1 capital prudential filters	**-946**	**-932**
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	-946	-932
C. Tier 1 capital before items to be deducted (A+B)	**32,987**	**31,238**
D. Items to be deducted from Tier 1 capital	**1,307**	**1,033**
E. Total Tier 1 capital (C-D)	**31,680**	**30,205**
F. Tier 2 capital before the application of prudential filters	**17,670**	**16,599**
G. Tier 2 capital prudential filters	**-58**	**-94**
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	-58	-94
H. Tier 2 capital before items to be deducted (F+G)	**17,612**	**16,505**
I. Items to be deducted from Tier 2 capital	**1,307**	**1,033**
L. Total Tier 2 capital (H-I)	**16,305**	**15,472**
M. Items to be deducted from total Tier 1 and Tier 2 capital	**3,576**	**2,923**
N. Regulatory capital (E+L-M)	**44,409**	**42,754**
O. Tier 3 capital	**-**	**-**
P. Regulatory capital including Tier 3 (N+O)	**44,409**	**42,754**

As at 30 September 2010, total regulatory capital came to 44,409 million euro. Regulatory capital takes into account ordinary operations and an estimate of the dividends to be paid out on net income for 2010, the amount of which has been determined on a conventional basis as three fourths of the dividends distributed on the 2009 net income (774 million euro of the total 1,033 million euro).

Moreover, the Bank of Italy, in a Regulation issued on 18 May 2010, has provided new supervisory instructions concerning the prudential treatment of reserves associated with debt securities issued by the central governments of EU countries classified among “Financial assets available for sale”. In particular, the Regulation allows the capital gains and losses recognised through such reserves associated with the foregoing securities to be completely neutralised effective 1 January 2010, as an alternative to the already established asymmetrical approach (full deduction of the net capital loss from Tier 1 capital and partial inclusion of the net capital gain in Tier 2 capital). The Intesa Sanpaolo Group has elected to apply this approach. Accordingly, the regulatory capital and capital ratios as at 30 June and 30 September 2010 account for this measure (the effect on the Core Tier 1 ratio is +7 basis points on the values as at 30 September 2010).

More details of the breakdown of the regulatory capital are provided below.

Tier 1 capital

(millions of euro)

Information	30.09.2010	31.12.2009
TOTAL TIER 1 CAPITAL(*)		
- Share capital	6,970	7,036
- Share premium reserve	33,224	33,235
- Reserves and net income	14,095	12,766
- Non-innovative equity instruments	-	-
- Innovative equity instruments	4,500	4,499
- Positive IAS / IFRS prudential filters (+)		
Fair value option: changes in bank's own creditworthiness	-	-
Redeemable shares	-	-
Capital resources forming the object of forward purchase commitments included in tier 1 capital	-	-
Other positive prudential filters	-	-
TOTAL POSITIVE ITEMS	**58,789**	**57,536**
- Own shares or quotas	-5	-2
- Goodwill	-19,442	-19,731
- Other intangible assets	-5,409	-5,633
- Loss for the period	-	-
- Adjustments to loans	-	-
- Adjustments calculated on the regulatory trading book	-	-
- Other	-	-
- Negative IAS / IFRS prudential filters (-)		
Fair value option: changes in bank's own creditworthiness	-12	-11
Negative reserves on equities and quotas of UCI available for sale	-	-
Negative reserves on debt securities available for sale (**)	-426	-437
Net accumulated capital gain on tangible assets	-	-
Capital resources forming the object of forward purchase commitments included in tier 1 capital	-	-
Other negative prudential filters (***)	-508	-484
TOTAL NEGATIVE ITEMS	**-25,802**	**-26,298**
TOTAL TIER 1 CAPITAL BEFORE ITEMS TO BE DEDUCTED	**32,987**	**31,238**
TOTAL ITEMS TO BE DEDUCTED	**-1,307**	**-1,033**
- Investment in the Bank of Italy	-314	-314
- Insurance subsidiaries purchased after 20 July 2006	-362	-29
- Other banking and financial investments higher than 10% of the investee's capital	-428	-442
- Excess expected losses with respect to adjustments (IRB-AIRB models)	-122	-176
- Other deductions	-81	-72
TOTAL TIER 1 CAPITAL NET OF ITEMS TO BE DEDUCTED	**31,680**	**30,205**

(*) The individual components of the regulatory capital include both the portion relating to the capital of the Group and of the third party shareholders.

(**) This caption does not include negative reserves on EU countries government bonds for which the Group opted not to include negative Tier 1 "prudential filters" pursuant to supervisory provisions, with effect on the Core Tier 1 ratio of +7 basis points.

(***) This caption includes, for a scarcely material amount, negative prudential filters on sale of real estate used in operations following recent supervisory provisions.

The "Total items to be deducted" amounted to half the overall deductions, 50% of which were allocated as a reduction to the Tier 1 capital and the remaining 50% as a reduction to the Tier 2 capital.

Tier 2 capital

(millions of euro)

Information	30.09.2010	31.12.2009
TIER 2 CAPITAL (*)		
- Valuation reserves - Tangible assets		
Legally-required revaluations	*352*	*352*
Property and equipment used in operations	-	-
- Valuation reserve - Securities available for sale		
Equities and quotas of UCI	*115*	*189*
Debt securities	-	-
- Non-innovative equity instruments not included in tier 1 capital	-	-
- Innovative equity instruments not included in tier 1 capital	-	-
- Hybrid capital instruments	1,735	1,737
- Tier 2 subordinated liabilities	15,650	14,452
- Other positive items	2	1
- Positive IAS / IFRS prudential filters (+)		
Excess total adjustments with respect to expected losses	-	-
Net capital gains on equity investments	-	-
Other positive items	-	-
TOTAL POSITIVE ITEMS	**17,854**	**16,731**
- Net capital losses on equity investments	-25	-25
- Loans	-	-
- Other negative items	-159	-107
- Negative IAS / IFRS prudential filters (-)		
Portion not included of the valuation reserve on property and equipment used in operations	-	-
Portion not included of positive reserves on securities available for sale - Equities	*-58*	*-94*
Portion not included of positive reserves on securities available for sale - Debt securities	-	-
Tier 2 subordinated liabilities and hybrid capital instruments forming the object of forward purchase commitments not included in tier 2 capital	-	-
Other negative filters	-	-
TOTAL NEGATIVE ITEMS	**-242**	**-226**
TOTAL TIER 2 CAPITAL BEFORE ITEMS TO BE DEDUCTED	**17,612**	**16,505**
TOTAL ITEMS TO BE DEDUCTED	**-1,307**	**-1,033**
- Investment in the Bank of Italy	-314	-314
- Insurance subsidiaries purchased after 20 July 2006	-362	-29
- Other banking and financial investments higher than 10% of the investee's capital	-428	-442
- Excess expected losses with respect to adjustments (IRB-AIRB models)	-122	-176
- Other deductions	-81	-72
TOTAL TIER 2 CAPITAL NET OF ITEMS TO BE DEDUCTED	**16,305**	**15,472**

(*) The individual components of the regulatory capital include both the portion relating to the capital of the Group and of the third party shareholders.

The Group has no Tier 3 subordinated liabilities or other liabilities contributing to that balance sheet aggregate.

Table 4 – Capital adequacy

Quantitative disclosure

Before illustrating the quantitative data it should be noted that for the purposes of the internal capital adequacy assessment process (ICAAP - under Pillar II of Basel 2), during 2010 the Group presented its Internal Capital Adequacy Assessment Process Report as a "class 1" banking group, according to the Bank of Italy's classification, based on the extensive use of internal methodologies for measurement of risk, internal capital and total capital available.
The outcomes of the 2010 EU-wide stress test coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank (ECB) and under the supervision of the Bank of Italy, in which Intesa Sanpaolo also participated, were also published in July. The Intesa Sanpaolo Group passed the stress test carried out by the CEBS on the 91 major European banking groups. Under a what-if adverse scenario with an additional sovereign shock, the Group would register a Tier 1 ratio of 8.2% at year-end 2011 compared to the 8.3% ratio of year-end 2009 and the minimum level of 6% required for the purposes of this stress test, with a buffer of approximately 8.5 billion euro of Tier 1 capital against the threshold of the minimum capital adequacy ratio required for the purposes of this exercise.

According to the "New regulations for the prudential supervision of banks" (Bank of Italy Circular 263 of 27 December 2006), which implement the provisions on the International convergence of capital measurement and capital standards (Basel 2), the banking Group's capital must amount to at least 8% of total risk-weighted assets (total capital ratio) 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.
For the calculation of credit and counterparty risk capital requirements, the Intesa Sanpaolo Group, having received authorisation from the Supervisory Authority, uses the foundation IRB approach for the Corporate segment and the IRB [1] approach for the Retail Mortgage segment (Residential mortgages for private individuals), from the report as at 31 December 2008 and 30 June 2010 respectively.
The Group is also proceeding with the development of the rating models for the other segments, to which the standard methods are applied, and the extension of the scope of companies for their application in accordance with the gradual roll-out plan for the advanced approaches presented to the Supervisory Authority.
Banks must also comply with capital requirements on market risks calculated on the whole trading portfolio separately for the various types of risk: position risk on debt securities and equities, settlement risk, and concentration risk. Moreover, with reference to the entire financial statements, foreign exchange risk and position risk on commodities must be calculated. The use of internal models to calculate the capital requirement for market risks is permitted; in particular, Intesa Sanpaolo and Banca IMI apply the internal model to calculate general position risk (price fluctuation risk) and specific risk (issuer risk) for equities, and general position risk (rate fluctuation risk) for debt securities. Intesa Sanpaolo's internal model also includes the calculation of the specific risk for certain types of credit derivatives in the trading book, whereas Banca IMI's model includes the position risk on quotas of UCI (for the Constant Proportion Portfolio Insurance - CPPI component). The scope of validated risks has subsequently been extended to dividend derivatives and, with effect from June 2010, to the commodity risk for Banca IMI. Standardised approaches are used for the other types of risk. Counterparty risk is calculated independently of the portfolio of allocation.
With regard to operational risk, the Group was authorised, effective from 31 December 2009, to use the Advanced AMA Approach (internal model) to determine the associated capital requirement on an initial scope that includes the Banks and Companies of the Banca dei Territori Division (excluding network banks belonging to Cassa di Risparmio di Firenze Group, but including Casse del Centro), Leasint, Eurizon Capital and VUB Banka. The remaining companies, which currently employ the Standardised approach, will

[1] Given that the rating systems for retail exposures must reflect both the borrower risk and the specific risk of the transaction, in this case there is no distinction between the foundation and the advanced approach.

migrate progressively to the Advanced approaches starting from the end of 2010, based on the rollout plan presented to the Management and Supervisory Authorities.

In general terms, the group-level capital requirement is calculated as the sum of the individual requirements of the individual companies that make up the Banking group, net of exposures arising from intragroup relations included in the calculation of credit, counterparty and settlement risk.

In addition to the Total capital ratio referred to above, other more rigorous ratios are also used to assess capital base soundness: the Tier 1 capital ratio, represented by the ratio between Tier 1 capital and risk-weighted assets, and the Core Tier 1 capital ratio, represented by the ratio between Tier 1 capital (net of preference shares) and risk-weighted assets.

Capital requirements and capital ratios of the Intesa Sanpaolo Group

(millions of euro)

Information	30.09.2010			31.12.2009		
	Unweighted amounts	Weighted amounts	Requirements	Unweighted amounts	Weighted amounts	Requirements
A. CAPITAL REQUIREMENTS						
A.1 Credit and counterparty risks	**541,342**	**310,345**	**24,828**	**540,605**	**316,258**	**25,301**
1. Standardised approach	278,963	141,768	11,342	344,625	165,206	13,217
2. Internal models (IRB)	203,636	149,230	11,938	191,735	148,331	11,866
3. Internal models - Advanced approach and retail exposures	54,081	14,456	1,157	-	-	-
4. Securitisations	4,662	4,891	391	4,245	2,721	218
A.2 Market risk		**15,669**	**1,254**		**16,804**	**1,344**
1. Standardised approach		12,559	1,005		14,889	1,191
2. Internal models		2,785	223		1,202	96
3. Concentration risk		325	26		713	57
A.3 Operational risk		**28,507**	**2,280**		**28,113**	**2,249**
1. Basic indicator approach		1,324	106		1,363	109
2. Standardised approach		9,953	796		9,925	794
3. Advanced measurement approach		17,230	1,378		16,825	1,346
A.4 Other capital requirements		**-**	**-**		-	-
A.5 Other calculation elements (*)		**449**	**36**		**473**	**38**
A6 Total capital requirements		**354,970**	**28,398**		**361,648**	**28,932**
B. CAPITAL RATIOS (%)						
B.1 Core Tier 1			**7.7%**			**7.1%**
B.2 Tier 1 ratio			**8.9%**			**8.4%**
B.3 Total capital ratio			**12.5%**			**11.8%**

(*) Additional specific capital requirements required by the Supervisory Authority to individual Group companies.

For a better comparison of the figures for the two periods shown in the table above (figures as at 31 December 2009 were not calculated on a proforma basis), please note that:

– the deconsolidation of Securities Services business, following its sale, resulted in a reduction in the assets at risk – weighted amounts – of around 1.3 billion euro (essentially credit and counterparty risk);
– the entry into the Group of the branches purchased from Monte dei Paschi, on the other hand, resulted in an increase in the assets at risk – weighted amounts – of just under one billion euro (credit and counterparty risk).

The tables below provide details of the Group's different capital requirements as at 30 September 2010.

Capital requirement for Credit and Counterparty Risk (Standardised Approach)

(millions of euro)

Regulatory portfolio	Capital requirement	
	30.09.2010	**31.12.2009**
Exposures to or secured by governments and central banks	99	101
Exposures to or secured by local authorities	296	275
Exposures to or secured by not for profit and public sector organisations	159	155
Exposures to or secured by multilateral development banks	-	-
Exposures to or secured by international organisations	-	-
Exposures to or secured by supervised institutions	1,197	1,093
Exposures to or secured by corporates	4,108	4,424
Retail exposures	2,862	3,130
Exposures secured by real estate property	640	2,106
Past due exposures	793	878
High-risk exposures	151	89
Exposures in the form of covered bonds	1	-
Short-term exposures to corporates	94	120
Exposures to UCI	270	70
Other exposures	672	776
Total capital requirement for credit risk and counterparty risk (Standardised Approach)	**11,342**	**13,217**

Capital requirement for Credit and Counterparty Risk (IRB Approach)

(millions of euro)

Regulatory portfolio	Capital requirement	
	30.09.2010	**31.12.2009**
A. Exposures to or secured by corporates (Foundation IRB Approach)	**11,889**	**11,815**
A.1) Specialised lending	548	372
A.2) Specialised lending - slotting criteria	154	97
A.3) SMEs	3,907	3,974
A.4) Other corporates	7,280	7,372
B. Exposures secured by residential property (IRB Approach)	**1,157**	**-**
B.1) Retail	1,157	-
C. Equity exposures (simple risk weight approach)	**49**	**51**
C.1) Private equity exposures in sufficiently diversified portfolios	9	21
C.2) Exchange-traded equity exposures	25	10
C.3) Other equity exposures	15	20
D. Equity instruments: Other assets - Ancillary investments	**-**	**-**
E. Exposures subject to supervisory transition regarding capital requirements	**-**	**-**
Total capital requirement for credit risk and counterparty risk (IRB Approach)	**13,095**	**11,866**

The equity exposures, for the companies that have adopted the IRB approach for the corporate regulatory portfolio, subject to grandfathering provisions regarding capital requirements, have a capital requirement of 206 million euro (179 million euro as at 31 December 2009).

Capital requirement for Credit and Counterparty Risk on securitisations (Standardised Approach)

Capital requirement for Credit and Counterparty Risk on securitisations (Standardised Approach) amounted to 391 million euro as at 30 September 2010 (218 million euro as at 31 December 2009).

Capital requirement for Market Risk

(millions of euro)

Information	Capital requirement	
	30.09.2010	31.12.2009
Assets included in the regulatory trading book	**1,157**	**1,246**
Position risk	1,131	1,189
Settlement risk for DVP (Delivery Versus Payment) transactions	-	-
Concentration risk	26	57
Other assets	**97**	**98**
Foreign exchange risk	58	70
Commodity risk	39	28
Total capital requirement for market risk	**1,254**	**1,344**

The capital requirement for "counterparty risk" for the regulatory trading book is 558 million euro (557 million euro as at 31 December 2009). This requirement is shown - for the individual regulatory portfolios - in the tables of capital requirements for credit risk under the standardised approach and the IRB approach.

Capital requirement for Operational Risk

(millions of euro)

Information	Capital requirement	
	30.09.2010	31.12.2009
Basic indicator approach	106	109
Standardised approach	796	794
Advanced measurement approach	1,378	1,346
Total capital requirement for operational risk	**2,280**	**2,249**

With effect from December 2009, almost all of the Group used the Advanced Measurement Approach (AMA) and the Standardised Approach to determine capital requirements for operational risk. A small remaining number of companies use the Basic Indicator Approach (BIA) For the AMA Approach the requirement is recalculated on a half yearly basis, whereas for the Standardised and the BIA Approaches the requirement is only calculated annually, unless one or more Group companies change approach during the year, by migrating towards more sophisticated models. Such an event occurred already in the first half of 2010 with the transition to the Standardised Approach of Banca Prossima and Centro Leasing Rete, previously included under the residual scope of the BIA Approach.

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

The Manager responsible for preparing the Company’s financial reports, Ernesto Riva, declares, pursuant to par. 2 of art. 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document “Basel 2 - Pillar 3 as at 30 September 2010” corresponds to the corporate records, books and accounts.

09 November 2010

Ernesto Riva
Manager responsible for preparing
the Company’s financial reports

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Internet: group.intesasanpaolo.com

Intesa Sanpaolo is the most widespread bank in Italy. Its leadership stems not only from its size but also thanks to its ability to interpret and respond to the needs of the areas in which it is present.
This commitment can be seen in the choice of maintaining and enhancing all the banks in the group, since it is they that allow Intesa Sanpaolo to present itself to the market as a fully-fledged citizen of every place in which it operates.
This is the reason the illustrations chosen for this report have been inspired by the rich cultural heritage of Italian cities. They show the steeples of greatest importance to the cities where our registered offices are located and which appear in the names of our local Banche dei Territori. It is a tribute to Italian tradition and history. But it is also emblematic of the willingness to communicate and establish relationships that distinguishes the people at Intesa Sanpaolo and the banks in the Group.

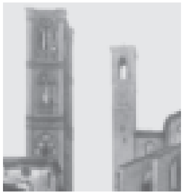
1. Milano
Steeple, Basilica of Sant'Ambrogio

2. Torino
Steeple, San Carlo Church

3. Napoli
Steeple, Santa Chiara Monastery

4. Trento
Steeple, Duomo of Trento

5. Forlì
Steeple, Piazza Vittorio Emanuele



6. Bologna
Steeple, San Francesco Church

7. Venezia
Steeple, Piazza San Marco

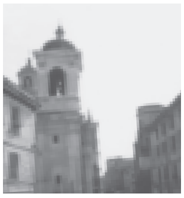
8. Padova
Steeple, Basilica of Sant'Antonio

9. Narni
Steeple of San Giovenale

10. Rieti
Steeple, Duomo dell'Assunta

11. Spoleto
Steeple, Palazzo Montevecchio

12. Bolzano
Steeple, San Giovanni in Villa Church



13. Civitavecchia
Steeple, Chiesa dell'Orazione e Morte

14. Foligno
Steeple, Cathedral

15. Pistoia
Steeple, Piazza del Duomo

16. Terni
Steeple, San Francesco Church

17. Firenze
Giotto's Bell Tower, Piazza del Duomo

18. Ascoli Piceno
Steeple, Santi Vincenzo e Anastasio Church

19. Viterbo
Steeple, Ex Chiesa degli Almadiani

20. Pescia
Steeple, Santa Maria Assunta Cathedral

21. Città di Castello
Steeple, Duomo

22. Pesaro
Steeple, San Giacomo Church

23. Gorizia
Steeple, Sant'Ignazio Church

24. Cagliari
Steeple, Sant'Anna Church

25. La Spezia
Steeple, Chiesa di Nostra Signora della Neve

Credits

1-7-8-17 Raccolte Museali Fratelli Alinari (RMFA), Firenze
2-4-5-6-10-18 Archivi Alinari - Alinari Archive, Firenze
3-11-14 Archivi Alinari - Anderson archive, Firenze
9-16 Photo by Sergio Pagliaricci, Terni
12 Photo by Michele Bernardinatti - KLR foto - Trento
13 Photo by Fotoarte Mazzoldi Gabriella, Civitavecchia
15 Archivi Alinari - Brogi Archive, Firenze
19 Photo by Francesco Biganzoli, Viterbo
20 Photo by Aurelio Amendola, Pistoia
21 Photo by Enrico Milanesi, Città di Castello
22 Photo by Luciano Dolcini, Pesaro
23 Photo by Franco Debernardi, Trieste
24 Photo by Elisabetta Messina, Cagliari
25 Photo by Maurizio Baldi, La Spezia