



Basel 3 Pillar 3

Disclosure as at 31 March 2024

This is an English translation of the original Italian document "Terzo Pilastro di Basilea 3 Informativa al pubblico al 31 marzo 2024". 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 2024

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Introduction

Notes to the Basel 3 Pillar 3 disclosure

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

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

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

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

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

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

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

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

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

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

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

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

As is by now common knowledge, with regard to IFRS 9, the transitional period (2018-2022) provided for by Regulation (EU) 2017/2395 to mitigate the capital impacts of its introduction ended on 31 December 2022. Moreover, from June 2020 the Intesa Sanpaolo Group has not applied either the new transitional IFRS 9 rules (in force up to 31 December 2024), or the FVOCI prudential filter (ended on 31 December 2022), which were both introduced by Regulation (EU) no. 2020/873 (CRR Quick Fix) in the context of the pandemic.

In addition, with reference to the increasing weight that control of environmental, social and governance risks (ESG risks) is now taking on within the European regulatory framework, in December 2022 Commission Implementing Regulation (EU) 2022/2453 was published in the Official Journal, amending the implementing technical standards (ITS) laid down in Implementing Regulation (EU) 2021/637 with regard to the introduction of new uniform disclosure formats for ESG risks and instructions, developed in compliance with Article 449a of the CRR. That Article requires large institutions that have issued securities traded in a regulated market of any Member State to publish disclosure on ESG risks, including physical risks and transition risks. Banks have fulfilled the related initial disclosure obligations starting from 31 December 2022, and are required to provide this disclosure on a half-yearly basis thereafter, gradually applying the disclosure obligations based on specific models (phase-in period from December 2022 to December 2024). In particular, from December 2023, the disclosure regarding the Green Asset Ratio¹ - GAR has been added. For further details, see the Pillar 3 Disclosure as at 31 December 2023.

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 Group's Interim Statement as at 31 March 2024 and 2023 Annual Report.

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

Compared to 31 December 2023, there were no significant entries or exits in the scope of line-by-line consolidation. With regard to the exits, mention is made, solely for the sake of completeness, of those resulting from the elimination from the Company Register of entities in liquidation, and in particular of:

- IN.FRA - Investire nelle Infrastrutture S.r.l. in liquidation;
- Compagnia Italiana Finanziaria S.r.l. in liquidation following its elimination from the Company Register;
- Iniziative Logistiche S.r.l. in liquidation.

Compared to 31 December 2023, there were no changes in the prudential scope of consolidation (the above only affects the accounting scope of consolidation).

With regard to the Ukrainian subsidiary Pravex Bank, as a result of the continuation of the critical situation in Kyiv (where the subsidiary's offices are located) now since mid-October 2022, due to the repeated Russian bombings of the main Ukrainian power plants, it was decided, with a view to reducing "operational" risk, that it was best to retain, in the March 2024 consolidation, the accounting values produced by Pravex for the consolidation of December 2023. The balance sheet and income statement results of Pravex were included based on a consolidation package, drawn up in compliance with the IAS/IFRSs, as set out in the Group Accounting Policies, related to 31 December 2023, using the exchange rate as at 31 March 2024 for conversion into Euro.

The decision to use the data as at 31 December 2023 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.

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

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

In relation to the scope of application of the provisions of the CRR, which refers – as previously indicated – to a "prudential" consolidation scope, and the provisions of the CRR, this document does not illustrate all the types of risk that the Intesa Sanpaolo Group is exposed to. For more details, see the Group's Interim Statement as at 31 March 2024 and 2023 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

¹ Also referred to as the green assets ratio, it indicates "the proportion of exposures of the credit institution related to activities aligned to the EU Taxonomy – Reg. 2021/2178 (green assets) compared to the total assets of the institution. The GAR should relate to the credit institutions' main lending and investment business, including loans, advances and debt securities, and to their equity investments to reflect the extent to which those institutions finance Taxonomy-aligned activities".

prudential regulation and is consistent with Group risk management guidelines and policies and with the measurement and control of the Group's exposure to the different risk categories.

As a public disclosure, the document is accompanied by the declaration of the Manager responsible for preparing the Company's financial reports, pursuant to paragraph 2 of Art. 154-bis of the Consolidated Law on Finance, which confirms that the accounting information contained in the document corresponds to the supporting documentation, ledgers and other accounting records.

The preparation of Financial disclosures to the Market is one of the processes subject to assessment under the Group "Administrative and Financial Governance Guidelines", which were also approved by the Board of Directors.

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

Own funds

Qualitative and quantitative disclosure

Introduction

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

The above provisions have been incorporated into the following two regulations:

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

These provisions are supplemented by the European Commission Delegated Regulations and the ECB Decisions on the definition of Own Funds, listed below:

- Commission Delegated Regulation (EU) 342/2014 of 21 January 2014, supplementing Directive 2002/87/EC of the European Parliament and of the Council and Regulation (EU) 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the application of the calculation methods of capital adequacy requirements for financial conglomerates;
- Commission Delegated Regulation (EU) 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) 2017/2395 of the European Parliament and of the Council of 12 December 2017, amending Regulation (EU) 575/2013, through the addition of the new Article 473a (“Introduction of IFRS 9”), in relation to the transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State. The above article was amended in turn by Regulation (EU) 2020/873 of 24 June 2020 (so-called “CRR quick fix”), which makes adjustments in response to the COVID-19 pandemic;
- Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) 575/2013 as regards minimum loss coverage for non-performing exposures;
- Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Commission Delegated Regulation (EU) 241/2014 as regards the deduction of software assets from Common Equity Tier 1 items.

This regulatory framework requires that Own Funds (or regulatory capital) are made up of the following tiers of capital:

- Tier 1 Capital, in turn composed of:
 - o Common Equity Tier 1 Capital (CET1);
 - o Additional Tier 1 Capital (AT1);
- Tier 2 Capital (T2).

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

In order to be eligible for Common Equity, the equity instruments issued must guarantee absorption of losses on going concern, by satisfying the following characteristics:

- maximum level of subordination;
- option for suspending the payment of dividends/coupons at the full discretion of the issuer and in a non-cumulative manner;
- unredeemability;
- absence of redemption incentives.

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

A number of prudential filters are also envisaged with effects on Common Equity:

- filter on profits associated with future margins deriving from securitisations;
- filter on cash flow hedge (CFH) reserves;
- filter on profits or losses on liabilities designated at fair value (derivatives or otherwise) associated with changes in own credit risk (DVA);

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

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

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

With regard to the accounting standard IFRS 9, as already stated in the Introduction of this document, the transitional period (2018-2022) introduced to mitigate its impacts on capital ended on 31 December 2022. Nevertheless, the 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 addition, since June 2020 the Intesa Sanpaolo Group has not adopted the new IFRS 9 transitional rules relating to adjustments to loans after 31 December 2019 or the reintroduction of the prudential filter for exposures to central governments classified to the FVOCI category – the first of which is in force until 31 December 2024 while the second ended on 31 December 2022 – both introduced by the European Commission in Regulation 2020/873 of 24 June 2020 (quick fix).

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

The above-mentioned Regulation (EU) 2019/876 (CRR II) 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 II) – 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 II – 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) 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.

Finally, with regard to the regulatory provision set out in 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 2024².

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

Breakdown of Own Funds

The structure of the Intesa Sanpaolo Group's Own Funds as at 31 March 2024 is summarised in the table below.

	(millions of euro)	
	31.03.2024	31.12.2023
A. Common Equity Tier 1 (CET1) before the application of prudential filters	53,533	52,938
B. CET1 prudential filters (+ / -)	297	169
C. CET1 before items to be deducted (A +/- B)	53,830	53,107
D. Items to be deducted from CET1	-13,382	-11,631
E. Total Common Equity Tier 1 (CET1) (C-D)	40,448	41,476
F. Additional Tier 1 (AT1) before items to be deducted	7,702	7,707
G. Items to be deducted from AT1	-	-
H. Total Additional Tier 1 (AT1) (F - G)	7,702	7,707
I. Total Tier 1 (T1) (E + H)	48,150	49,183
L. Tier 2 (T2) before items to be deducted	9,211	8,799
M. Items to be deducted from T2	-	-
N. Total Tier 2 (T2) (L - M)	9,211	8,799
O. Total own funds (E + H + N)	57,361	57,982

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

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

- Attachment 1, which contains details of the terms and conditions of the Additional Tier 1 instruments issued during the first three months of 2024, in line with the template EU CCA of Regulation (EU) 2021/637;
- Attachment 2: template EU CC1 – Composition of regulatory own funds.

The full terms and conditions of all the other Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments have been reported in Attachment 1 to the Basel 3 Pillar 3 - Disclosure as at 31 December 2023.

Reconciliation of net book value and Common Equity Tier 1 Capital

Captions	(millions of euro)	
	31.03.2024	31.12.2023
Group Shareholders' equity	65,804	63,963
Minority interests	122	164
Shareholders' equity as per the Balance Sheet	65,926	64,127
Interim dividend ^(a)	2,629	2,629
Adjustments for instruments eligible for inclusion in AT1 or T2 and net income for the period		
- Other equity instruments eligible for inclusion in AT1	-7,702	-7,707
- Minority interests eligible for inclusion in AT1	-	-
- Minority interests eligible for inclusion in T2	-	-
- Ineligible minority interests on full phase-in	-122	-164
- Ineligible net income for the period ^(b)	-1,663	-5,787
- Treasury shares included under regulatory adjustments ^(c)	1,865	165
- Buyback of own shares ^(d)	-1,700	-
- Other ineligible components on full phase-in ^(e)	-5,700	-325
Common Equity Tier 1 capital (CET1) before regulatory adjustments	53,533	52,938
Regulatory adjustments ^(f)	-13,085	-11,462
Common Equity Tier 1 capital (CET1) net of regulatory adjustments	40,448	41,476

(a) As at 31 March 2024 and 31 December 2023, the Shareholders' equity as per the Balance Sheet did not include the interim dividend of 2,629 million euro (net of the undistributed portion in respect of the own shares held at the record date).

(b) Common Equity Tier 1 capital as at 31 March 2024 includes the net income for the period, less the related dividend and other foreseeable charges (accrued coupon on Additional Tier 1 instruments, net of the tax effects).

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

(d) The amount as at 31 March 2024 refers to the total amount of the programme of purchase of own shares for annulment (buyback), amounting to 1.7 billion euro, approved by the Shareholders' Meeting of 24 April 2024, following the receipt of the related authorisation from the Supervisory Authority on 11 March 2024.

(e) The amount as at 31 March 2024 primarily includes the dividend and the portion intended for charitable donations relating to 2023 net income, as approved by the Shareholders' Meeting on 24 April 2024.

(f) The regulatory adjustments include the book value of own shares and the shares for which the Group has already received the buyback authorisation, in addition to 891 million euro of Article 3 CRR deduction (for the calendar provisioning on exposures included within the scope of Pillar 2).

Common Equity Tier 1 Capital (CET1)

Information	(millions of euro)	
	31.03.2024	31.12.2023
Common Equity Tier 1 capital (CET1)		
Share capital - ordinary shares	10,369	10,369
Share premium reserve	28,003	28,003
Reserves (a)	22,232	14,638
Accumulated other comprehensive income	-2,279	-2,009
Net income (loss) for the period	2,301	7,724
Net income (loss) for the period not eligible (b)	-1,663	-5,787
Dividends and other foreseeable charges (c)	-5,430	-
Minority interests	-	-
Common Equity Tier 1 capital (CET1) before regulatory adjustments	53,533	52,938
Common Equity Tier 1 capital (CET1): Regulatory adjustments		
Treasury shares	-1,865	-165
Goodwill	-3,705	-3,706
Other intangible assets	-3,743	-3,690
Deferred tax assets that rely on future profitability and do not arise from temporary differences	-2,428	-2,430
Negative amounts resulting from the calculation of expected losses (shortfall reserve)	-238	-242
Defined benefit pension funds assets	-	-
Prudential filters	297	169
- of which Cash Flow Hedge Reserve	279	317
- of which Gains or Losses due to changes in own credit risk (DVA)	240	99
- of which Prudent valuation adjustments	-222	-247
- of which Other prudential filters	-	-
Exposures to securitisations deducted rather than risk weighted at 1250%	-43	-50
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)	-891	-891
Positive or negative elements - other (f)	-469	-457
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-13,085	-11,462
Common Equity Tier 1 (CET1) - Total	40,448	41,476

(a) Amount included in CET1, includes a negative effect of about 3,265 million euro deriving from the adoption of IFRS 9, in addition to the 2023 income allocated to reserves.

(b) Common Equity Tier 1 capital as at 31 March 2024 includes the net incomes at that date, less the related dividend and other foreseeable charges (accrued coupon on Additional Tier 1 instruments, net of the tax effects).

(c) As at 31 March 2024, the figure considers the dividends on 2023 results and the portion of 2023 income allocated to charity.

(d) See 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. Moreover, it is noted that the Intesa Sanpaolo Group did not apply either the new transition regime for IFRS 9 (in force up to 31 December 2024), or the FVOCI prudential filter (ended on 31 December 2022). These were both introduced by Regulation (EU) no. 873/2020 (Quick Fix) in the context of the pandemic.

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.

As at 31 March 2024, own funds take account of the deduction following the authorisation from the ECB to purchase own shares for annulment (buyback), as approved by the Shareholders' Meeting on 24 April 2024, for a total amount of 1.7 billion euro³.

Moreover, in compliance with Article 3 of the CRR ("Application of stricter requirements by institutions"), for the purpose of calculating own funds as at 31 March 2024, the voluntary deduction of calendar provisioning⁴ on exposures within the scope of Pillar 2 was included, which entailed the deduction of an impact of around 30 basis points from CET 1.

Since 30 June 2023, the Intesa Sanpaolo Group has been complying with EBA Q&A 2021_6211, which clarifies that the amount of goodwill to deduct from an institution's CET 1 must be that relating to directly controlled insurance companies, recognised at the date of acquisition of the significant investment in those companies, without considering the goodwill referring to subsequent acquisitions made. The latter amount was included in the calculation of risk-weighted assets (RWA), thus falling under the ordinary treatment that the Group reserves for equity investments in insurance companies.

For the purposes of calculating own funds as at 31 March 2024, the net income for the first quarter was taken into account, less the related dividend and other foreseeable charges⁵.

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 2024 is equal to 43 million euro.

³ As reported in the Interim Statement as at 31 March 2024, the programme was authorised by the ECB on 11 March 2024. Details of the transaction, to be launched in June 2024, will be disclosed in accordance with the applicable regulations.

⁴ 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.

⁵ Coupons accrued on the Additional Tier 1 issues (97 million euro).

Additional Tier 1 Capital (AT1)

Information	(millions of euro)	
	31.03.2024	31.12.2023
Additional Tier 1 capital (AT1)		
AT1 instruments	7,702	7,707
Minority interests	-	-
Additional Tier 1 capital (AT1) before regulatory adjustments	7,702	7,707
Regulatory adjustments to Additional Tier 1 (AT1)	-	-
Additional Tier 1 (AT1) - Total	7,702	7,707

Additional Tier 1 (AT1) equity instruments

Issuer	Interest rate	Step-up	Issue date	Expiry date	Early redemption as of	Currency	Subject to grandfathering	Original amount in currency	Contribution to the own funds (millions of euro)
Intesa Sanpaolo	7.70% fixed rate	NO	17-Sep-2015	perpetual	17-Sep-2025	USD	(*)	1,000,000,000	880
Intesa Sanpaolo	7.75% fixed rate	NO	11-Jan-2017	perpetual	11-Jan-2027	Eur	NO	1,250,000,000	1,241
Intesa Sanpaolo	3.75% fixed rate	NO	27-Feb-2020	perpetual	27-Feb-2025	Eur	NO	750,000,000	720
Intesa Sanpaolo	4.125% fixed rate	NO	27-Feb-2020	perpetual	27-Feb-2030	Eur	NO	750,000,000	748
Intesa Sanpaolo	5.875% fixed rate (payable semi-annually)	NO	01-Sep-2020	perpetual	01-Sep-2031	Eur	NO	750,000,000	748
Intesa Sanpaolo	5.5% fixed rate (payable semi-annually)	NO	01-Sep-2020	perpetual	01-Mar-2028	Eur	NO	750,000,000	729
Intesa Sanpaolo	5.875% fixed rate (payable semi-annually)	NO	20-Jan-2020	perpetual	20-Jan-2025	Eur	NO	400,000,000	376
Intesa Sanpaolo	6.375% fixed rate (payable semi-annually)	NO	30-Mar-2022	perpetual	30-Mar-2028 - 30-Sep-2028	Eur	NO	1,000,000,000	995
Intesa Sanpaolo	9.125% fixed rate (payable semi-annually)	NO	07-Sep-2023	perpetual	07-Sep-2029 - 07-Mar-2030	Eur	NO	1,250,000,000	1,247
REYL & Cie SA	4.75%	NO	30-Nov-2019	perpetual	30-Nov-2024	CHF	NO	15,000,000	13
REYL & Cie SA	4.75%	NO	30-Nov-2018	perpetual	30-Nov-2023	CHF	NO	12,000,000	5
Total Additional Tier 1 equity instruments									7,702

(*) The instrument was issued before 1 January 2016 and is therefore still valid for MREL purposes, because it has the relevant characteristics. For the purposes of eligibility for inclusion in own funds, it is grandfathered pursuant to Article 494b of the CRR and therefore, after 28 June 2025, the security will no longer qualify for inclusion in the Additional Tier 1 instruments in accordance with Article 52 of the CRR.

Tier 2 Capital (T2)

	(millions of euro)	
	31.03.2024	31.12.2023
Tier 2 Capital (T2)		
T2 Instruments	8,360	7,953
Minority interests	-	-
Excess of provisions over expected losses eligible (excess reserve)	851	846
Tier 2 capital before regulatory adjustments	9,211	8,799
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	9,211	8,799

Tier 2 (T2) equity instruments

Issuer	Interest rate	Step-up	Issue date	Expiry date	Early redemption as of	Currency	Subject to grandfathering	Original amount in currency	Contribution to the own funds (millions of euro)
Intesa Sanpaolo	5.017% fixed rate	NO	26-Jun-2014	26-Jun-2024	NO	USD	NO	2,000,000,000	89
Intesa Sanpaolo	3.928% fixed rate	NO	15-Sep-2014	15-Sep-2026	NO	Eur	NO	1,000,000,000	483
Intesa Sanpaolo	2.855% fixed rate	NO	23-Apr-2015	23-Apr-2025	NO	Eur	NO	500,000,000	105
Intesa Sanpaolo	5.71% fixed rate	NO	15-Jan-2016	15-Jan-2026	NO	USD	NO	1,500,000,000	477
Intesa Sanpaolo	3-month Euribor + 1.9%/4	NO	26-Sep-2017	26-Sep-2024	NO	Eur	NO	723,700,000	71
Intesa Sanpaolo	4.375% fixed rate	NO	12-Jul-2019	12-Jul-2029	12-Jul-2024	Eur	NO	300,000,000	316
Intesa Sanpaolo	1.98% fixed rate	NO	11-Dec-2019	11-Dec-2026	NO	Eur	NO	160,250,000	78
Intesa Sanpaolo	3-month Euribor + 206 bp/4	NO	11-Dec-2019	11-Dec-2026	NO	Eur	NO	188,000,000	95
Intesa Sanpaolo	5.148% fixed rate	NO	10-Jun-2020	10-Jun-2030	NO	GBP	NO	350,000,000	336
Intesa Sanpaolo	3.75% fixed rate	NO	29-Jun-2020	29-Jun-2027	NO	Eur	NO	309,250,000	177
Intesa Sanpaolo	3-month Euribor + 405 bp/4	NO	29-Jun-2020	29-Jun-2027	NO	Eur	NO	590,500,000	390
Intesa Sanpaolo	2.925% fixed rate	NO	14-Oct-2020	14-Oct-2030	NO	Eur	NO	500,000,000	437
Intesa Sanpaolo	4.198% fixed rate	NO	01-Jun-2021	01-Jun-2032	01-Jun-2031	USD	NO	750,000,000	592
Intesa Sanpaolo	4.95% fixed rate	NO	01-Jun-2021	01-Jun-2042	01-Jun-2041	USD	NO	750,000,000	542
Intesa Sanpaolo	3-month Euribor + 345 bp/4	NO	16-Jun-2022	16-Jun-2032	NO	Eur	NO	861,800,000	809
Intesa Sanpaolo	8.505% fixed rate	NO	20-Sep-2022	20-Sep-2032	NO	GBP	NO	400,000,000	455
Intesa Sanpaolo	3-month Euribor + 415 bp/4	NO	14-Oct-2022	14-Oct-2032	NO	Eur	NO	677,400,000	638
Intesa Sanpaolo	6.184% fixed rate	NO	20-Feb-2023	20-Feb-2034	20-Nov-2028	Eur	NO	1,000,000,000	989
Intesa Sanpaolo	5,0% fixed rate	NO	20-Mar-2024	20-Mar-2034	NO	Eur	NO	1,063,000,000	1,043
Intesa Sanpaolo	3-month Euribor + 226 bp/4	NO	20-Mar-2024	20-Mar-2034	NO	Eur	NO	245,000,000	238
Total Tier 2 instruments									8,360

With regard to the T2, this includes the two new bonds issued in March 2024 for a total of 1,308 million euro, with fixed and floating rates and a 10-year maturity.

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

	(millions of euro)	
	31.03.2024	31.12.2023
A. Threshold of 10% for CET1 instruments of financial sector entities where the institution does not have a significant investment	4,139	4,241
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	4,139	4,241
C. Threshold of 17.65% for significant investments and DTA not deducted in the threshold described under point B	6,642	6,814

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:
 - o 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;
 - o 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 13.45% of total risk-weighted assets (total capital ratio, of which 9.29% in terms of Common Equity Tier 1 ratio⁶) 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 30 November 2023, 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 2024.

The overall capital requirement to be met in terms of Common Equity Tier 1 ratio is currently 9.34%. 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 2020⁷;
- 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 0.25%⁸.

There were no changes in the scope of application of the internal models for credit risk, counterparty risk and operational risk compared to 31 December 2023.

The annual Internal Capital Adequacy Assessment Process (ICAAP) Report, based on the extensive use of internal risk measurement methodologies, internal capital and total capital available, was approved and sent to the ECB in March 2024.

⁶ This requirement is determined by: the minimum Pillar 1 capital requirement of 8% (of which 4.5% is CET1), the additional Pillar 2 capital requirement of 1.50% (of which 0.84% is CET1) and the Combined Buffer of 3.95% (the institution-specific countercyclical capital buffer was 0.20% in the first quarter of 2024).

⁷ 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.

⁸ Countercyclical Capital Buffer calculated taking into account the exposure as at 31 March 2024 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for the first half of 2024).

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

(millions of euro)

		Total risk exposure amounts (TREA)		Total own funds requirements
		31.03.2024	31.12.2023	31.03.2024
1	Credit risk (excluding CCR)	244,405	245,269	19,552
2	<i>Of which the standardised approach</i>	71,977	74,365	5,758
3	<i>Of which the Foundation IRB (F-IRB) approach</i>	772	728	62
4	<i>Of which slotting approach</i>	1,015	1,072	81
EU 4a	<i>Of which equities under the simple riskweighted approach</i>	28,374	27,598	2,270
5	<i>Of which the Advanced IRB (A-IRB) approach</i>	136,407	135,777	10,913
6	Counterparty credit risk - CCR	5,557	5,386	445
7	<i>Of which the standardised approach</i>	365	327	29
8	<i>Of which internal model method (IMM)</i>	3,341	3,203	267
EU 8a	<i>Of which exposures to a CCP</i>	419	439	34
EU 8b	<i>Of which credit valuation adjustment - CVA</i>	919	917	74
9	<i>Of which other CCR</i>	513	500	41
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap) (*)	9,874	10,363	790
17	<i>Of which SEC-IRBA approach</i>	5,254	5,405	420
18	<i>Of which SEC-ERBA (including IAA)</i>	97	99	8
19	<i>Of which SEC-SA approach</i>	3,783	4,106	303
EU 19a	<i>Of which 1250%</i>	-	-	-
(**)	<i>Of which specific treatment for Senior tranches of qualifying NPE securitisations</i>	740	753	59
20	Position, foreign exchange and commodities risks (Market risk)	14,926	12,621	1,194
21	<i>Of which the standardised approach</i>	3,768	3,432	301
22	<i>Of which IMA</i>	11,158	9,189	893
EU 22a	Large exposures	-	-	-
23	Operational risk	28,471	28,471	2,278
EU 23a	<i>Of which basic indicator approach</i>	801	801	64
EU 23b	<i>Of which standardised approach</i>	3,153	3,153	252
EU 23c	<i>Of which advanced measurement approach</i>	24,517	24,517	1,962
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (***)	9,352	9,478	748
29	TOTAL	303,233	302,110	24,259

(*) Memo item: securitisations deducted from Regulatory Capital as at 31 March 2024 equivalent to 524 million euro of RWEAs and 42 million euro of requirement.

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

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

The total amount of risk-weighted exposures recorded as at 31 March 2024 was 303.2 billion euro, an increase of 1.1 billion euro compared to December 2023. In particular, please note the following:

- credit risk, excluding counterparty risk (-0.9 billion euro compared to the previous quarter): the reduction was mainly attributable to optimisation actions, including the recovery of collateral eligibility, as well as the movement in customer volumes; these effects were partially offset by the growth in the securities portfolio and the dynamics of the insurance business;
- counterparty risk (+0.2 billion euro compared to the previous quarter): the change was mainly attributable to the increase in default risk, relating to SFTs due to portfolio changes;
- securitisation exposures in the non-trading book (-0.5 billion euro compared to the previous quarter): the decrease was attributable to the natural changes in the outstanding portfolio;
- market risk (+2.3 billion euro compared to the previous quarter): the rise was attributable to the increase in VaR and Stressed VaR measures, mainly as a result of the increase in exposure to interest rates. The IRC measure also increased due to higher positions on both sovereign and corporate bonds. There was also an increase in foreign exchange risk and some exposures measured using the standardised approach;
- for operational risk, in line with the half-yearly update of the calculation, there was no change.

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

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

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

(millions of euro)

		31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	40,448	41,476	40,496	40,615	40,434
2	Tier 1 capital	48,150	49,183	48,203	47,822	47,641
3	Total capital	57,361	57,982	57,129	57,159	57,465
Risk-weighted exposure amounts						
4	Total risk exposure amount	303,233	302,110	298,282	295,786	295,075
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	13.34%	13.73%	13.58%	13.73%	13.70%
6	Tier 1 ratio (%)	15.88%	16.28%	16.16%	16.17%	16.15%
7	Total capital ratio (%)	18.92%	19.19%	19.15%	19.32%	19.47%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.50%	1.50%	1.50%	1.72%	1.72%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.84%	0.84%	0.84%	0.97%	0.97%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.13%	1.13%	1.13%	1.29%	1.29%
EU 7d	Total SREP own funds requirements (%)	9.50%	9.50%	9.50%	9.72%	9.72%
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 (%)	0.20%	0.19%	0.17%	0.14%	0.11%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.25%	0.75%	0.75%	0.75%	0.75%
11	Combined buffer requirement (%)	3.95%	3.44%	3.42%	3.39%	3.36%
EU 11a	Overall capital requirements (%)	13.45%	12.94%	12.92%	13.11%	13.08%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.99%	8.38%	8.23%	8.26%	8.24%
Leverage ratio						
13	Total exposure measure	823,518	850,718	838,681	838,509	834,572
14	Leverage ratio (%)	5.85%	5.78%	5.75%	5.70%	5.71%
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)	140,803	141,856	145,017	149,684	156,725
EU 16a	Cash outflows - Total weighted value	106,534	107,261	108,611	111,564	114,093
EU 16b	Cash inflows - Total weighted value	23,048	22,794	22,976	24,041	24,916
16	Total net cash outflows (adjusted value)	83,486	84,467	85,635	87,523	89,177
17	Liquidity coverage ratio (%)	168.7%	168.1%	169.3%	171.1%	175.6%
Net Stable Funding Ratio						
18	Total available stable funding	508,437	511,953	509,459	520,655	519,058
19	Total required stable funding	420,152	422,906	420,999	414,734	416,746
20	NSFR ratio (%)	121.0%	121.1%	121.0%	125.5%	124.6%

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

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

		(millions of euro)
		Risk weighted exposure amount
1	Risk weighted exposure amount as at 31 December 2023	169,982
2	Asset size (+/-)	443
3	Asset quality (+/-)	29
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	288
8	Other (+/-)	764
9	Risk weighted exposure amount as at 31 March 2024 (*)	171,506

(*) As at 31 March 2024, the RWEA amount relating to IRB models was 171,506 million euro and was attributable to the Foundation IRB approach for 772 million euro (Row 3 EU OV1), to the slotting criteria approach for 1,015 million euro (Row 4 EU OV1), Advanced IRB approach for 136,407 million euro (Row 5 EU OV1), to equity instruments measured using the simple risk weight approach for 28,374 million euro (Row 4a EU OV1), to amounts below the deduction thresholds for 1,123 million euro (of which Row 24 EU OV1), and to capital instruments measured at PD/LGD for 3,815 million euro.

As at March 2024, the aggregate of the RWAs relating to the exposures subject to credit risk measured using advanced approaches⁹ amounted to 171,506 million euro, a net increase of 1,524 million euro on December 2023, when the aggregate amounted to 169,982 million euro. The change during the quarter was attributable to the following:

- +443 million euro from the increase in transaction volumes in the Banks and Corporate portfolio, partly offset by the decrease in the Retail portfolio;
- +29 million euro attributable to a small change in the portfolio's risk profile during the quarter;
- +288 million euro due to changes in foreign currency exposures, reflecting exchange rate fluctuations;
- +764 million euro mainly attributable to changes in the valuation of equity investments in the insurance business.

⁹ 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. 2021/637)**

		(millions of euro)
		RWEA amounts
1	RWEAs as at 31 December 2023	3,203
2	Asset size	12
3	Credit quality of counterparties	121
4	Model updates (IMM only)	-
5	Methodology and policy (IMM only)	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	5
8	Other	-
9	RWEAs as at 31 March 2024	3,341

As required by Reg. 2021/637, 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 IMM, in accordance with Part Three, Title II, Chapter 6 of the CRR) the value of the aggregate increased in the quarter: 3,203 million euro at the end of December 2023 and 3,341 million euro at the end of March 2024. The increase of +138 million was mainly attributable to the following components:

- +12 million euro due to the minimal increase in the exposures in the portfolio;
- +121 million euro due to a recomposition of the Banks and Corporate portfolio;
- +5 million euro due 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 2023	3,194	3,755	2,227	-	13	9,189	735
1a	Regulatory adjustment	2,535	2,791	159	-	2	5,487	439
1b	RWEAs at the previous quarter-end (end of the day)	659	964	2,068	-	11	3,702	296
2	Movement in risk levels	314	708	739	-	42	1,803	144
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)	973	1,672	2,807	-	53	5,505	440
8b	Regulatory adjustment	2,485	3,006	162	-	-	5,653	453
8	RWEAs as at 31 March 2024	3,458	4,678	2,969	-	53	11,158	893

The RWEAs as at 31 March 2024 were up on the previous quarter.

The change in VaR and Stressed VaR was due to the increase in the positions on interest rates. The IRC measure increase was driven by a greater exposure to sovereign and corporate investment grade securities.

Institution-specific Countercyclical Capital Buffer

Below is the information relating to the “Countercyclical capital buffer”, prepared based on the ratios applicable at 31 March 2024 and Implementing Regulation (EU) 2021/637 of the Commission of 15 March 2021 (repealing Delegated Regulation (EU) 2015/1555) which supplements Regulation (EU) 575/2013 of the European Parliament and of the Council (CRR) with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440 of the same CRR. As established by Article 140, paragraph 1, of directive 2013/36/EU (so-called CRD IV), the institution-specific countercyclical capital buffer is the weighted average of the countercyclical ratios which are applied in the countries where the relevant credit exposures of the institutions are located.

CRD IV established the obligation for the designated national authorities to activate an operational framework for the definition of the ratio of the countercyclical capital buffer (CCyB) starting from 1 January 2016. The ratio is subject to review on a quarterly basis. The European regulation was implemented in Italy with Bank of Italy circular 285, which contains suitable regulations concerning CCyB. Based on the analysis of the reference indicators, the Bank of Italy decided to set the countercyclical buffer rate (for exposures towards Italian counterparties) at 0% also for the second quarter of 2024.

The relevant credit exposures include all the classes of exposure other than those under Article 112, letters from a) to f), of Regulation (EU) 575/2013. The following portfolios are excluded: exposures to central administrations or central banks; exposures to regional administrations or local authorities; exposures to public-sector entities; exposures to multilateral development banks; exposures to international organisations; exposures to institutions.

As at 31 March 2024:

- countercyclical capital ratios at country level have been generally set, as outlined above, at 0%, except for the following countries: Armenia (1.50%), Australia (1.00%), Bulgaria (2.00%), Cyprus (0.50%), Croatia (1.00%), Denmark (2.50%), Estonia (1.50%), France (1.00% from 0.50% in the previous quarter), Germany (0.75%), Hong Kong (1.00%), Ireland (1.00%), Iceland (2.50% from 2.00% in the previous quarter), Lithuania (1.00%), Luxembourg (0.50%), Norway (2.50%), Netherlands (1.00%), United Kingdom (2.00%), Czech Republic (2.00%), Romania (1.00%), Slovakia (1.50%), Slovenia (0.50%) and Sweden (2.00%);
- at consolidated level, Intesa Sanpaolo’s specific countercyclical ratio amounts to 0.20%.

Amount of the Institution-specific countercyclical capital buffer as at 31 March 2024 (EU CCyB2 Reg. 2021/637)

(millions of euro)

Total risk exposure amount	303,233
Institution specific countercyclical capital buffer rate	0.20%
Institution specific countercyclical capital buffer requirement	606

Liquidity risk

LIQUIDITY RISK

The Group's liquidity position – supported by suitable high-quality liquid assets (HQLA) and the significant contribution from stable customer deposits – remained well within the risk limits set out in the current Group Liquidity Policy in the first three months of 2024. 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 168.7% (168.1% in December 2023).

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

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

(millions of euro)

SCOPE OF CONSOLIDATION		TOTAL UNWEIGHTED VALUE (AVERAGE)				TOTAL WEIGHTED VALUE (AVERAGE)			
		31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23
EU1a	Quarter ending on								
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)					140,803	141,856	145,017	149,684
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	275,831	281,248	287,661	293,239	19,556	20,066	20,631	21,132
3	<i>Stable deposits</i>	201,180	203,714	206,639	208,766	10,059	10,186	10,332	10,438
4	<i>Less stable deposits</i>	74,651	77,534	81,022	84,473	9,497	9,880	10,299	10,694
5	Unsecured wholesale funding	121,412	123,560	127,901	135,747	52,791	53,339	54,878	57,958
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	40,359	41,167	43,204	46,650	10,034	10,241	10,764	11,639
7	<i>Non operational deposits (all counterparties)</i>	78,010	79,526	81,749	86,231	39,714	40,231	41,166	43,453
8	<i>Unsecured debt</i>	3,043	2,867	2,948	2,866	3,043	2,867	2,948	2,866
9	Secured wholesale funding					1,882	1,888	2,025	2,227
10	Additional requirements	85,986	85,182	84,269	83,452	22,137	21,815	21,390	21,050
11	<i>Outflows related to derivative exposure and other collateral requirements</i>	5,979	5,955	5,934	5,814	5,979	5,955	5,934	5,814
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13	<i>Credit and liquidity facilities</i>	80,007	79,227	78,335	77,638	16,158	15,860	15,456	15,236
14	Other contractual funding obligations	8,130	7,783	7,411	7,653	4,770	4,752	4,177	3,534
15	Other contingent funding obligations	110,453	110,774	113,237	116,291	5,398	5,401	5,510	5,663
16	TOTAL CASH OUTFLOWS					106,534	107,261	108,611	111,564
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	10,219	10,836	12,384	16,062	270	230	225	258
18	Inflows from fully performing exposures	18,282	18,230	18,685	20,409	11,920	11,831	12,045	13,088
19	Other cash inflows	27,508	28,001	28,397	28,465	10,858	10,733	10,706	10,695
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	56,009	57,067	59,466	64,936	23,048	22,794	22,976	24,041
EU20a	<i>Fully exempt inflows</i>	-	-	-	-	-	-	-	-
EU20b	<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
EU20c	<i>Inflows subject to 75% cap</i>	56,009	57,067	59,466	64,936	23,048	22,794	22,976	24,041
TOTAL ADJUSTED VALUE									
EU21	LIQUIDITY BUFFER					140,803	141,856	145,017	149,684
22	TOTAL NET CASH OUTFLOWS					83,486	84,467	85,635	87,523
23	LIQUIDITY COVERAGE RATIO					168.7%	168.1%	169.3%	171.1%

(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 2024, the value of the total unencumbered HQLA reserves, at the various Treasury Departments of the Group, amounted to 119.5 billion euro (160.3 billion euro at the end of 2023). Adding the other marketable reserves and/or eligible Central Bank reserves, including retained self-securitisations, the Group's total unencumbered liquidity reserves amounted to 192.4 billion euro (202.2 billion euro at the end of 2023).

The Group's total reserves decreased mainly due to higher liquidity absorption by the Commercial Networks and temporarily non-renewed of maturities of retained securitisations. The HQLA reserves decreased even more due to the repayment of the TLTRO tranche in March, which freed up non-HQLA collateral eligible for the Central Bank.

(millions of euro)

	Unencumbered (net of haircut)	
	31.03.2024	31.12.2023
HQLA Liquidity Reserves	119,459	160,309
Cash and Deposits held with Central Banks (HQLA)	43,012	80,461
Highly liquid securities (HQLA)	66,540	68,522
Other HQLA securities not included in LCR	9,907	11,326
Other eligible and/or marketable reserves	72,900	41,877
Total Group's Liquidity Buffer	192,359	202,186

The NSFR was significantly higher than minimum requirement of 100%, supported by a solid base of stable deposits from customers, in addition to adequate wholesale medium/long-term securitised funding. The remaining component of the TLTRO funding (around 9 billion euro at the end of March 2024) no longer contributes to the support of the indicator, as it is now almost entirely maturing by 28 June 2024. As at 31 March 2024, the Intesa Sanpaolo Group's NSFR, measured in accordance with regulatory instructions, was 121.0% (121.1% at the end of 2023).

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 Leverage ratio is calculated quarterly. The indicator is monitored at both the individual and Banking Group level.

The Leverage ratio is calculated as the ratio of Tier 1 Capital to total exposure. The total exposure includes the on-balance sheet exposures, in derivatives and SFTs, net of deductions and offsetting allowed by the regulations, as well as the off-balance sheet exposures.

Leverage ratio of the Intesa Sanpaolo Group

The disclosure of the leverage ratio of the Intesa Sanpaolo Group as at 31 March 2024, provided in accordance with the regulatory principles of the CRR amended by Regulation 2019/876 (CRR II), is presented below.

The quantitative disclosure required by the above-mentioned Regulation 2021/637, applicable from June 2021, is published half-yearly, in accordance with the regulatory requirement for large institutions. In the interest of completeness, a summary quantitative disclosure of the leverage ratio is provided below.

	(millions of euro)	
Capital and total exposure measure	31.03.2024	31.12.2023
Tier 1 capital	48,150	49,183
Leverage ratio total exposure measure	823,518	850,718
Leverage ratio	5.85%	5.78%

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 2024" corresponds to the corporate records, books and accounts.

Milan, 3 May 2024

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

Attachment 1

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

1	Issuer	Intesa Sanpaolo S.p.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005583429
2a	Public or private placement	public placement
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
REGULATORY TREATMENT		
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art. 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	238
9	Nominal amount of instrument (million)	245 EUR
	Nominal amount of instrument in currency used for the reporting obligations (million of Euro)	245
EU 9a	Issue price	100
EU 9b	Redemption price	100
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	20/03/2024
12	Perpetual or dated	Dated
13	Original maturity date	20/03/2034
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	Regulatory call
16	Subsequent call dates, if applicable	N/A
COUPONS / DIVIDENDS		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	3-month Euribor + 226 p.b./4
19	Existence of a dividend stopper	No
EU 20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU 20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU 34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Except in case of bail-in, the loan shall be redeemed: i) only after fulfilment of the obligations towards all the Issuer's non-subordinated creditors (including the depositors) or those having a lower subordination level compared to the Bonds; ii) pari passu with the holders of all the Issuer's financial instruments having the same subordination level and with the Issuer's creditors having the same subordination level; iii) in any case, before the Issuer's shares and the other Tier 1 equity instruments.
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://group.intesasanpaolo.com/it/investor-relations/prospetti/emissioni-domestiche-informazioni/extramot-pro

N/A = Not applicable

1	Issuer	Intesa Sanpaolo S.p.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	IT0005583411
2a	Public or private placement	public placement
3	Governing law(s) of the instrument	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
REGULATORY TREATMENT		
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art. 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1,043
9	Nominal amount of instrument (million)	1.063 EUR
	Nominal amount of instrument in currency used for the reporting obligations (million of Euro)	1,063
EU 9a	Issue price	100
EU 9b	Redemption price	100
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	20/03/2024
12	Perpetual or dated	Dated
13	Original maturity date	20/03/2034
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	Regulatory call
16	Subsequent call dates, if applicable	N/A
COUPONS / DIVIDENDS		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	Annual fixed rate 5.00%
19	Existence of a dividend stopper	No
EU 20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU 20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU 34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Except in case of bail-in, the loan shall be redeemed: i) only after fulfilment of the obligations towards all the Issuer's non-subordinated creditors (including the depositors) or those having a lower subordination level compared to the Bonds; ii) pari passu with the holders of all the Issuer's financial instruments having the same subordination level and with the Issuer's creditors having the same subordination level; iii) in any case, before the Issuer's shares and the other Tier 1 equity instruments.
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://group.intesasanpaolo.com/it/investor-relations/prospetti/emissioni-domestiche-informazioni/extramot-pro

N/A = Not applicable

Attachment 2

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

(millions of euro)

		31.03.2024	31.12.2023	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	Reference article of Regulation (EU) 575/2013
Common Equity Tier 1 (CET1) capital: instruments and reserves					
1	Capital instruments and the related share premium accounts	38,372	38,372	9, 10	26, paragraph 1, 27, 28, 29
	of which: instrument type 1	38,372	38,372	9, 10	EBA list as per article 26 (3)
	of which: instrument type 2	-	-		EBA list as per article 26 (3)
	of which: instrument type 3	-	-		EBA list as per article 26 (3)
2	Retained earnings	20,067	17,903	8	26, paragraph 2(c)
3	Accumulated other comprehensive income (and other reserves)	-5,544	-5,274	6, 8	26, paragraph 1, 27, 28, 29
EU3a	Funds for general banking risk	-	-		26, paragraph 1(f)
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-		486, paragraph 2
5	Minority interests (amount allowed in consolidated CET1)	-	-	12.1	84
EU5a	Independently reviewed interim profits net of any foreseeable charge or dividend	638	1,937	13	26, paragraph 2
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	53,533	52,938		Sum of rows from 1 to 5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments					
7	Additional value adjustments (negative amount)	-222	-247	15	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-7,448	-7,396	1.1, 2, 5.2.1	36, paragraph 1(b), 37
9	Not applicable				
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-2,428	-2,430	3, 3.1	36, paragraph 1(c), 38
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	279	317	6, 6.3	33, paragraph 1(a)
12	Negative amounts resulting from the calculation of expected loss amounts	-238	-242	17	36, paragraph 1(d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)	-	-		32, paragraph 1
14	Gains or losses on liabilities measured at fair value resulting from changes in own credit standing	258	143	14	33, paragraph 1(b)
15	Defined-benefit pension fund assets (negative amount)	-	-		36, paragraph 1(e), 41
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-1,865	-165	11	36, paragraph 1(f), 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-		36, paragraph 1(g), 44
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	1	36(1)(h), 43, 45, 46, 49 (2 and 3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	1	36(1)(i), 43, 45, 47, 48(1)(b), 49 (1, 2 and 3), 79
20	Not applicable				
EU20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	-43	-50	16	36, paragraph 1(k)
EU20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-		36, paragraph 1(k)(i), 89, 90, 91
EU20c	of which: securitisation positions (negative amount)	-43	-50	16	36, paragraph 1(k)(ii), 244 (1)(b), 245 (1)(b), 253
EU20d	of which: free deliveries (negative amount)	-	-		36, paragraph 1(k)(iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-		36, paragraph 1(c), 38, 48 (1)(a)
22	Amount exceeding the 17.65% threshold (negative amount)	-	-		48, paragraph 1
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-		36(1)(i), 48(1)(b)
24	Not applicable				
25	of which: deferred tax assets arising from temporary differences	-	-		36, paragraph 1(c), 38, 48 (1)(a)
EU25a	Losses for the current financial year (negative amount)	-	-		36, paragraph 1(a)
EU25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	21	36, paragraph 1(l)
26	Not applicable				
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-		36, paragraph 1(j)
27a	Other regulatory adjustments	-1,378	-1,392	8.1, 19, 21	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-13,085	-11,462		Sum of rows from 7 to 20a, 21, 22 and from 25a to 27a
29	Common Equity Tier 1 (CET1) capital	40,448	41,476		Row 6 less row 28

(millions of euro)

		31.03.2024	31.12.2023	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	Reference article of Regulation (EU) 575/2013
Additional Tier 1 (AT1) capital: instruments					
30	Capital instruments and the related share premium accounts	8,049	8,054	7	51, 52
31	of which: classified as equity under applicable accounting standards	8,049	8,054	7	
32	of which: classified as liabilities under applicable accounting standards	-	-		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-		486, paragraph 3
EU33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-		494a, paragraph 1
EU33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-		494b, paragraph 1
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	12.2	85, 86
35	of which: instruments issued by subsidiaries subject to phase out	-	-		486, paragraph 3
36	Additional Tier 1 (AT1) capital before regulatory adjustments	8,049	8,054		Sum of rows 30, 33, 33a, 33b and 34
Additional Tier 1 (AT1) capital: regulatory adjustments					
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-100	-100	7	52, paragraph 1(b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-		56 (d), 59, 79
41	Not applicable				
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-		56 (e)
42a	Other regulatory adjustments to AT1 capital	-247	-247		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-347	-347		Sum of rows from 37 to 42a
44	Additional Tier 1 (AT1) capital	7,702	7,707		Row 36 less row 43
45	Tier 1 capital (T1 = CET1 + AT1)	48,150	49,183		Sum of rows 29 and 44
Tier 2 (T2) capital: instruments					
46	Capital instruments and the related share premium accounts	8,557	8,167	4, 4.2	62, 63
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2	-	-		486, paragraph 4
EU47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	-		494a, paragraph 2
EU47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	-		494b, paragraph 2
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-	12.3	87, 88
49	of which: instruments issued by subsidiaries subject to phase out	-	-		486, paragraph 4
50	Credit risk adjustments	851	846	18	62 (c)(d) and Art. 473a Reg. 2395/2017 (7)(c)
51	Tier 2 (T2) capital before regulatory adjustments	9,408	9,013		
Tier 2 (T2) capital: regulatory adjustments					
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-197	-214	4, 4.2	63 (b)(i), 66 (a), 67
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-		66 (b), 68
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-		66 (c), 69, 70, 79
54a	Not applicable				
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	20	66 (d), 69, 79
56	Not applicable				
EU56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-		66 (e)
EU56b	Other regulatory adjustments to T2 capital	-	-		
57	Total regulatory adjustments to Tier 2 (T2) capital	-197	-214		Sum of rows from 52 to 56b
58	Tier 2 (T2) capital	9,211	8,799		Row 51 less row 57
59	Total capital (TC = T1 + T2)	57,361	57,982		Sum of rows 45 and 58
60	Total Risk exposure amount	303,233	302,110		

(millions of euro)

		31.03.2024	31.12.2023	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	Reference article of Regulation (EU) 575/2013
Capital ratios and requirements including buffers					
61	Common Equity Tier 1 capital (as a percentage of the risk exposure amount)	13.34%	13.73%		92, paragraph 2(a)
62	Tier 1 capital (as a percentage of the risk exposure amount)	15.88%	16.28%		92, paragraph 2(b)
63	Total capital (as a percentage of the risk exposure amount)	18.92%	19.19%		92, paragraph 2(c)
64	Institution CET1 overall capital requirements	9.29%	8.78%		CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	2.50%		
66	of which: countercyclical buffer requirement	0.20%	0.19%		
67	of which: systemic risk buffer requirement	-	-		
EU67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.25%	0.75%		
EU67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.84%	0.84%		
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (a)	7.99%	8.38%		CRD 128
National minima (if different from Basel III)					
69	Not applicable				
70	Not applicable				
71	Not applicable				
Amounts below the thresholds for deduction (before risk weighting)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,910	1,679		36(1)(h), 46, 45, 56 (c) 59, 60; 66 (c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	755	741		36, paragraph 1(i), 45, 48
74	Not applicable				
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	2,954	3,020		36, paragraph 1(c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-		62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	1,107	1,161		62
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	851	846		62
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)					
80	Current cap on CET1 instruments subject to phase-out arrangements	-	-		484 (3), 486 (2 and 5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-		484 (3), 486 (2 and 5)
82	Current cap on AT1 instruments subject to phase-out arrangements	-	-		484 (4), 486 (3 and 5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-		484 (4), 486 (3 and 5)
84	Current cap on T2 instruments subject to phase-out arrangements	-	-		484 (5), 486 (4 and 5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-		484 (5), 486 (4 and 5)

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

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“*Panta Rhei*, the aphorism attributed to Heraclitus, captures my artistic ethos - that everything flows and changes, nothing stands still and that all things are in a state of flux - perfectly”.

Alfredo Pini was born in Mirandola in 1958. Despite graduating with a diploma from vocational business school, in 1985, he devoted himself entirely to his true passion in life: painting. He moved to Ferrara, where he opened the *Lacerba* art gallery, visited the studios of various artists and enrolled in a number of painting courses. This led him to connect with a number of prominent contemporary artists, including Primo Conti, Bruno Cassinari, Mario Schifano, Bruno Ceccobelli, Concetto Pozzati and Omar Galliani.

In 1987, he began exhibiting work and enrolled in the DAMS (Drama, Art and Music Studies) degree programme at the University of Bologna, whose teachers included Renato Barilli, Umberto Eco and Alfredo De Paz.

Through his work as a painter, he established increasingly close collaborative ties with various galleries in cities in Italy, Spain and the United States, where he continues to present his works in solo and group exhibitions today.

Pini is a figurative artist whose style is characterised by rapid and expressive brush-strokes that capture the movement and vitality of the subjects he depicts.

Cover:



Alfredo Pini
(Mirandola, 1958)
Landscape, 20th century
oil on canvas, 49 x 68 cm

While this piece from the Intesa Sanpaolo collection retains the artist's signature pulsating energy, it shows him adopting a slower and more reflective approach. Featuring stunning mountains with patches of snow in the background and a light blue sky populated with white clouds, which - much like the cerulean blue vein-like stream coursing down the mountainside - provides a subtle hint that spring is imminent, this landscape painting depicts a natural setting that, while imposing, is not oppressive.

Enlivened by small touches of colour provided by the cloths hung out to dry in the open air and the bell tower of the small church flanked by soaring green conifers, the small village in the middle of the composition is painted with heart-felt affection. Here, a quiet rural community reliant on hard work and household tasks lives and breathes.

A lone figure, portrayed from behind, ascends a white path cutting through the middle of a grassy expanse caressed by the wind and sun.

In this painting, there is a sense of a memory evoking a simple, tranquil and almost meditative life created by brush-strokes that, in contrast to the excitable and synthetic ones of the artist's best-known works, are vibrant yet robust. The "flux" captured in this work is not that synonymous with the hectic, breakneck pace of the modern cities that Alfredo Pini often depicts on his canvases, but rather a slow and natural one that conveys the passing of the seasons and our ancient relationship with planet Earth.

