Risk management

THE CORE PRINCIPLES OF RISK MANAGEMENT

The policies relating to risk taking and the processes for the management of the risks to which the Intesa Sanpaolo Group is or could be exposed are approved by the Board of Directors of Intesa Sanpaolo as the Parent Company, with the support of the Risks and Sustainability Committee. The Management Control Committee, which is the body with control functions, supervises the adequacy, efficiency, functionality and reliability of the risk management process and of the Risk Appetite Framework (RAF). The Managing Director and CEO has the power to submit proposals for the adoption of resolutions concerning the risk system and implements all the resolutions of the Board of Directors, with particular reference to the implementation of the strategic guidelines, the RAF and the risk governance policies.

The Corporate Bodies also benefit from the action of some managerial committees on risk management. These committees, which include the Steering Committee, operate in compliance with the primary responsibilities of the Corporate Bodies regarding the internal control system and the prerogatives of corporate control functions, and in particular the risk control function.

The Chief Risk Officer Governance Area, directly reporting to the Managing Director and CEO, in which the risk management functions are concentrated, including the controls on the risk management and internal validation process, represents a relevant component of the "second line of defence" of the internal control system that is separate and independent from the business supporting functions. The Area is responsible for: (i) governing the macro process of defining, approving, controlling and implementing the Group's Risk Appetite Framework with the support of the other corporate functions involved; (ii) assisting the Corporate Bodies in setting and implementing the Group's risk management guidelines and policies, in accordance with the company strategies and objectives; (iii) coordinating and verifying their implementation by the designated units of the Group, also within the various corporate areas; (iv) designing, developing and maintaining internal risk measurement, management, and assessment systems, ensuring their integration into the related business processes; (v) ensuring the measurement and control of the Group's exposure to the various types of risk, also verifying the implementation of the risk management guidelines and policies; (vi) providing a prior opinion on the consistency of the Most Significant Transactions with the Risk Appetite Framework, ensuring the assessment of all the associated risk profiles; (vii) conducting second-level monitoring and controls for ICT and security risk, as well as other risks except for credit risks; (viii) ensuring the validation of risk measurement and management systems and managing the internal validation process at Group level, including ensuring the oversight and validation of the Group's Data Governance framework and the development and oversight of the model risk management framework; and (ix) conducting second-level monitoring and controls on credit quality, composition, and evolution of the various loan portfolios, as well as the correct classification and measurement of single positions.

The Parent Company performs a guidance and coordination role with respect to the Group companies[55], aimed at ensuring effective and efficient risk management at Group level, exercising responsibility in setting the guidelines and methodological rules for the risk management process, and pursuing, in particular, integrated information at Group level to the Bodies of the Parent Company, with regard to the completeness, adequacy, functioning and reliability of internal control system. For the corporate control functions in particular, there are two different types of models within the Group based on the specific characteristics of the subsidiaries and the local regulatory constraints: (i) the centralised management model based on the centralisation of the activities at the Parent Company and (ii) the decentralised management model that involves the presence of locally established corporate control functions that conduct their activities under the direction and coordination of the same corporate control functions of the Parent Company, to which they report in functional terms.

Irrespective of the control model adopted within their company, the Corporate Bodies of the Group companies are aware of the choices made by the Parent Company and are responsible for the implementation, within their respective organisations, of the control strategies and policies pursued and promoting their integration within the Group controls.

The risk measurement and management tools contribute to defining a risk-monitoring framework at Group level, capable of assessing the risks assumed by the Group from a regulatory and economic point of view. The level of absorption of economic capital, defined as the maximum "unexpected" loss the Group might incur over a year, at a given confidence level, is a key measure for determining the Group's financial structure, risk appetite and for guiding operations, ensuring a balance between risks assumed and shareholder returns. It is estimated on the basis of the current situation and also at a forecast level, in line with the Group Risk Appetite Framework approved by the Board of Directors of the Parent Company, based on the budget assumptions and the forecast macroeconomic scenario, and in relation to stress scenarios. The economic capital together with the risk capital calculated on a regulatory basis is a fundamental element in the assessment of the Group's capital adequacy within the ICAAP.

The assessment of capital is included in business reporting and is submitted quarterly to the Steering Committee, the Risks and Sustainability Committee and the Board of Directors of the Parent Company, as part of the Tableau de Bord of Group Risks.

Risk hedging, given the nature, frequency and potential impact of the risk, is based on a constant balance between mitigation/hedging action, control procedures/processes and capital protection measures.

[55] In this regard, it is specified that Intesa Sanpaolo does not exercise management and coordination over Risanamento S.p.A. or its subsidiaries pursuant to Articles 2497 et seq. of the Italian Civil Code.

Among the emerging risks, and in light of their recent development, the Group is paying particular attention to the geopolitical context and ICT and cyber risks, which have been significantly amplified by the use of generative Artificial Intelligence techniques and tools.

With regard to the geopolitical context, the issues arising from it and their developments, in order to identify the main phenomena that could have an impact on an international scale and could significantly alter its risk profile and influence its operations, the Group conducts specific scenario and stress analyses to assess potential impacts in terms of profitability and capital adequacy. Although the geopolitical situation is constantly evolving, leaving aside extreme scenarios of escalation that could lead to outcomes that are difficult to assess, these analyses confirm the Group's ability to ensure compliance – also through the implementation of specific actions – with the regulatory requirements and the stricter limits set internally.

In relation to ICT and cyber threats, which have escalated sharply due to the adoption of advanced techniques based on generative Artificial Intelligence, the Group ensures continuous and proactive monitoring of the risks associated with the development and deployment of advanced AI models, in close collaboration with the European supervisory authorities. In this context, the risks and technological developments are analysed using a systemic approach, implemented through a structured dialogue with regulators and the competent national security agencies, to ensure an integrated and coherent perspective on emerging threats. A forward-looking focus is also maintained on the potential impacts of emerging technologies. Cybersecurity and operational resilience controls are continuously updated and strengthened in line with the current regulatory framework, including the DORA Regulation and the guidelines of the European Banking Authority (EBA).

With specific regard to the Russian-Ukrainian conflict, details concerning credit risk are provided in the paragraph "The exposures and valuation impacts for the Intesa Sanpaolo Group of the military conflict between Russia and Ukraine", and there continue to be no significant impacts on the metrics for measuring the counterparty risks and market risks in the Group's trading book and banking book. Likewise, in light of the low exposure to Russian and Ukrainian counterparties, there were no significant impacts on the Group's consolidated liquidity position and exposure to foreign exchange risk.

Following the recent conflict in the Middle East, and also considering the market volatility in March 2026, no material impacts have been identified for the market risks of the trading and banking books or the Group's liquidity position. Despite environment of economic uncertainty generated by the geopolitical tensions, no material impacts have been identified in terms of foreign exchange risk. In addition, with regard to the valuation approaches for credit risk, based on currently used methodologies, in addition to the credit quality of the counterparties, also the defining features of the conflict, which at present – in light of the memorandum of understanding signed in mid-June and potential peace talks – is assumed to be of relatively short duration and with temporary effects on the macroeconomic variables, have been taken into account. For information on the exposures outstanding as at 30 June 2026, see the section "The Intesa Sanpaolo Group's exposures to the countries of the Middle East".

With regard to both conflicts, in relation to operational risks, any additional costs incurred for business continuity and potential losses arising from physical damage to premises or branches in the affected areas are included in the monitoring of risk exposure, also within the Risk Appetite Framework. In addition, with regard to insurance risks, exposures to the countries involved in the conflicts are extremely limited and not material with respect to the total assets, and are continuously monitored within the existing risk management controls.

THE BASEL REGULATIONS

The Intesa Sanpaolo Group is committed to ensuring continued compliance with the Basel Committee agreements in relation to measurement systems and the associated risk management systems.
The Basel 4 prudential framework, effective from 1 January 2025 following the entry into force of Regulation (EU) 2024/1623, is fully integrated into the Group's internal processes.

With regard to **credit risk**, there were no changes compared to 31 December 2025.
The periodic updating and alignment to changes in regulations governing IRB systems and their extension continue in accordance with the Regulatory Roadmap agreed with the Supervisory Authorities.

The situation as at 30 June 2026 is shown in the table below.

Portfolio	PD - Model Type	LGD - Model Type	EAD - Model Type	Status
Sovereign	Shadow model based on agency rating	Model based on recovery rates estimated by rating agencies	Regulatory parameters	Used for management and Financial statements purposes; Standardised approach for regulatory reporting purposes
Institutions	Default model (Banks) (4)	Market model (Banks)	Regulatory parameters (Banks)	AIRB authorised since June 2017 FIRB since March 2025 for regulatory reporting purposes (1) LGD model for management and Financial statements purposes
	Default model (Public Sector Entities)	Workout model (Public Sector Entities)	Regulatory parameters (Public Sector Entities)	AIRB authorised since June 2017
Corporate	Default model (Corporate, Large Corporate)	Workout model (Corporate)	CCF/ K factor model (Corporate)	FIRB authorised since December 2008 AIRB LGD authorised since December 2010 EAD authorised since September 2017 (2) Large Corporate FIRB since March 2025 for regulatory reporting purposes (1), for management and Financial statements purposes derived from AIRB Corporate model
	Simulation models / Default model (Specialised Lending)	Simulation models / Workout models (Specialised Lending)	CCF/ K factor model (Specialised Lending)	AIRB authorised since June 2012 EAD authorised since October 2023
Retail	Default model (Retail)	Workout model (Retail)	CCF/ K factor model (Retail)	IRB Other Retail authorised since September 2018, IRB Mortgage since December 2010 (3)
	Default model (Retail SME)	Workout model (Retail SME)	CCF/ K factor model (Retail SME)	IRB PD/LGD authorised since December 2012, EAD authorised since June 2021

(1) Following the new provisions of CRR3 Regulation.
(2) ISP authorised for FIRB since December 2008, for LGD AIRB since December 2010 and for EAD since 2017, VUB FIRB (2010) and ISP Luxembourg (2017).
(3) VUB authorised since June 2012 for PD and LGD of Retail Mortgage models and since December 2022 in reference to PD-LGD-EAD models of Other Retail.
(4) VUB e ISP Slovenia authorised since November 2025 for PD model.

With regard to **counterparty risk**, there were no changes in the scope of application compared to 31 December 2025.

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

With regard to the regulatory framework for calculating capital requirements for **market risk** (Fundamental Review of the Trading Book – FRTB), the new provisions will apply from 1 January 2027. The Group continues its efforts to align with the new regulatory framework, while monitoring any further changes in the rules.

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 2026.

As part of its adoption of the Basel regulations, the Group publishes information on capital adequacy, exposure to risks and the general characteristics of the systems aimed at identifying, monitoring and managing them in a document entitled Basel 3 Pillar 3 disclosure or simply "Pillar 3". This document is submitted for approval by the Board of Directors and subsequently, as required by Article 434 CRR (Means of disclosures), all the information required under Part Eight CRR is submitted to the EBA through the Pillar 3 Data Hub – P3DH platform, in the established electronic format (xbrl-csv and pdf files). In addition, the document is published on Intesa Sanpaolo's website at the link www.group.intesasanpaolo.com in the Governance – Risk Management section.

With regard to this disclosure, in line with the new regulatory framework described above introduced by CRR3, Commission Implementing Regulation (EU) 2024/3172 was published on 31 December 2024 in the Official Journal of the European Union, laying down implementing technical standards for the application of the provisions regarding the disclosure of information referred to in Titles II and III of Part Eight of the CRR, and repealing Regulation (EU) 2021/637. This implementing regulation, applicable from 1 January 2025, amends certain disclosure templates to reflect the regulatory changes introduced by CRR3.

THE EXPOSURES AND VALUATION IMPACTS FOR THE INTESA SANPAOLO GROUP RELATED TO THE MILITARY CONFLICT BETWEEN RUSSIA AND UKRAINE

The valuation of exposures to counterparties resident in Russia and Ukraine

Details are provided below of the qualitative and quantitative aspects relating to credit exposures to counterparties resident in the countries in conflict, held in the portfolio of the two subsidiaries resident in Russia and Ukraine, Banca Intesa Russia and Pravex Bank (Ukrainian bank), or credit disbursed by other entities of the Group (cross-border exposures), with particular regard to their valuation.

As at 30 June 2026, the Group presented the following on-balance sheet exposures to counterparties resident in Russia and Ukraine (net of ECA - Export Credit Agency guarantees and gross/net of value adjustments carried out).

(millions of euro)

	30.06.2026 (*)				31.12.2025 (**)			
	Gross exposure		Net exposure		Gross exposure		Net exposure	
	Russia	Ukraine	Russia	Ukraine	Russia	Ukraine	Russia	Ukraine
Loans to customers	**175**	**142**	**73**	**99**	**406**	**148**	**214**	**103**
Banca Intesa Russia	*49*	*-*	*2*	*-*	*71*	*-*	*16*	*-*
Pravex	*-*	*42*	*-*	*-*	*-*	*44*	*-*	*-*
Cross-border exposures	*126*	*100*	*71*	*99*	*335*	*104*	*198*	*103*
Due from banks	**52**	**65**	**50**	**64**	**51**	**61**	**48**	**61**
Banca Intesa Russia	*37*	*-*	*35*	*-*	*36*	*-*	*34*	*-*
Pravex	*-*	*65*	*-*	*64*	*-*	*61*	*-*	*61*
Cross-border exposures	*15*	*-*	*15*	*-*	*15*	*-*	*14*	*-*
Securities	**-**	**174**	**-**	**165**	**-**	**126**	**-**	**120**
Banca Intesa Russia	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Pravex	*-*	*168*	*-*	*161*	*-*	*120*	*-*	*115*
IMI C&IB Division	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Insurance Division	*-*	*6*	*-*	*4*	*-*	*6*	*-*	*5*

(*) In addition to the on-balance sheet exposures shown in the table, there are off-balance sheet exposures to customers for 5 million euro (gross and net value) at Banca Intesa Russia, and 25 million euro (gross and net value) at Pravex, in addition to 10 million euro (9 million euro net) in cross-border off-balance sheet exposures to resident customers in Russia, net of ECA, and 8 million euro (gross and net value) to customers resident in Ukraine.
There is also 26 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Russia and 10 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Ukraine.
The cross-border exposures to customers resident in Ukraine consisted of the households part (which was down by approximately 4 million euro compared to December 2025) mainly related to exposures disbursed by the subsidiary VUB to households with permanent residence in Slovakia, and the corporate part backed by guarantees provided by European entities.

(**) In addition to the on-balance sheet exposures shown in the table, there are off-balance sheet exposures to customers for 5 million euro (gross and net value) at Banca Intesa Russia, and 27 million euro (gross and net value) at Pravex, in addition to 21 million euro (9 million euro net) in cross-border off-balance sheet exposures to resident customers in Russia, net of ECA, and 7 million euro (gross and net value) to customers resident in Ukraine.
There is also 20 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Russia and 10 million euro (gross and net value) in cross-border off-balance sheet exposures to banks resident in Ukraine.
On the other hand, the cross-border exposures to customers resident in Ukraine are, for the corporate part, backed by guarantees provided by European entities, while, for the household part, they mainly relate to exposures disbursed by the subsidiary VUB to households with permanent residence in Slovakia.

As shown in the table above, at the end of the period the remaining on-balance sheet exposures to the total counterparties resident in Russia amounted, in terms of gross values, to 49 million euro (2 million euro net) for Banca Intesa Russia and 126 million euro (71 million euro net) for cross-border exposures to customers resident in Russia (net of ECA guarantees). These were accompanied by exposures to banks and debt securities totalling 52 million euro (50 million euro net). Exposures to customers resident in Ukraine amounted to 142 million euro (99 million euro net), of which 42 million euro (book value nil in net terms) related to the subsidiary Pravex Bank. There were also exposures to banks of 65 million euro (64 million euro net) and in securities totalling 174 million euro (165 million euro net).

During the first half of 2026, gross on-balance sheet exposure to all counterparties resident in Russia and Ukraine (customers, banks, and securities), amounting to 608 million euro, decreased by 184 million euro (-23%) compared to 792 million euro at the end of 2025, mainly due to disposals and repayments on cross-border exposures to customers resident in Russia – in particular two disposals totalling 194 million euro with a positive impact on profit and loss – partially offset by the increase in debt securities issued by central banks and governments of the subsidiary Pravex. Overall net exposure, amounting to 451 million euro, also decreased by 95 million euro (-17%) compared to 546 million euro as at 31 December 2025.
For the Consolidated Half-yearly Report as at 30 June 2026, the key choices have been maintained regarding staging assignment and ECL calculation adopted by the Group for performing loans in the period 2022-2025, based on an approach strongly driven by the emergence of geopolitical risk.

In particular, with regard to the methodological aspects for determining the Expected Credit Loss (ECL) of cross-border exposures to residents in Russia within the Core scope, as at 30 June 2026 the following have been maintained: the classification to Stage 2 of in-scope counterparties, the decision to adopt the through-the-cycle PD associated with the assigned rating for the ECL calculation on the Core scope, without forward-looking conditioning, and the application of a prudential buffer to the Loss Given Default (LGD), in order to achieve equivalence with the use of a loss rate estimated using a methodology based on the transfer of the risk of the country of residence under Pillar 2 modelling (fixed LGD from transfer risk model set at 55%, not subject to conditioning).
The banks of the International Banks Division adopt the ratings of the Parent Company and the centrally determined “transfer risk” parameter of LGD on the Group’s common cross-border customers. For the other exposures, the ratings are determined by local models, in line with the instructions received from the Parent Company’s Group Rating Desk.
For specific positions, over time the Group has noted their impairment, classifying them as non-performing loans and subjecting them to individual assessment. As at 30 June 2026, there were non-performing positions of 96 million euro gross (47 million euro net), down on 31 December 2025 (114 million euro gross and 57 million euro net).

For Banca Intesa Russia, the classification and measurement approach for performing loans used in previous years was maintained. As a result of the provisions made, the total coverage of performing loans of the Russian subsidiary amounted to around 90% of their gross value (60% in December 2025). Gross non-performing loans amounted to 30 million euro (31 million euro as at 31 December 2025), and had already been fully written down from 31 March 2025.
The Group had also provided Banca Intesa Russia with loans to support its operations with a gross residual value as at 30 June 2026 of 117 million euro.

With reference to loans to customers disbursed by Pravex Bank, the choice adopted starting from the 2022 Financial Statements to classify loans to customers of the Ukrainian subsidiary as non-performing loans (bad loans), with full write-down of the on-balance sheet component (42 million euro gross as at 30 June 2026 and 44 million euro gross as at 31 December 2025), has been maintained.

With regard to the valuation of the other balance sheet items, the remaining marginal positions in securities have been measured in line with the approach adopted in the 2025 Annual Report. These essentially relate to Pravex, 168 million euro as at 30 June 2026 and 120 million euro as at 31 December 2025, in connection with the purchase of government securities or securities issued by central banks.

The small real estate portfolio of the two subsidiaries has been valued using the approach adopted in previous years.

On the Russian and Ukrainian exposures as at 30 June 2026, positive impacts of around 61 million euro were recorded, essentially attributable to the results of the disposals completed in the second quarter of 2026. In addition to these profit and loss impacts, the subsidiary Banca Intesa Russia generated positive earnings of 47 million euro, which, in continuity with the approach adopted since the first quarter of 2025, have been included in the consolidated result, in view of the gradual reduction in the volume of operations and, consequently, the risk profile of Banca Intesa Russia (in compliance with the guidance from the EU Regulators) and its earnings outlook which still remains positive, despite an expected progressive decline. However, in continuity with the Financial Statements as at 31 December 2025, the allowance – established up to 31 December 2024 and considered sufficient to absorb the costs arising from the wind-down scenario requested by the ECB for the Russian subsidiary – has been maintained. This provision, allocated to a specific allowance for risks and charges, amounted to 457 million euro as at 30 June 2026 (438 million euro as at 31 December 2025).

THE INTESA SANPAOLO GROUP'S EXPOSURES TO THE COUNTRIES OF THE MIDDLE EAST

In the context of the Middle East conflict, the qualitative and quantitative aspects of the Intesa Sanpaolo Group's exposures to Middle Eastern countries are outlined below, based on a scope consistent with the definition of Middle East contained in the EBA Transparency Exercise[56].
As at 30 June 2026, the Group's exposures to counterparties resident in the above-mentioned countries amounted to around 18.4 billion euro in gross value, of which 11.6 billion euro in on-balance sheet exposures and 6.8 billion euro in off-balance sheet exposures.
The on-balance sheet exposures mainly included 7.1 billion euro of loans to customers, concentrated with general governments and non-financial companies, and 2.2 billion euro of exposures to banks.
The off-balance sheet exposures included irrevocable commitments amounting to 3.7 billion euro.
Around 0.9 billion euro of the loans to customers was backed by ECA (Export Credit Agency) guarantees.

The on-balance sheet exposures, consisting entirely of performing exposures, were concentrated on counterparties with high credit standing, with a clear predominance, for customers, of exposures to central governments, in particular Qatar, Saudi Arabia, and the United Arab Emirates, all with investment grade ratings recognised by the main international agencies. Exposures to other counterparties were mainly concentrated in the United Arab Emirates and also included corporate customers with registered office in that country but belonging to international or Italian groups of high standing.
With regard to banks, these were predominantly short-term exposures largely connected to trade export financing in support of Italian and international corporate customers. The largest on-balance sheet exposures related to the main commercial banks in Saudi Arabia and Qatar, all with investment grade ratings.
More generally, the operations originated by the Parent Company's IMI C&IB Division with both corporate and institutional customers consist primarily of international business, also carried out outside the Middle East area, largely linked to major Sovereign Wealth Funds for strategic projects mainly involving infrastructure and energy in Europe and the rest of the world.

For the measurement of these exposures, which are based on currently used methodologies, in addition to the credit quality of the counterparties, also the defining features of the conflict, which at present – in light of the memorandum of understanding signed in mid-June and potential peace talks – is assumed to be of relatively short duration and with temporary effects on the macroeconomic variables, have been taken into account.

[56] The scope of the countries included in the definition of "Middle East" contained in the EBA Transparency Exercise includes: Saudi Arabia, Bahrain, United Arab Emirates, Djibouti, Jordan, Iran, Iraq, Kuwait, Lebanon, Libya, Oman, Qatar, Syria, Sudan and Yemen.

CREDIT RISK

The Intesa Sanpaolo Group's strategies, Risk Appetite Framework, and Powers and Rules for credit granting and management are aimed at:

– achieving a sustainable goal consistent with the Group's risk appetite and value creation objectives, whilst guaranteeing the quality of its lending operations;
– diversifying the portfolio, limiting the concentration of exposures to counterparties/groups, economic sectors or geographical areas;
– efficiently selecting economic groups and individual borrowers through a thorough analysis of their creditworthiness aimed at limiting the risk of insolvency and mitigating potentially associated losses;
– given the current economic climate, favouring lending business aimed at supporting the real economy and production system and at developing relationships with customers;
– constantly monitoring relationships and the related exposures, through the use of both IT procedures and systematic surveillance of positions that show irregularities with the aim of detecting any symptoms of deterioration in a timely manner.

The Group has developed a set of techniques and tools for credit risk measurement and management which ensures analytical control over the quality of the portfolio of loans to customers and financial institutions, and exposures subject to country risk. In particular, with regard to loans to customers, risk measurement is performed by means of different internal rating models according to borrower segment (Corporate, Retail SME, Retail, Sovereigns, Public Sector Entities and Banks). These models make it possible to summarise the counterparty's credit quality in a measure, the rating, which reflects the probability of default over a period of one year, adjusted on the basis of the average level of the economic cycle. These calculated ratings are then made comparable with those awarded by rating agencies, by means of a like-for-like scale of reference. Ratings and credit-risk mitigating factors (guarantees, loan types and covenants) play a key role in the loan granting and managing process.

The Group has always proactively and prudently managed its risk portfolio. In the 2026-2029 Business Plan, the Group intends to maintain its status as a Zero-NPL Bank with a low cost of risk and ranking among the best in Europe in terms of ratio and stock of non-performing loans.
New de-risking initiatives on non-performing loans were implemented or under way during the first half of the year, involving both mass portfolio disposals and single-name positions. In particular, during the half year, disposals were made for a Gross Book Value (GBV) of 0.5 billion euro (almost entirely already reclassified under IFRS 5 at the end of 2025) and disposal initiatives are underway for a GBV of 1.4 billion euro, already reclassified under IFRS 5 at the end of 2025, for which the completion of the transactions is expected by the end of 2026 (a first tranche was already completed on 23 July 2026).

Credit quality

The quality of the loan portfolio is also continuously monitored through specific operating procedures for all the phases of credit facility management. Total watchlist and non-performing loans are subject to a specific management process that also entails accurately monitoring them using a system of control and periodic management reporting. Specifically, that activity uses performance measurement and control methods that make it possible to construct synthetic risk indicators. The quality of the loan portfolio is maintained by adopting precise operating procedures in all the management phases relating to the credit facility, using both IT procedures and activities aimed at systematic supervision of positions, in order to promptly capture any symptoms of imbalance and promote corrective measures to prevent situations of possible impairment. Positions are detected and automatically entered in the credit management processes by way of daily checks using objective risk indicators that allow timely assessments when any anomalies arise or persist and interact with processes and procedures for loan management and monitoring. In the Group, in compliance with predefined rules, the positions that are assigned a high risk score, confirmed over time, are (manually or automatically) intercepted and classified based on their risk profile, in compliance with regulatory provisions on credit quality, in the following categories:

– bad loans: total "on- and off-balance sheet exposures" to parties that are insolvent or in substantially equivalent situations;
– unlikely-to-pay exposures: "on- and off-balance sheet exposures" of debtors which the bank deems, in its opinion, may not fully fulfil their credit obligations (in principal and/or interest), without availing of actions such as enforcement of guarantees. This assessment is conducted regardless of the presence of any amounts (or instalments) due and unpaid;
– non-performing past due exposures: this category includes on-balance sheet exposures, other than those classified as bad loans or unlikely to pay that, as at the reporting date, are past due or overdrawn by over 90 days on a continuous basis. The total exposure to a debtor must be recognised as Past Due if, at the reference reporting date, the amount of the principal, interest and/or fees not paid when due exceeds both of the following thresholds (hereinafter, collectively, the "Relevance Thresholds"):
    - the absolute limit of 100 euro for retail exposures and of 500 euro for non-retail exposures (the "Absolute Threshold"), to be compared with the total amount past due from the borrower;
    - the relative limit of 1%, to be compared with the ratio of the total amount past due to the total amount of all on-balance sheet exposures to the same borrower (the "Relative Threshold").

Lastly, non-performing exposures also include individual exposures with forbearance measures, which meet the definition of "Non-performing exposures with forbearance measures" set out by the ITS EBA (Implementing Technical Standards – European Banking Authority) that do not form a separate category of non-performing exposures, rather a subset thereof. Likewise, exposures with forbearance measures are included among performing loans. The management phase of those exposures, strictly in line with the regulatory provisions regarding classification timing and methods, is supported by automatic system mechanisms that guarantee preset autonomous, independent management processes.

Macroeconomic scenario for forward-looking conditioning

For the purposes of forward-looking conditioning of the parameters for estimating the ECL – in accordance with the approach described in Part A - Accounting Policies of the 2025 Financial Statements, and in particular in the paragraph "Impairment of assets" – Intesa Sanpaolo's policy involves the use of the macroeconomic scenario defined and updated by the Research Department of the Chief Financial Officer Area on at least a half-yearly basis (June/December). The table shows the main macroeconomic scenario variables used to determine expected credit losses from a forward-looking perspective, broken down by baseline, best-case and worst-case scenarios. These scenarios were applied in the measurement of loans according to the "Most-Likely scenario + Add-on" model.

Intesa Sanpaolo macroeconomic scenarios for calculating the ECL as at 30 June 2026

		Baseline				Best-case				Worst-case			
		2026	2027	2028	2029	2026	2027	2028	2029	2026	2027	2028	2029
Euro Area	Real GDP EUR (annual change)	0.7%	1.2%	1.3%	1.1%	0.8%	1.5%	1.5%	1.3%	0.5%	0.5%	1.4%	1.3%
	CPI EUR (annual change)	3.0%	2.3%	1.7%	1.9%	3.0%	2.3%	1.9%	2.3%	3.6%	3.1%	0.7%	1.6%
	Euribor 3M	2.38	2.80	2.70	2.56	2.38	2.80	2.96	3.28	2.38	3.02	2.40	1.87
	EurIRS 10Y	3.09	3.09	3.32	3.49	3.10	3.22	3.67	4.13	3.10	3.36	3.46	3.40
	EUR/USD	1.17	1.19	1.21	1.21	1.17	1.18	1.19	1.20	1.17	1.20	1.21	1.21
Italy	Real GDP Italy (annual change)	0.5%	0.8%	0.7%	0.6%	0.6%	1.0%	0.9%	0.8%	0.4%	0.2%	0.7%	0.6%
	CPI Italy (annual change)	3.1%	2.3%	1.8%	2.1%	3.1%	2.2%	2.1%	2.5%	3.9%	4.0%	0.6%	1.6%
	Residential Property Italy (annual change)	2.5%	1.1%	2.3%	2.8%	2.8%	1.7%	2.9%	3.4%	1.7%	-2.9%	-1.9%	-0.2%
	10Y BTP yield	3.89	4.20	4.41	4.51	3.84	4.20	4.63	5.00	4.25	4.49	4.49	4.43
	BTP-Bund Spread 10Y (basis points)	78	106	109	105	72	94	96	90	112	109	103	106
	Italian Unemployment (%)	5.5	5.8	6.0	6.1	5.5	5.8	5.9	5.9	5.5	5.9	6.2	6.2
Commodities	Natural gas price (€/MWh)	46.2	32.2	23.0	19.0	45.8	30.5	22.9	20.5	58.4	50.3	24.4	19.3
	Oil price (BRENT)	92.6	66.8	66.0	67.0	90.1	66.0	66.0	73.0	109.0	79.4	61.7	63.5
USA	Real GDP US (annual change)	2.3%	2.4%	2.2%	2.2%	2.5%	2.6%	3.0%	3.2%	1.4%	-0.7%	0.8%	1.1%
	US Unemployment (%)	4.4	4.4	4.3	4.2	4.4	4.3	4.0	3.7	4.6	5.4	5.5	5.4

Scenarios produced in June 2026 by CFO-Research. Forecast data for the first quarter of 2026 (GDP, unemployment and real estate prices) or June 2026 (interest rates, inflation, exchange rates, stock market indices, and spreads) and for the years 2027, 2028 and 2029.

In the first half of 2026, the international macro-financial scenario was dominated by the war in the Persian Gulf, which began at the end of February with the suspension of transits through the Strait of Hormuz. In the second quarter, the situation evolved towards a progressive, but fragile, de-escalation – the truce of 8 April largely held, and on 17 June the United States and Iran signed a Memorandum of Understanding (MoU) laying the foundations for the gradual reopening of the Strait and the resolution of the crisis. The outcome of the negotiations remains uncertain and, following the closure of the scenario, further sporadic attacks occurred, underscoring the risks to the durability of the truce and to the negotiation process. Transits have nevertheless begun to recover, and energy prices have fallen more rapidly than expected from their April and May peaks, resulting in a more balanced risk distribution compared to March. Central projections for oil and gas prices have been set according to prudential criteria, which allow for temporary setbacks in the normalisation process, such as the one observed from 7 July.

The baseline scenario assumes a gradual reopening of the Strait from the end of June, with limited damage to infrastructure – the economic repercussions are concentrated in the central quarters of the year, with a substantial absorption of the shock in 2027. After the peaks in the second quarter, Brent is expected to return to pre-war levels by mid-2027 (93 US dollars per barrel on average in 2026, 67 in 2027); gas (TTF) is expected to average 46 euro/MWh in 2026 and 32 in 2027, with a slower decline than for oil.

In the Euro Area, growth in 2026 has been revised down to 0.7% from 0.9% in March, but the revision is entirely attributable to volatility in the Irish national accounting. Excluding these effects, underlying growth should remain close to 0.9% and the forecast for a return to 1.2% in 2027 has been confirmed (Germany: 0.6% in 2026).

The disinflation at the beginning of the year was abruptly interrupted by the energy shock, but its transmission to core components has so far been limited. Inflation has been revised to 3.0% in 2026 (from 3.3% in March) and is expected to remain at around 3% until early 2027, before falling to 2.3% on average in 2027. Core inflation is expected to be 2.5% in 2026.

In Italy, after a probable contraction in the second quarter and summer stagnation, activity is expected to rise marginally by the end of the year thanks to the upward revision of the first quarter. The 2026 growth forecast has been revised to 0.5% (from 0.4% in March), with a re-acceleration to 0.8% in 2027 supported by the final phase of the National Recovery and Resilience Plan and robust investment. Foreign trade continues to weigh on GDP, though to a lesser extent than in the March projections. Inflation is expected to be 3.1% in 2026 (from 3.8% in March), with a peak close to 4% in autumn, a return towards 3% at the beginning of 2027 (2.3% on annual average) and normalisation around 2% from the second quarter of 2027. Unemployment

remains low, at 5.5% in 2026 and 5.8% in 2027. The BTP-Bund spread is forecast to widen from 78 basis points in 2026 to 106 in 2027, due to fiscal and political risks linked to the 2027 elections. Residential property prices are expected to grow by 2.5% in 2026, slowing in subsequent years.
The persistence of inflation above target led the ECB to initiate a limited adjustment of official interest rates, with the Governing Council raising the deposit facility rate to 2.25% on 11 June. In the baseline scenario, the rate is assumed to rise to 2.50% in September, with a final increase to 2.75% in the first quarter of 2027, close to the peak of core inflation, in line with market prices at the time of the estimates.
In the United States, the impact of the conflict is mitigated by its role as a net hydrocarbon exporter, which preserves the terms of trade. The 2026 growth forecast has been revised to 2.3% (from 2.4% in March), supported by investments linked to Artificial Intelligence, with expansion to 2.4% in 2027. Inflation is expected to remain at 3.3% in 2026 and fall to 2.3% in 2027, with unemployment stable at around 4.4%. The Federal Reserve is expected to keep rates unchanged throughout 2026 and make its first cut in June 2027, bringing them to 3-3.25%.
As described in Part A - Section "A.2 - Main financial statement captions" of the Notes to the 2025 Financial Statements, the methodology adopted by the Group includes taking into account alternative scenarios (best-case/worst-case), mainly based on external information, including the minimum and maximum GDP forecasts from Consensus Economics. Given the geopolitical uncertainty, the Research Department has anchored the alternative scenarios to different assumptions regarding the evolution of the conflict, adopting a more cautious approach in the adverse scenario than the mechanical simulation, partially deviating from the standard methodology set out in the Impairment Policy.
The adverse scenario assumes a breakdown in negotiations, with a resumption of hostilities until September, a blockade of transits through Hormuz and new serious damage to infrastructure, in addition to the confidence shock provided for by the standard methodology. The GDP growth of the main economies in 2026-27 is set at the lower of the minimum of the consensus and the estimate of the adverse geopolitical scenario. Energy prices would rise sharply in the third quarter of 2026 (Brent towards a peak of 145 US dollars and gas towards 80 euro/MWh) and only gradually return to normal in 2027-28. Under these assumptions, the Euro Area would grow by 0.5% in both 2026 and 2027, and Italy by 0.4% and 0.2%, with recovery postponed to 2028. Meanwhile, the United States would contract by 0.7% in 2027, with unemployment at 5.4%. Inflation would be higher and stickier at 3.6% and 3.1% in 2026 and 2027 respectively for the Euro Area and 3.9% and 4.0% for Italy in the same two years, with a sharp decline from 2028. Italian unemployment would rise to 6.2% in 2028. The ECB would initially pursue more aggressive tightening, with the deposit facility rate at 3.0% in 2027, but would then cut official rates rapidly in response to the fall in inflation and the slowdown in economic growth. The 10-year Bund would rise to 3.5% at the end of 2027 and the BTP-Bund spread would reach an intra-year peak of 151 basis points in 2026, before falling to 109 in 2027 and 103 in 2028.
The favourable scenario reflects the assumption of a permanent cessation of hostilities, with a rapid resumption of transits and a faster convergence of energy prices towards pre-war averages. In line with the standard methodology, the GDP growth of the main advanced economies and the main equity indices in 2026-27 are set at the maximum of the May 2026 consensus. This would result in higher growth, with the Euro Area at 0.8% and 1.5% in 2026-27 and Italy at 0.6% and 1.0%. Inflation would be substantially in line with the baseline scenario and unemployment slightly lower. Higher growth would be accompanied by a slightly more restrictive monetary policy in the medium term – ECB deposit facility rate at 3.0% from 2028, Fed rates rising already in 2027 (3.8% versus 3.3%) – with higher 10-year yields, more robust equity and property markets and a more contained BTP-Bund spread (94 basis points versus 106 in 2027).
The update of the macroeconomic scenario resulted overall in a marginal increase in the ECL as at 30 June 2026.

Managerial adjustments to the results of the models (in-model and post-model)

As at 30 June 2026, there were no changes with respect to the methodological approaches adopted in the Annual Report as at 31 December 2025. The planned reassessment of the assumptions were carried out and did not result in substantial changes. The estimates were revised, along with the evidence updated to 30 June.
The overlay framework is based on the following complementary components:

– the adjustment to the outcomes of the forward-looking conditioning model, due to the introduction of a factor derived from "extreme scenarios", aimed at capturing the impacts of increased uncertainty in the macroeconomic conditions (due, for example, to geopolitical risks or repercussions connected to the higher-than-expected inflation) not captured by the current methodology based on the most-likely and alternative scenarios;
– overlay for "climate risk", introduced from the fourth quarter of 2025, aimed incorporating its effect as an in-model adjustment in the risk parameters (PD and LGD), with a focus on loans to corporates and mortgages to individuals. Specifically, the effects of Transition and Physical risk on the creditworthiness of companies are assessed by simulating the impact of climate risks on financial statements, as well as the impact of Acute Physical risks on the future value of the collateral for retail mortgages;
– the risk-sensitive post-model adjustments, aimed at reinforcing the provisioning on selected portfolios in relation to potential vulnerabilities and credit risk divergences not captured by the models used, especially in the current economic environment often characterised by crises that affect individual product sectors asymmetrically.

The framework described is applied at Group level, except for the overlay for "climate risk" introduced in December 2025, which is not applied to the Banks of the International Banks Division.
The approaches adopted are considered appropriate, including in light of the situation arising from the Persian Gulf conflict, with the adjustment for the "extreme scenarios" driven by the forecasting uncertainty due to the geopolitical risks, and the "risk-sensitive" adjustments addressing emerging risks such as energy price volatility and disruptions to supply chains in the sectoral vulnerability analysis.

As at 30 June 2026, adjustment allowances for performing exposures included management overlays of 0.9 billion euro relating to both on-balance and off-balance sheet exposures, substantially unchanged from December 2025. This figure does not include the additional provisions made on exposures to Russian and Ukrainian counterparties, relating to cross-border positions, and those of Banca Intesa Russia and Pravex.

ECL sensitivity analysis

The ECL, calculated in accordance with IFRS 9, was subject to sensitivity analysis aimed at analysing its variability with respect to the individual alternative scenarios in accordance with the ESMA recommendations.
That analysis was conducted on a portfolio of performing loans (Stage 1 and Stage 2) relating to the scope representing the Group (which includes the banks and companies in Italy and Intesa Sanpaolo Bank Luxembourg, which represent around 90% of the Group's total exposure).
Note that the approach adopted by the Group to estimate the ECL for the macroeconomic conditioning of PD and LGD involves the use of a ("Most Likely") baseline scenario which is then adjusted with an Add-On calculated based on the distance between the baseline scenario and the best-case/worst-case scenarios. These are largely determined from the selection of the most optimistic/pessimistic assumptions of the Consensus Economics macroeconomic variables and therefore incorporate the forecasts made.
The sensitivity analysis is the difference between the ECL determined using the assumptions adopted for the alternative scenarios (best-case and worst-case) and the ECL derived from the model referred to above, which therefore already includes the alternative forecasts factored by means of their distance from the baseline scenario.
Based on the above, and the fact that the distance between the worst-case and best-case scenarios compared to the baseline scenario is small, although up on December, the application of the adverse scenario would result in 1.4 billion euro of exposure sliding into Stage 2, an increase of around 48.7 million euro in the ECL, and a slight increase in the coverage ratio. On the other hand, the sensitivity of the portfolio to the best-case scenario would lead to a decrease of 24.1 million euro in the ECL, with a return to Stage 1 of 0.4 billion euro of exposures. The coverage ratio for performing exposures would remain essentially unchanged.
In order to consider the greater uncertainty inherent in the forward-looking scenarios, the Group has included in the ECL of performing loans detected starting in the 2023 Financial Statements, an adjustment (referred to in the previous section and described in detail in Part E, Section 2 - Risks of the prudential consolidation - 1.1 Credit risk, of the Notes to the 2024 Consolidated Financial Statements) aimed at capturing those elements of uncertainty by considering assumptions from more extreme alternative scenarios that incorporate assumptions of significant deviations from the expected evolution of the macroeconomic framework. The adjustment for the extreme alternative scenarios, which resulted in an increase in the ECL of performing loans of around 202 million euro, is not incorporated in the sensitivity analysis described above. A further intervention of managerial adjustment to the results of the models, referred to in the section above, is aimed at capturing vulnerabilities that affect the individual economic sectors asymmetrically, which are not captured by the models being used and, therefore, cannot be directly linked to the forward-looking components subject to sensitivity analysis.

Counterparty risk

Counterparty risk is a particular kind of credit risk arising from derivatives (OTC – Over The Counter and ETD – Exchange-Trade-Derivatives) and SFTs (Securities Financing Transactions) which refers to the possibility that a counterparty may default before the expiry of a contract with a positive market value.
The Intesa Sanpaolo Group adopts counterparty risk mitigation techniques through bilateral netting arrangements which, in the event of the counterparty's default, allow the offsetting of the credit and debit positions. This is achieved by entering into ISDA – International Swaps and Derivatives Association arrangements for OTC derivatives, which also reduce the absorption of regulatory capital in accordance with supervisory provisions. Where possible, the Bank also implements margin agreements, usually on a daily basis, to cover OTC bilateral derivative transactions (CSA – Credit Support Annex) and SFTs (GMRA – Global Master Repurchase Agreement and GMSLA – General Market Securities Lending Agreement). Transactions in ETD is also subject to daily margining, according to the rules of the reference markets.

For reporting purposes, Intesa Sanpaolo has been authorised to use the internal models approach to calculate the requirement for counterparty risk for (OTC and ETD) derivatives and SFTs.
Those advanced risk measurement methodologies are also used for managerial purposes to assure use test of such advanced models: on a daily basis, IMI CIB Risk Management calculates, validates and sends the metrics to the credit monitoring systems, to measure the usage of credit lines for derivatives and SFTs. The other banks of the Group, whose operations result in a residual counterparty risk requirement compared to the Parent Company, apply, for operational purposes, the advanced metrics in the simplified form.

In order to ensure use testing of the model, the Group implemented the processes required under the Basel 3 regulations. Specifically, stress tests are conducted to measure the impacts on risk measures under extreme market conditions. Backtesting is also conducted to verify the robustness of the approach.
The following company processes were activated on conclusion of the risk analysis process:
– definition and periodic calculation of stress tests on market scenarios and joint market/credit scenarios on counterparty risk measures;
– definition and periodic analysis of Wrong-Way Risk, i.e. the risk of a positive correlation between the future exposure to a counterparty and that counterparty's probability of default;
– definition and monitoring of management limits;
– contribution of collateral inflow/outflow risk measures, calculated on the basis of the internal counterparty risk model, for margined OTC derivatives and SFTs;
– periodic reporting to the management of measures calculated using the internal exposure model, capital requirement, level of use of management limits, results of stress tests and analyses of wrong-way risk;
– definition and periodic calculation of backtesting analyses to monitor the predictive performance over time of the model with respect to the movements of the risk factors underlying the transactions in the portfolio.

There were no changes in the scope of application of the model compared to 31 December 2025.

MARKET RISKS

TRADING BOOK

General aspects

The regulatory requirements for the trading book are established in Regulation (EU) 876/2019 (CRR2 - Part Three, Title I, Chapter 3, in Articles 102, 103, and 104 respectively). The combined provisions of those articles lay down the set of minimum requirements for the identification of the trading strategies and the measurement and control of the associated risks.
In accordance with the requirements of the applicable regulations, the Intesa Sanpaolo Group has established an internal policy that identifies the trading book based on:

- measurement at fair value through profit or loss of the instruments held for trading;
- the strategies defined;
- the risk-taking centres identified;
- the monitoring, limitation and management of the risks defined in accordance with the internal regulations on market risk.

In particular, the assets classified in the regulatory trading book coincide – apart from some specific exceptions – with the financial assets held for trading (Bank of Italy Circular 262). This association derives from the set of strategies, powers, limits and controls that feed and guarantee the adjacency and consistency between the accounting and prudential portfolios.

Among risks associated with trading activity, i.e. market risks deriving from the effect that changes in market variables may generate on the Group's various assets and liabilities, the latter are generally quantified through daily and periodic analysis designed to determine the vulnerability of the Intesa Sanpaolo Group's trading book. A list of the main risk factors to which the Group's trading book is exposed is set out below:

- generic interest rate risk (including inflation rate risk);
- specific interest rate risk (credit spread variability in relation to trading in credit derivatives, bonds and loans);
- generic equity risk;
- specific equity risk;
- incremental risk of migration and default (incremental risk charge);
- foreign exchange risk;
- risk of implied volatility on optional instruments;
- risk of illiquid factors (correlation, dividends, ABS, OtS loans, hedge funds);
- position risk for units of UCIs;
- commodity position risk.

For some of the risk factors cited above and included in the managerial VaR (Value at Risk) measurements, the Supervisory Authority has validated the internal models for the reporting of the capital requirement of Intesa Sanpaolo. More specifically, concerning market risk, the risk profiles validated are: (i) generic and specific on debt securities and on equities; (ii) position risk on quotas of UCI with daily liquidity and (iii) commodity risk.

Risk management processes and measurement methods

The allocation of capital for trading activities is set by the Parent Company's Board of Directors, through the attribution of operating limits in terms of VaR to the various Group units.
The structure of limits reflects the risk level deemed to be acceptable with reference to single business areas, consistent with operating and strategic guidelines defined by top management. The attribution and control of limits at the various hierarchical levels implies the assignment of delegated powers to the heads of business areas, aimed at achieving the best trade-off between a controlled risk environment and the need for operating flexibility. The functioning of the system of limits and delegated powers is underpinned by the basic concepts of hierarchy and interaction.
The application of such principles led to the definition of a structure of limits in which the distinction between first level and second level limits is particularly important:

- **first-level limits (VaR)**: the overall limits of the Group as well as those of the IMI C&IB Division and Group Treasury & Capital Management Area are included in the Group's Risk Appetite Framework (RAF). At the same time, the Board of Directors of the Parent Company defines the operating limits in terms of VaR for other Group companies which hold smaller trading books whose risk is marginal. Following approval, these limits are then allocated to the desks of the individual legal entities, considering the proposals by the business units. Limit absorption trends and the relative congruity analysis are periodically assessed by the Group Financial Risk Committee (GFRC) and Board of Directors within the framework of the Tableau de Bord for the Group's risks;
- **second level limits** (**sensitivity and greeks**): they have the objective of controlling operations of the various desks on the basis of differentiated measures based on the specific characteristics of traded instruments and operating strategies, such as sensitivity, greeks and equivalent exposures;
- **other significant limits**: they have the objective of monitoring particular transactions (e.g. limits of negative maximum exposure of the valuation reserve, ceilings for transactions with issuer risk).

Some of these limits may be managed under the RAF.

The Parent Company represents the main portion of the Group's market risks, while some other subsidiaries hold smaller trading books with a marginal risk (approximately less than 10% of the Group's overall management risk): in particular, the risk factors of the international subsidiaries' trading books are local government bonds, positions in interest rates, and foreign exchange rates relating to linear pay-offs.

A more detailed representation of the market risk metrics monitored in the limit structure is set out below.

Managerial VaR

Definition: Value at Risk is a monetary estimate of risk based on statistical techniques capable of summarising the maximum probable loss, with a certain confidence level, that a financial position or portfolio may suffer in a given period (holding period) in response to changes in the risk factors underlying the measurement models caused by market dynamics.
Method: the mathematical and statistical models that make it possible to calculate VaR can be divided into two general categories: parametric approaches (variance/covariance) and approaches based on simulation techniques, such as that in use at Intesa Sanpaolo.
Specifically, the approach used in Intesa Sanpaolo has the following characteristics:

- historical simulation model based on the mark-to-future platform;
- a 99th percentile confidence interval;
- disposal period of 1 day;
- full revaluation of existing positions.

Historical simulation scenarios are calculated internally on time series of one-year risk factors (250 observations). For management purposes, a non-equal probability of occurrence is associated with each scenario, decreasing exponentially as a function of time, to privilege the informational content of the most recent data. For regulatory purposes, scenarios are equally weighted when calculating the capital requirement.
Please note that, in the first quarter of 2026, on the ordinary annual update of the market risk managerial framework, the Board of Directors (as part of the 2026 Group Risk Appetite Framework) confirmed the specific limit for trading within an overall limit for trading and the hold to collect and sell (HTCS) business model.

Sensitivity and greeks

Definition: sensitivity measures the risk attributable to a change in the theoretical value of a financial position to changes of a defined quantity of risk factors connected thereto. It therefore summarises:

- the extent and direction of the change in the form of multipliers or monetary changes in theoretical value;
- without explicit assumptions on the time horizon;
- without explicit assumptions of correlation between risk factors.

Method: the sensitivity indicator can be constructed using the following techniques:

- calculation of prime and second derivatives of the valuation formulae;
- calculation of the difference between the initial value and that resulting from the application of unidirectional shocks independent of risk factors (delta, gamma, vega, CR01 and PV01).

Sensitivity measures make risk profiling more accurate, especially in the presence of option components. These measure the risk attributable to a change in the value of a financial position to predefined changes in valuation parameters including a one basis point increase in interest rates.

Level measures

Definition: level measures, used also as ratios, are indicators supporting synthetic risk metrics which are based on the assumption of a direct relationship between the size of a financial position and the risk profile. In particular, level measures make it possible to monitor the nature of exposures to certain issuers and economic groups.
The main level measure indicators are nominal (or equivalent) position and average duration metrics; level indicators also include the Negative Maximum Exposure of the Valuation Reserve measures characteristic of the HTCS business model.
Method: nominal (or equivalent) position is determined by identifying:

- the notional amount;
- the mark to market;
- the conversion of the position of one or more instruments to that of a given benchmark (equivalent position);
- the FX exposure.

When determining the equivalent position, risk is defined as the value of the various assets, converted into an aggregate position that is "equivalent" in terms of sensitivity to the change in the risk factors investigated.
At Intesa Sanpaolo the approach is characterised by extended use of ceilings in terms of MtM, as representative of the value of the assets as recognised.

Stress tests

Definition: stress tests are conducted periodically to identify and monitor potential vulnerabilities in trading books upon the occurrence of extreme, rare events not fully captured by VaR models.
Method: stress tests for management purposes are applied periodically to market risk exposures, typically adopting:

- sensitivity analysis, which measures the potential impact on the main risk metrics of a change in a single risk factor or simple multi-risk factors;
- scenario analysis, which measures the potential impact on the main risk metrics of a certain scenario that considers multiple risk factors.

Stressed VaR

Definition: the stressed VaR metric is based on the same measurement techniques as VaR. In contrast to the latter, it is calculated by applying market stress conditions recorded over an uninterrupted 12-month historical period.
Method: that period was identified considering the following guidelines:

- the period must represent a stress period for the portfolio;
- the period must have a significant impact on the main risk factors for the portfolio of Intesa Sanpaolo;
- the period must allow real time series to be used for all portfolio risk factors.

While using the historical simulation approach for VaR calculation, the latter point is a discriminating condition in the selection of the holding period. Actually, in order to ensure that the scenario adopted is effectively consistent and to avoid the use of driver or comparable factors, the historical period must ensure the effective availability of market data.
As at the date of preparation of the Half-yearly Report as at 30 June 2026, the period for the measurement of Stressed VaR for Intesa Sanpaolo was from 3 October 2011 to 20 September 2012.
For managerial purposes, the stressed VaR metric is calculated on the entire set of the Group's portfolios measured at fair value (trading and FVOCI in the banking scope) and the stressed period is revised at least annually, together with the annual update to the market risk management framework (Risk Appetite Framework).

Incremental Risk Charge (IRC)

Definition: The Incremental Risk Charge (IRC) is the maximum potential loss in the credit trading book resulting from an upgrade/downgrade or bankruptcy of the issuers, over a 1-year period, with a 99.9% confidence level. This measure, which is additional to the VaR, is applied to the entire trading book of Intesa Sanpaolo (just as for the other regulatory metrics, it is not applied to the sub-portfolios).
The IRC enables the correct representation of the specific risk on debt securities and credit derivatives because, in addition to idiosyncratic risk, it also captures event and default risk.
This measure applies to all financial products that are sensitive to credit spreads included in the trading book except for the securitisations.
Method: the simulation is based on a Modified Merton Model. The probabilities of transition and default are those observed through the historical matrices of the main rating agencies, applying a default probability minimum value greater than or equal to 0.01%. The asset correlation is inferred from the equity correlation of the issuers. The model is based on the assumption of a constant position with a holding period of one year.
A regular stress program is applied to the model's main parameters (correlation, and transition, default and credit spread matrices).

Daily managerial VaR of the trading book

Below is a summary of the daily managerial VaR for the trading book only, which also shows the overall exposure of the main risk-taking centres.

(millions of euro)

	2026				2025			
	average 2nd quarter	minimum 2nd quarter	maximum 2nd quarter	average 1st quarter	average 4th quarter	average 3rd quarter	average 2nd quarter	average 1st quarter
Total Group Trading Book [(a)]	24.3	19.1	28.1	20.5	22.7	29.6	32.8	26.8
of which: Group Treasury & Capital Management	*5.4*	*4.5*	*6.4*	*3.8*	*5.8*	*4.5*	*6.1*	*11.8*
of which: IMI C&IB Division	*19.2*	*13.7*	*23.2*	*16.9*	*18.3*	*21.9*	*20.6*	*15.0*

The table shows the historical variability of the daily managerial VaR calculated on the quarterly time series of Intesa Sanpaolo Group (including the subsidiaries in the perimeter), Group Treasury & Capital Management and IMI C&IB Division respectively. The values calculated on the Group perimeter (average, minimum and maximum) do not correspond to the sum of the values of the individual columns, because they are recalculated on the aggregate time series which also includes the subsidiaries in the perimeter.

(a) The Group Trading Book figure includes the managerial VaR of Group Treasury & Capital Management, IMI C&IB Division (Trading Book perimeter) and the subsidiaries in the perimeter.

In the second quarter of 2026, as shown in the table above, compared to the averages for the first quarter of 2026, there was a marginal increase in trading managerial risks, which rose from 20.5 million euro (average value in the first quarter of 2026) to 24.3 million euro (average value in the second quarter of 2026). The increased volatility observed from March 2026 following the outbreak of the conflict in the Middle East was reflected in the historical window used for the VaR calculation throughout the second quarter of 2026.

Compared to the first half of 2025, as reported in the table below, the average for the first half of 2026 shows a reduction in trading managerial risks of around -7 million euro, attributable to the exit from the distribution of the April 2025 scenarios (characterised by high volatility following the introduction of reciprocal tariffs by the Trump administration) as well as lower exposure to the interest rate risk factor.

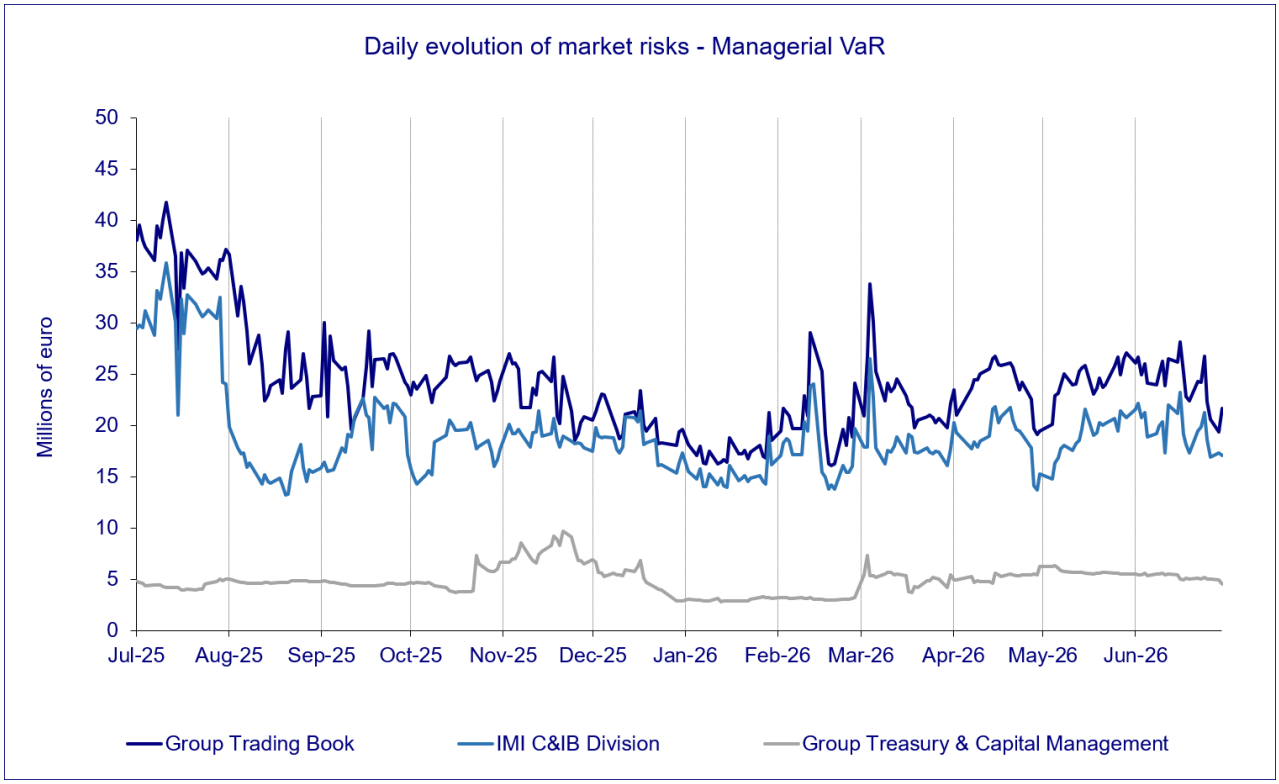
(millions of euro)

	2026			2025		
	average 1st half	minimum 1st half	maximum 1st half	average 1st half	minimum 1st half	maximum 1st half
Total Group Trading Book (a)	22.4	16.1	33.8	29.8	19.6	42.6
of which: Group Treasury & Capital Management	*4.6*	*2.8*	*7.3*	*9.0*	*4.2*	*12.8*
of which: IMI C&IB Division	*18.0*	*13.7*	*26.5*	*17.8*	*11.4*	*36.9*

The table shows the historical variability of the daily managerial VaR calculated on the time series for the first six months of the year for Intesa Sanpaolo Group (including the subsidiaries in the perimeter), Group Treasury & Capital Management and IMI C&IB Division respectively. The values calculated on the Group perimeter (average, minimum and maximum) do not correspond to the sum of the values of the individual columns, because they are recalculated on the aggregate time series which also includes the subsidiaries in the perimeter.

(a) The Group Trading Book figure includes the managerial VaR of Group Treasury & Capital Management, IMI C&IB Division (Trading Book perimeter) and the subsidiaries in the perimeter.

In addition, as shown in the graph below, the main contribution to the movements in the Trading VaR continues to be the trading conducted by the IMI C&IB Division.



Contribution of risk factors to total managerial VaR

2nd quarter 2026	Shares	Interest rates	Credit spreads	Foreign exchange rates	Other parameters	Commodities
Group Treasury & Capital Management	0%	49%	2%	49%	0%	0%
IMI C&IB Division	13%	37%	33%	3%	6%	8%
Group Total	**11%**	**37%**	**30%**	**10%**	**5%**	**7%**

The table sets out the contribution of risk factors considering 100% the overall capital at risk, calculated as the average of daily estimates in the second quarter of 2026, broken down between Group Treasury & Capital Management and IMI C&IB Division, in addition to the distribution of the Group's overall capital at risk (including the subsidiaries in the perimeter).

The breakdown of the Group's risk profile in the trading book in the second quarter of 2026 shows a prevalence of interest rate risk and credit spread risk, accounting for 37% and 30% respectively of the Group's total managerial VaR. The individual risk-taking centres, on the other hand, show a prevalence of interest rate risk and exchange rate risk for Group Treasury & Capital Management (both at 49%) and of interest rate risk and credit spread risk for the IMI C&IB Division (37% and 33%, respectively).

Risk control with regard to the activity of the Intesa Sanpaolo Group also uses scenario analyses and stress tests. The impact of selected scenarios relating to the evolution of stock prices, interest rates, credit spreads, foreign exchange rates, commodity prices and inflation at the end of June is summarised in the following table:

(millions of euro)

	EQUITY		INTEREST RATES		CREDIT SPREADS		FOREIGN EXCHANGE RATES		COMMODITIES		INFLATION	
	Crash	Bullish	+40bps	lower rate	-25bps	+25bps	-5%	+5%	Crash	Bullish	Up	Down
Total Trading Book	58	8	-78	57	-49	50	11	42	-3	3	2	-2

Specifically:
- for positions in interest rates, there would be potential losses of 78 million euro in the event of a 40 basis point rise in interest rates;
- for positions in credit spreads, a tightening of credit spreads of 25 basis points would result in an overall loss of 49 million euro;
- for positions in commodities, there would be potential losses of 3 million euro in the event of a fall in prices of commodities other than precious metals;
- lastly, for the inflation-indexed positions, there would be a potential loss of 2 million euro in the event of a reduction in inflation.

With regard to the use of the overall limit relating to trading and the Hold to Collect and Sell (HTCS) business model, there was an increase in market managerial VaR in the second quarter of 2026 from 149 million euro (average managerial VaR first quarter of 2026) to 211 million euro (average managerial VaR second quarter of 2026). The average for the first half of 2026 is 179.8 million euro, slightly up compared to the average managerial VaR in the first half of 2025, equal to 174.9 million euro.

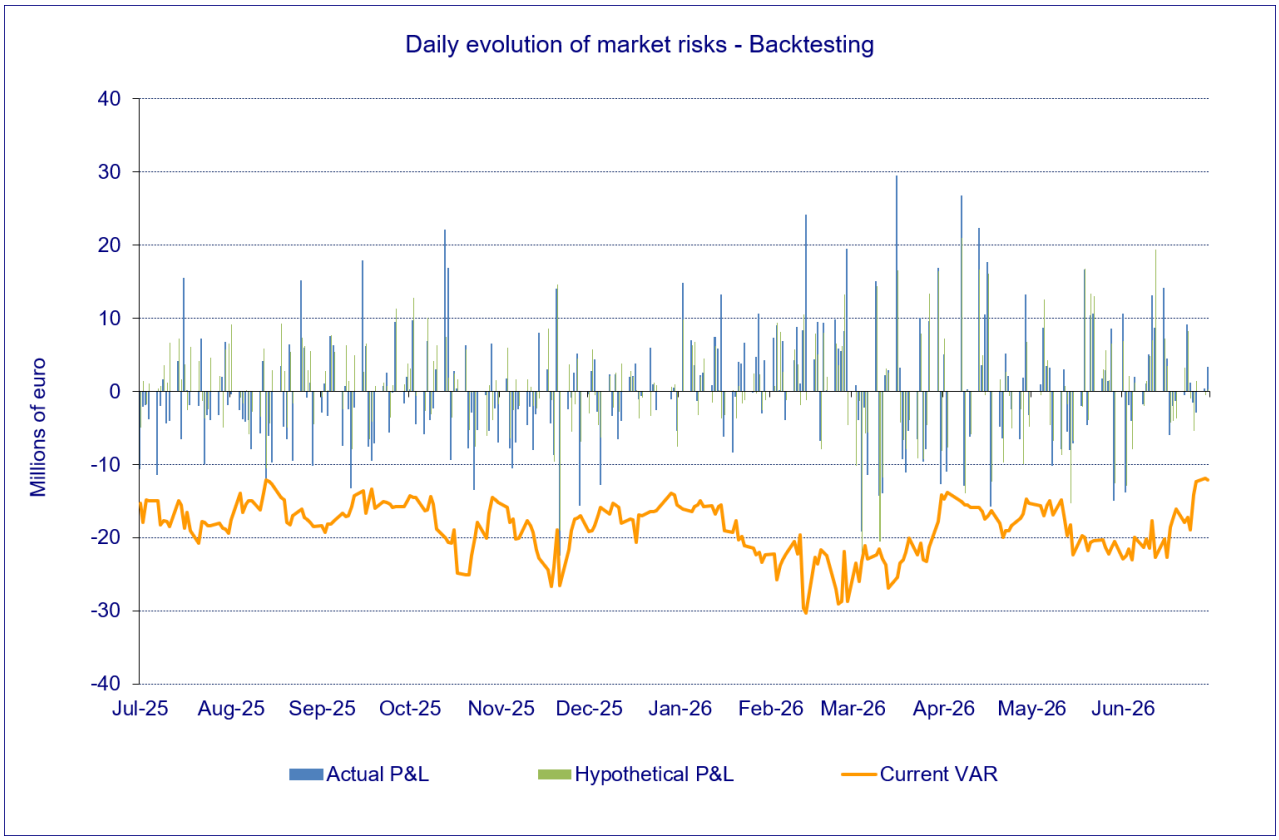
Backtesting

The soundness of the VaR calculation methods must be monitored daily via backtesting which, for the regulatory backtesting, compares:

- the daily estimates of value at risk;
- the daily profits/losses based on backtesting which are determined using actual daily profits and losses achieved by individual desks, net of components which are not considered in backtesting: these include, for example, fees and financial costs of managing the positions that are regularly reported within the managerial area.

Backtesting allows verification of the model's capability of correctly seizing, from a statistical viewpoint, the variability in the daily valuation of trading positions, covering an observation period of one year (approximately 250 estimates). Any critical situations relative to the adequacy of the internal model are represented by situations in which daily profits/losses based on backtesting highlight more than four occasions, in the year of observation, in which the daily loss is higher than the value at risk estimate. Current regulations require that backtesting is performed by taking into consideration both the actual and hypothetical P&L series.

During the last twelve months there were no backtesting exceptions[57] for the regulatory VaR measure of Intesa Sanpaolo.



[57] In the last 250 observations, the Bank has not recorded any Actual P&L exceptions and/or Hypothetical P&L exceptions. For the total calculation, in accordance with the applicable regulations, the maximum between Actual P&L and Hypothetical P&L exceptions is counted.

BANKING BOOK

Qualitative information

The "banking book" is defined as the commercial portfolio consisting of all the on-balance sheet and off-balance sheet items that are part of the Intesa Sanpaolo Group's lending and deposit collecting activities. Therefore, the interest rate risk of the banking book (hereinafter "interest rate risk" or IRRBB) refers to the current and prospective risk of changes in the economic value and the net interest income of the Group's banking book due to adverse changes in interest rates, which reflect on both the economic value and the net interest income.
The banking book also includes the equity investments in listed companies not fully consolidated, mainly held by the Parent Company.
The internal system for measuring interest rate risk assesses and describes the effect of changes in interest rates on the economic value and the net interest income and identifies all significant sources of risk that affect the banking book:

– repricing/gap risk, i.e. the risk associated with lags in maturity dates (for fixed-rate positions) or in the interest rate revision date (for floating-rate positions) of the assets, liabilities and off-balance sheet items arising from parallel movements in the yield curve;
– yield curve risk, i.e. the repricing risk associated with changes in the inclination and shape of the yield curve;
– basis risk, i.e. the risk arising from imperfect correlation in the adjustment of lending and deposit rates on different instruments, but with otherwise similar repricing characteristics. As interest rates change, these differences can lead to unexpected changes in cash flows and yield spreads between assets, liabilities and off-balance sheet positions having similar maturities or rate revision frequencies;
– optionality risk, i.e. the risk associated with the presence of automatic or behavioural options in the Group's assets, liabilities and off-balance sheet instruments.

The relevance of each of the above-mentioned risk sources is assessed as part of a risk identification process, conducted at least annually, which classifies their materiality based on set thresholds.
Intesa Sanpaolo's current measurement system also allows the risk profile to be examined on the basis of two distinct but complementary perspectives:

– **economic value perspective** (EVE – Economic Value of Equity), which considers the impact of interest rate fluctuations and the associated volatility on the present value of all future cash flows;
– **net interest income perspective** (NII - Net Interest Income), which aims to analyse the impact of interest rate fluctuations and their associated volatility on net interest income.

The economic value perspective assesses the medium-to-long term impacts of interest rate fluctuations, while the net interest income perspective provides a short-term assessment.
Interest rate risk is managed by setting limits to both perspectives. Said limits comprise:

– consolidated limits, both in terms of change in EVE (sensitivity of the economic value or ΔEVE) and net interest income sensitivity (ΔNII)[58], defined in the Risk Appetite Framework, approved by the Board of Directors, and management limits, approved by the Group Financial Risk Committee. In addition to the above-mentioned Group EVE and NII sensitivity limits, early warnings are in place to monitor the sensitivity of the Economic Value in the event of yield curve twists, and the sensitivity of the net interest income over multi-year horizons;
– individual shift sensitivity of the economic value and net interest income sensitivity limits, which are part of the "cascading" process of the Group's RAF limit, and are proposed, after being shared with the operating structures, by Market & Financial Risk Management and approved by the Group Financial Risk Committee.

These limits take account of the characteristics of the banks'/divisions' portfolios, with particular reference to intermediated volumes, average durations, the type of instruments traded and the Company's strategic mission within the Group.

Market & Financial Risk Management performs monthly checks that the limits and early warning level approved in the Risk Appetite Framework (RAF) are observed at the consolidated and individual level. In addition, the Group has adopted a specific internal policy document regarding interest rate risk and credit spread risk (the IRRBB & CSRBB Guidelines) subject to approval by the Board of Directors, which governs the Group's entire interest rate and credit spread risk management framework and in particular the aspects of governance, methods of use and formulation of scenarios.
The IRRBB & CSRBB Guidelines define the methods for measuring the financial risks generated by the Group's banking book:

– Sensitivity of economic value (ΔEVE);
– Net interest income sensitivity (ΔNII);
– Value at Risk (VaR);
– Credit Spread Risk of the Banking Book (CSRBB).

These measures are available for each relevant currency in the banking book.

The **sensitivity of the economic value** (or sensitivity of the fair value) measures the change in the economic value of the banking book and is calculated at individual cash flow level for each financial instrument, based on different instantaneous rate shocks and based on historical stress simulations aimed at identifying the worst and best cases. It reflects the changes in the present value of the cash flows of the positions already in the balance sheet for the entire remaining duration until maturity (run-off balance sheet). The cash flows used to determine the present value are developed at the risk-free rate (Euribor/Libor) and discounted according to risk-free discount curves.

[58] The magnitude of the shocks used to set the limits is reassessed annually in the shock calibration process.

This measure is broken down according to the various risk sources subject to monitoring:
– for repricing/gap risk, yield curve risk and option risk, to control the exposure and monitor the limits, the calculation involves determining the algebraic sum of the equivalent in euro of the sensitivities of the positions in the various currencies by applying a parallel shock of +100 basis points to the interest rate curves in the various currencies. The calculation for non-parallel shocks for the purposes of controlling the exposure and monitoring the early warning level is performed similarly. The sensitivity of the relevant currencies is then corrected, according to a "currency aggregation" management technique, to take account of the imperfect correlation with the rates of the main currency (EUR);
– for basis risk, the sensitivity measures the impact on the economic value arising from the change in the difference (i.e. the basis) between the market indices to which the maturing positions in the Banking Book are indexed. The internal methodology used assesses the positions denominated in EUR and USD, which are material for the Group, and calculates the bases as the difference with respect to an O/N parameter for each currency, elected as the "risk free parameter" (€STR for EUR, SOFR for USD). For the determination of the operational limits, widening and tightening shocks to the bases are defined, calibrated using a historical simulation methodology.

The **sensitivity of net interest income** focuses the analysis on the impact that changes in interest rates can have on the Group's ability to generate stable profit levels. The component of profits measured is represented by the difference between the net interest income generated by interest-bearing assets and liabilities, including the results of hedging activities through the use of derivatives. The time horizon of reference is commonly limited to the short and medium term (from one to three years) and the impact is assessed on a going concern basis. The change in net interest income is estimated under expected scenarios as well as under potential interest rate shocks and stress scenarios. Further assumptions are made regarding customer behaviour (differentiated according to interest rate scenarios) and market behaviour and the response of Group/Bank management to changes in the economy. Thus, the projection of the net interest income and its sensitivity to changes in market factors require a series of modelling assumptions for the development of volumes and rates (fixed/floating), the reference time horizon, the relevant currencies, as well as the behavioural models introduced (prepayment, core deposits, etc.) and the assumptions regarding the evolution of the portfolio (run-off, constant or dynamic balance sheet).
Also in this case, the measure is broken down according to the various risk sources subject to monitoring:
– for repricing/gap risk and option risk, the net interest income sensitivity limits are set on the basis of an instantaneous and parallel interest rate shock of +/-100 basis points, with a reference time horizon of 1 year and assuming a constant balance sheet. The net interest income sensitivity limit is defined as the limit on the loss in the income statement and, therefore, is exclusively negative (limit on the potential reduction in the net interest income): the use of the limit is represented by the sensitivity that generates a greater reduction in net interest income in the two scenarios of a parallel rise and fall in interest rates. The total sensitivity exposure of net interest income is given by the algebraic sum of the exposure of individual currencies. The limit assigned to each Company is defined consistently with the strategies and limits defined for the sensitivity of economic value;
– for basis risk, the sensitivity measures the impact on the net interest income arising from the change in the bases between the market indices to which the Banking Book positions are indexed. Here also, widening and tightening shocks to the bases, calibrated using the historical simulation approach, are applied for the determination of the operational limits.

Value at Risk (VaR) is a probability-based metric that expresses the maximum potential loss of portfolio value that could be incurred within a specific time horizon, at a pre-defined confidence level. VaR is also used to consolidate exposure to financial risks of the various Group companies which perform banking book activities, also taking into account the benefits of diversification and the correlation between various risk factors and different currencies. This measure is calculated and monitored, for the entire scope, by Market & Financial Risk Management.

Based on the definition by the EBA, **CSRBB** – **Credit Spread Risk of the Banking Book** is the risk driven by changes of the market credit spread and market liquidity spread, which respectively represent the credit risk premium required by market operators for a specific credit quality and liquidity premium, which stimulates the market appetite of investors, and by other potential characteristics of credit risk instruments which are not detected by other existing prudential frameworks. The CSRBB framework was introduced as a criterion to assess and monitor the risk deriving from market credit spreads and market liquidity spreads, which impact the EVE and the NII of the bank's non-trading assets.
The Group is committed to ensuring an appropriate governance process for CSRBB risk aimed at preserving the corporate economic capital and maximising shareholder value from fluctuations in market credit spreads.
The Group also pays particular attention to CSRBB risk positions arising from tradable assets and liabilities, focusing particularly on the bond portfolio of the banking book, as it is the risk area with the most severe potential impact under a market credit spreads stress scenario.

In calculating the above risk measures, Intesa Sanpaolo adopts behavioural models for representing capital items.

For mortgages, statistical techniques are used to determine the probability of prepayment, in order to reduce the risk of excess hedging in relation to real exposure to interest rate risk (overhedging) and liquidity risk (overfunding). The prepayment ratios for Retail mortgages and consumer loans are estimated through a Survival Analysis that expresses the repricing portfolio of each single mortgage, based on macroeconomic variables, personal details of the counterparty and financial variables.

For core deposits (customer current accounts), a financial representation model is adopted aimed at reflecting the behavioural features of stability of deposits and partial and delayed reaction to market interest rate fluctuations.

Both models are continuously monitored and periodically revised to promptly reflect changes in customer behaviour and characteristics over time, as well as in the relevant regulatory framework.

In order to measure the Group's vulnerability to market turbulence, the interest rate risk measurement system measures the impacts on the economic value and net interest income produced by strains on the market ("scenario analysis"), i.e. sudden changes in the general level of interest rates, changes in the relationships between fundamental market rates (basis risk), in the slope and shape of the yield curve (yield curve risk), in the liquidity of the main financial markets or in the volatility of market rates.
These analyses are conducted by subjecting the portfolio to various interest rate change scenarios:

– regulatory scenarios produced by the Supervisory Outlier Test (SOT), which establishes an early warning relating to changes in economic value of 15% of Tier 1, calculated with reference to the BCBS scenarios (Parallel shock up, Parallel shock down, Steepener shock, Flattener shock, Short rates shock up and Short rates shock down), and changes in net interest income equal to 5% of Tier 1, calculated solely with reference to the parallel scenarios (parallel shock up and parallel shock down);
– shocks diversified by reference curve of the main risk factors and calculated as the difference between the yields of the curves of the individual factors and those of a curve relating to the selected pivot parameter (basis risk);
– stress scenarios in historical simulation.

Stress tests on behavioural models are also carried out to verify the financial impact of alternative assumptions underlying the behavioural parameters estimated in the models. The methodological assumptions underlying the assumptions contained in the stress scenarios are duly described in the detailed methodologies. In addition, within the framework of the dynamic simulation of net interest income, an additional behavioural model is adopted to simulate the effects of potential renegotiations of the contractual conditions of medium/long-term assets. In terms of risks, renegotiations modify the duration of the portfolio of medium/long-term loans and entail a decline in net interest income due to the revision of the contractual rates/spreads to include conditions more advantageous to customers. Specific models have been estimated to ensure a proper representation of the renegotiations phenomenon in terms of the percentages of mortgage loans renegotiated and their financial characteristics.

Quantitative information

Banking book: internal models and other sensitivity analysis methodologies

In the first half of 2026, interest rate risk generated by the Intesa Sanpaolo Group's banking book, measured through sensitivity of economic value, averaged -2,668 million euro, with a minimum value of -2,505 million euro and a maximum value of -2,722 million euro. The figure at the end of June was -2,711 million euro, an increase of -72 million euro compared to figure at the end of 2025 of -2,639 million euro. The increase compared to the end of 2025 was mainly due to purchases of HTCS securities, in line with the strategy established for 2026.

The sensitivity of net interest income continued to be very low and – assuming a +50, -50 and +100 basis point change in interest rates – respectively amounted to 208 million euro, -267 million euro and 407 million euro at the end of June 2026. This latter figure was down on the end of 2025 figure of 430 million euro, and mainly reflected the repricing at the end of the half year.

The table and charts below provide a representation of the performance of the sensitivity of economic value (or the sensitivity of fair value) and the sensitivity of net interest income.

(millions of euro)

	1st half 2026			30.06.2026	31.12.2025
	average	minimum	maximum		
Sensitivity of the Economic Value +100 bp	-2,668	-2,505	-2,722	-2,711	-2,639
Sensitivity of Net Interest Income -50 bp	-290	-267	-326	-267	-269
Sensitivity of Net Interest Income +50 bp	230	208	278	208	222
Sensitivity of Net Interest Income +100 bp	451	407	541	407	430

The risk expressed in terms of basis risk showed exposures, during the half year, that were low and well within the assigned limits.

Interest rate risk, measured in terms of VaR, averaged 766 million euro in the first half of 2026, with a maximum value of 857 million euro, reached in April, and a minimum value of 593 million euro, recorded in February 2026. The figure at the end of June 2026 came to 840 million euro, up on the value at the end of December 2025, equal to 681 million euro, due to the increase in banking book exposure to interest rate changes during the half year.

Foreign exchange risk, expressed by equity investments in foreign currency (banking book) and measured in terms of VaR, averaged 84 million euro in the first half of 2026, with a maximum value of 114 million euro, reached at the end of March, and

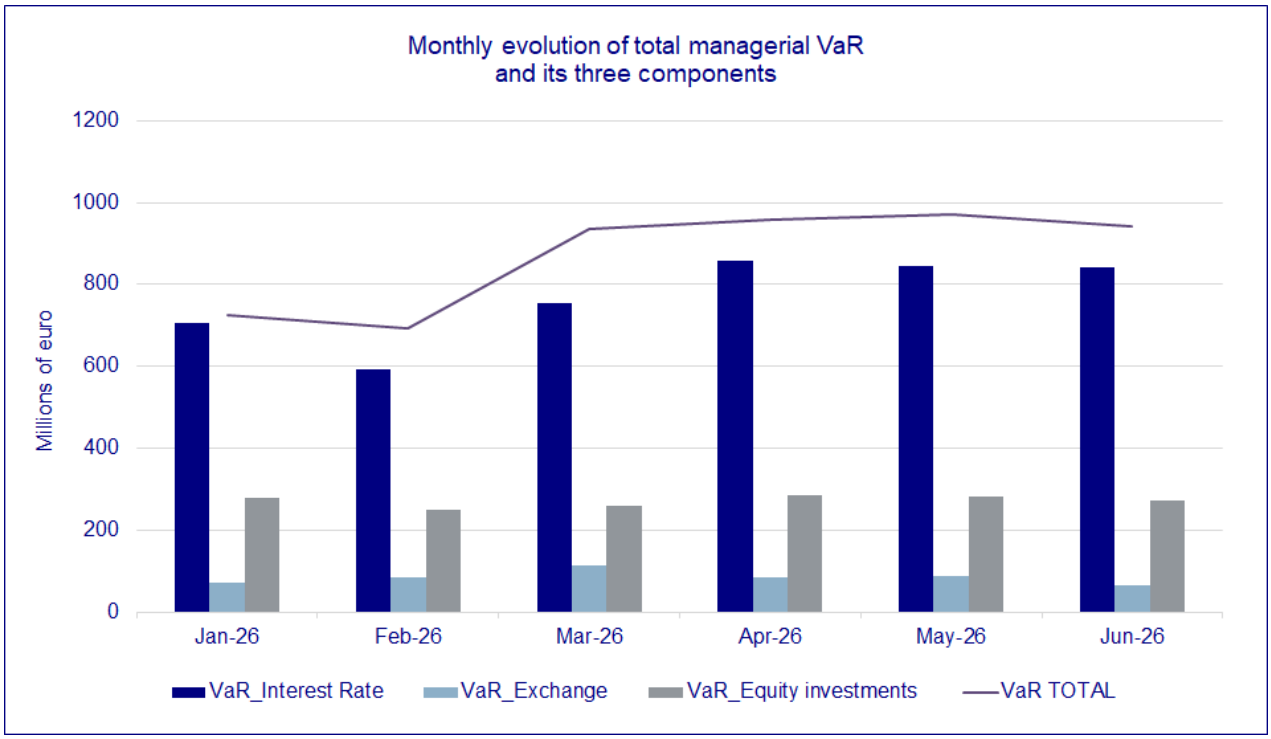
a minimum value of 63 million euro, recorded in June 2026. This latter figure was in line with the end of December 2025 figure of 68 million euro.
The price risk generated by the equity portfolio recorded an average in terms of VaR of 271 million euro in the first half of 2026, with a minimum value of 250 million euro recorded in February and a maximum value of 284 million euro, recorded at the end of April. The figure at the end of June 2026 was 273 million euro, in line with the figure of 280 million euro at the end of December 2025.

Total VaR, consisting of the three components described above (Interest Rate VaR, Exchange Rate VaR and Equity VaR) averaged 871 million euro in the first half of 2026, with a maximum value of 970 million euro recorded in May and a minimum value of 694 million euro, recorded at the end of February. The figure at the end of June 2026 was 942 million euro, up on the end of December 2025 figure of 705 million euro, due to the increase in the banking book's exposure to interest rate changes.

The table and chart below provide a representation of the performance of total VaR and its three components (Interest Rate VaR, Exchange VaR and Equity Investments VaR).

(millions of euro)

	1st half 2026			30.06.2026	31.12.2025
	average	minimum	maximum		
Value at Risk - Interest Rate	766	593	857	840	681
Value at Risk - Exchange	84	63	114	63	68
Value at Risk - Equity investments	271	250	284	273	280
Total Value at Risk	**871**	**694**	**970**	**942**	**705**



The table below shows a sensitivity analysis of the banking book to price risk, measuring the impact on Shareholders' Equity of a price shock of ±10% for the portfolio of quoted minority stakes, largely classified to the HTCS category.

Price risk: impact on Shareholders' Equity

(millions of euro)

		Impact on shareholders' equity at 30.06.2026	Impact on shareholders' equity at 31.03.2026	Impact on shareholders' equity at 31.12.2025
Price shock	10%	127	88	86
Price shock	-10%	-127	-88	-86

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Bank may not be able to meet its payment obligations due to the inability to obtain funds on the market (funding liquidity risk) or liquidate its assets (market liquidity risk).
Intesa Sanpaolo's internal control and management system for liquidity risk is implemented within the Group Risk Appetite Framework and in compliance with the tolerance thresholds for liquidity risk approved in the system, which establish that the Group must maintain an adequate liquidity position in order to cope with periods of strain, including prolonged periods, on the various funding supply markets, also by establishing adequate liquidity reserves consisting of marketable securities and refinancing at Central Banks. To this end, a balance needs to be maintained between incoming and outgoing funds, both in the short and medium-long term. This goal is implemented by the "Group Liquidity Risk Management Guidelines" approved by the Corporate Bodies of Intesa Sanpaolo, in implementation of the applicable regulatory provisions.

Those Guidelines illustrate the tasks of the various corporate functions, the rules and the set of control and management processes aimed at ensuring prudent monitoring of liquidity risk, thereby preventing the emergence of crisis situations. To this end, they include procedures for identifying risk factors, measuring risk exposure and verifying observance of limits, conducting stress tests, identifying appropriate risk mitigation initiatives, drawing up emergency plans and submitting informational reports to company bodies.
In particular, a detailed definition is prepared of the tasks assigned to the corporate bodies and reports are presented to the senior management concerning certain important formalities such as the approval of measurement indicators, the definition of the main assumptions underlying stress scenarios and the composition of early warning thresholds used to activate emergency plans.

In order to pursue an integrated and coherent risk management policy, strategic decisions at Group level concerning the governance and management of liquidity risk are assigned to the corporate bodies of the Parent Company. From this standpoint, the Parent Company performs its functions of monitoring and managing liquidity not only in reference to its own organisation, but also by assessing the Group's overall transactions and the liquidity risk to which it is exposed.
The corporate functions of the Parent Company responsible for ensuring the correct application of these Guidelines and the adequacy of the Group's liquidity position are the Group Treasury & Capital Management structure and the Planning & Control structure, responsible, within the Chief Financial Officer (CFO) area, for liquidity management, and Market and Financial Risk Management, which is directly responsible, within the Chief Risk Officer (CRO) Area, for measuring liquidity risk on a consolidated basis.
The Chief Audit Officer (CAO) assesses the functioning of the overall structure of the control system monitoring the process for measuring, managing and controlling the Group's exposure to liquidity risk and verifies the adequacy and compliance of the process with the requirements established by the regulations. The results of the controls carried out are submitted to the Corporate Bodies, at least once a year.
The liquidity risk measurement metrics and mitigation tools are formalised by the Group Liquidity Risk Management Guidelines which establish the methodology used for both the short-term and structural liquidity indicators.

The short-term liquidity is aimed at providing an adequate, balanced level of cash inflows and outflows the timing of which is certain or estimated to fall within a period of 12 months, while ensuring a sufficient liquidity buffer, available for use as the main mitigation tool for liquidity risk. To that end, and in keeping with the liquidity risk appetite, the system of limits consists of specific short-term indicators, both of a regulatory nature with a holding a period of one month (Liquidity Coverage Ratio - LCR) and internally defined (Survival Period indicators).

The LCR indicator is aimed at strengthening the short-term liquidity risk profile, ensuring that sufficient unencumbered high-quality liquid assets (HQLA) are retained that can be converted easily and immediately into cash on the private markets to satisfy the short-term liquidity requirements (30 days) in an acute liquidity stress scenario. To this end, the Liquidity Coverage Ratio measures the ratio between: (i) the stock of HQLA and (ii) the total net cash outflows calculated according to the scenario parameters defined by Delegated Regulation (EU) 2015/61 and its supplements/amendments.

The Survival Period is an internal indicator designed to measure the first day on which the net liquidity position (calculated as the difference between available liquidity reserves and net outflows) becomes negative, i.e. when additional liquidity is no longer available to cover simulated net outflows. To this end, two different scenario hypotheses are considered, baseline and stressed, designed to measure, respectively: (i) the Group's independence from interbank funding on the financial markets and (ii) the survival period in the event of further tensions of a market and idiosyncratic nature, of medium-high severity, managed without envisaging restrictions on credit activity involving customers. For the Survival Period indicator, in stress conditions it is established that a minimum survival period must be maintained with the purpose of establishing an overall level of reserves covering greater cash outflows during a period of time that is adequate to implement the required operating measures to restore the Group to balanced conditions.

The aim of the Intesa Sanpaolo Group's structural Liquidity Policy is to adopt the structural requirement provided for by the regulatory provisions - the Net Stable Funding Ratio (NSFR). This indicator is aimed at promoting the increased use of stable funding, to prevent medium/long-term operations from giving rise to excessive imbalances to be financed in the short term. To this end, it sets a minimum "acceptable" amount of funding exceeding one year in relation to the needs originating from the characteristics of liquidity and residual duration of assets and off-balance sheet exposures. In addition, the internal policy on structural liquidity also includes early warning indicators for maturities of more than 1 year, with particular attention to long-term gaps (>5 years).

The "Group Liquidity Risk Management Guidelines" also establish methods for management of a potential liquidity crisis, defined as a situation of difficulty or inability to meet its cash obligations falling due, without implementing procedures and/or employing instruments that, due to their intensity or manner of use, do not qualify as ordinary administration. By setting itself the objectives of safeguarding the Group's asset value and also guaranteeing business continuity under conditions of extreme liquidity

emergency, the Contingency Liquidity Plan ensures the identification of the early warning signals and their ongoing monitoring, the definition of procedures to be implemented in situations of liquidity stress, also indicating the immediate lines of action, and the intervention measures for the resolution of emergencies. The early warning indices, aimed at spotting the signs of a potential liquidity strain, both systematic and specific, are monitored with daily frequency by Market & Financial Risk Management. Within this framework, the Group Treasury & Capital Management structure was officially entrusted with drawing up the Contingency Funding Plan (CFP), which contains the various lines of actions that can be activated in order to face potential stress situations, specifying the extent of the mitigating effects attainable in the short-term.

The Group's liquidity position, which continues to be supported by suitable high-quality liquid assets (HQLA) and the significant contribution from retail stable funding, remained within the risk limits set out in the current Group Liquidity Policy for the entire first half of 2026. The levels of both regulatory indicators, LCR and NSFR, were above the regulatory requirements. The Liquidity Coverage Ratio (LCR) of the Intesa Sanpaolo Group, measured according to Delegated Regulation (EU) 2015/61, amounted to an average of 137.6% (139.6% in December 2025). As at 30 June 2026, the exact value of unencumbered HQLA reserves at the various Treasury Departments of the Group amounted to 131.4 billion euro (128.5 billion euro at the end of 2025), approximately 26% of which consisted of cash as a result of temporary excess liquidity payments in the form of unrestricted deposits held at central banks. Including the other marketable reserves and/or eligible Central Bank reserves, also comprising retained self-securitisations, the Group's total unencumbered liquidity reserves amounted to 213.0 billion euro (214.4 billion euro in December 2025).

The Group's total available reserves fell slightly due to the temporary reduction in the stock of self-retained issuances, partly offset by higher liquidity surpluses arising from the operations of the Group's Commercial Networks.

(millions of euro)

	Unencumbered (net of haircut)	
	30.06.2026	31.12.2025
HQLA Liquidity Reserves	**131,447**	**128,476**
Cash and Deposits held with Central Banks (HQLA)	31,828	32,822
Highly liquid securities (HQLA)	88,534	82,741
Other HQLA reserves not included in LCR	11,085	12,913
Other eligible and/or marketable reserves	**81,520**	**85,896**
Total Group's Liquidity Buffer	**212,967**	**214,372**

The NSFR continued to be higher than 100%, supported by a solid base of stable deposits from customers and sufficient wholesale medium/long-term securities funding. As at 30 June 2026, the Group NSFR, measured according to regulatory instructions, came to 119.8% (122.0% at the end of December 2025).

The stress tests, in a combined scenario of market and specific crises (with significant loss in customer deposits), also yielded results in excess of the target threshold for the Intesa Sanpaolo Group, with a liquidity surplus capable of meeting extraordinary cash outflows for a period of more 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 different risk factors.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) RISKS AND CLIMATE CHANGE RISK

Sustainability, a term referring to the ability to avoid harming the environment and communities, in order to support a medium/long-term economic, social and environmental balance, is a factor of significant, increasing importance for society as a whole. The management of ESG issues therefore requires considering not only the impacts of the related risks on the Bank's organisation, but also the potential impact on stakeholders and the risks that the Bank exposes its stakeholders and the environment to through its operations. The Intesa Sanpaolo Group is aware of the importance of fair, responsible allocation of resources and the influence that a banking group can have in terms of sustainability in both the short and long term and pays particular attention to managing ESG risks, both regarding its operations and relating to the activities of its corporate customers and the sectors considered sensitive, i.e. with a significant ESG risk profile.
ESG risks are therefore included in the overall risk management framework as they represent potential negative impacts that an organisation or activity may have on the environment, people and communities, including risks related to corporate conduct (corporate governance), earnings, reputational profile and credit quality with possible legal consequences. Within the ESG risks, particular importance is given to climate risk, namely the financial risk arising from exposure to physical and transition risks (as defined further below). The risks and opportunities related to climate change are identified and analysed in a coordinated manner by the various corporate functions, in order to include them in the ordinary processes of risk identification, assessment and monitoring, in the Group's credit strategies and commercial offering.
The Group is therefore committed to incorporating the impact of climate-related aspects into its strategic decision-making processes, in order to fully integrate them into the risk management framework with the aim of maintaining a limited risk profile. This includes the monitoring and management of ESG risks, including risks arising from climate change (credit, operational, reputational, market and liquidity risks) and the implementation of ethical and environmental standards in the internal processes, products and services offered to customers, and selection of counterparties and suppliers.
The Risk Appetite Framework (RAF), which represents the general framework used for the management of enterprise risk, includes a specific section dedicated to ESG, climate change and reputational risks. This section includes qualitative and quantitative information. Specifically, with regard to ESG & Climate risks, the Group recognises the strategic importance of ESG factors and the urgent need to curb climate change.

Climate change risks can be divided into physical and transitional risks.
Physical risks represent the negative financial impact from climate change, including more frequent extreme weather events and gradual climate change, as well as environmental degradation, i.e. air, water and soil pollution, water stress, biodiversity loss, and deforestation. These risks – which can usually arise in both the short/medium and long term – can be broken down into acute and chronic risks:

- **acute physical risks,** which refer to specific events that have the potential to create significant physical damage (e.g. flooding of rivers and oceans, tropical storms). These events are occurring more frequently, on both a regional and global basis;
- **chronic physical risks,** which involve a series of physical impacts of considerably longer duration than those posed by acute risks. They are identifiable as processes of change rather than single events. In most cases, the impacts are localised (e.g., drought) but chronic risks are likely to become more significant in the long term.

Transition risks are the negative financial impacts that an institution may incur, directly or indirectly, as a result of the process of adjustment to a low-carbon and more environmentally sustainable economy, arising from:

- **public policy and legal risks**: this category includes policies that attempt to limit actions that contribute to the negative effects of climate change or political actions that seek to promote adaptation to climate change and the legal risk arising from the inability of organisations to mitigate/adapt to climate change;
- **technological developments**: these include innovations that support the transition to a low-carbon and energy-efficient economic system;
- **consumer preferences**: changes in the demand and supply of certain goods, products and services that are more sustainable;
- **reputational risk:** arising from changes in customer or community perceptions of an organisation's contribution to the transition to a low-carbon economy.

The likelihood and magnitude of the impact of climate-related risk factors may be influenced by a number of additional variables such as the industry sector concerned, business model, and geographical location of the company or asset. The interactions and interdependencies between transmission channels and climate-related risk factors may result in an amplification of the related impacts. The above also applies in relation to the broader category and the transmission channels of environmental risks, where the main sources of risk for Intesa Sanpaolo's counterparties and, consequently, for the Group arise from:

- impacts on nature: changes in the state (quality and quantity) of natural capital caused by an organisation's activities that may result in changes in nature's ability to provide social and economic functions. Impacts can be positive or negative;
- dependence on nature: ecosystem services that an organisation relies on for the functioning of its business processes (e.g. the ability of ecosystems to regulate water flow).

The integration of the above-mentioned climate/environmental risks, and of ESG risks more generally, into the risk management framework consists of:

- a materiality analysis (Climate/ESG Materiality Assessment);
- establishment of specific controls within the Risk Appetite Framework (RAF);
- execution of a Climate Scenario Analysis;
- monitoring of ESG risks divided according to the different risk categories (e.g. credit, market, liquidity), with a particular focus, within the environmental risks, on climate change risk.

Climate/ESG Materiality Assessment

The Climate/ESG Materiality Assessment is aimed at identifying business sectors, geographic areas and portfolios (e.g. corporates, households and sovereigns) with higher vulnerability to climate change and ESG risks based on qualitative and quantitative approaches, in order to prioritise the risk controls to be implemented. The results of the Materiality Assessment provide the basis for:

– updating the mapping of the various climate and ESG risk factors, their transmission channels and the impact on other risk categories;
– setting the limits and Key Risk Indicators (KRIs) within the Risk Appetite Framework;
– calibrating and performing stress tests on specific climate and ESG risk factors;
– guiding the sectoral credit policies and strategies (ESG Sectoral Color Coding) and establishing specific actions aimed at mitigating ESG risks.

The materiality analysis described above contributes to determining the financial materiality for the Environmental component, which, together with the impact materiality, forms the basis for the Consolidated Sustainability Statement included in the Report on operations in the Consolidated financial statements.

Risk Appetite Framework (RAF)

The RAF integrates and translates what has been defined in terms of strategic guidelines into specific controls and, through the ESG/Climate Materiality Assessment and the ESG Sectoral Color Coding, on an annual basis, limits, key risk indicators (KRIs) and specific actions aimed at containing the ESG risks, specifically with regard to the sectors with the highest exposure to those risks, are identified. This also includes specific actions related, for example, to the Group's strategic choices, such as subscribing to decarbonisation targets. Specifically, intermediate sector targets for 2030 have been confirmed within the Business Plan for the most emission-intensive sectors, subject to a transition plan for mitigating the potential future risk, in accordance with the recommendations of the Net-Zero Banking Alliance (NZBA)[59]. The sectors covered by targets are: Oil & Gas, Power Generation, Automotive, Iron & Steel, Commercial Real Estate, Agriculture – Primary Farming, Aluminium, Cement and Residential Real Estate, in line with the commitments made in joining the NZBA and with the validation by the Science Based Target initiative (SBTi), which was requested in 2024 and obtained in January 2025.

The Environmental Social & Governance Risk section of the Group Risk Appetite Framework (RAF) includes:

– specific limits in relation to the exposure to the Coal Mining sector (for which phase-out was planned and achieved in 2025) and the Oil & Gas sector;
– a synthetic risk metric based on financed emissions relating to the corporate portfolio for monitoring and managing emissions for the Power Generation, Oil&Gas, Automotive, Iron&Steel, Commercial Real Estate, Aluminium, Cement and Agriculture – Primary Farming sectors; in line with the approach adopted for Non-Financial Corporates, a metric has been developed based on greenhouse gas emissions relating to the Residential Real Estate portfolio;
– to ensure the monitoring of physical risk on the Residential Real Estate and Non-Financial Corporate portfolios, specific warning thresholds on the exposure secured, respectively, by residential and commercial properties located in high-risk areas for the Banca dei Territori Division;
– an early warning threshold in relation to the Group's exposure has also been introduced for sectors characterised by significant issues, especially with regard to the social dimension, in line with the ESG sectoral strategy of associated credit disincentives;
– a warning threshold in relation to the exposure to debt securities of government issuers in the Group's banking book that, based on certain internal ESG-related criteria, are defined as "high risk".

The Reputational Risk section of the RAF introduces greenwashing risk as an emerging risk, recognising that sustainability-related statements, declarations, actions or communications that do not clearly and fairly reflect the underlying sustainability profile of the entity, a financial product, or financial services may represent a reputational risk factor for the Group by undermining stakeholder trust and exposing it to potential sanctions and legal action.
Monitoring is in place to identify any legal disputes related to greenwashing.

The RAF also identifies the main limitations and exclusions to lending to sectors/counterparties most exposed to ESG risks, which are then integrated into the self-regulatory policy and/or company processes. Specifically, Intesa Sanpaolo has issued the "Rules for lending operations in the coal sector", the "Rules on Oil & Gas sector" and the "Guidelines governing transactions with subjects active in the armaments sector", aimed at establishing general and specific criteria for limiting and excluding lending operations to counterparties in those sectors. Additionally, through the "Rules on Biodiversity and Nature", the Group governs its operations with regard to risks linked to biodiversity and ecosystems, setting specific limitation and exclusion criteria, refining risk assessment procedures, and encouraging sustainable financing aimed at maintaining or improving biodiversity and ecosystem services.

The policies and actions described above are covered in detail in the Environmental section of the Consolidated Sustainability Statement included in the Report on operations accompanying the Consolidated financial statements.

[59] In October 2025 the Net-Zero Banking Alliance changed its structure, transforming from a voluntary membership-based alliance to a new framework initiative, with the goal of continuing to provide guidelines to promote the transition in line with the Paris Agreement.

Climate Scenario Analysis

Scenario analysis is a key element in integrating the risks and opportunities associated with climate change into the business strategies, also considering the medium- to long-term implications. The Climate Scenario Analysis is used, within the more general framework of the materiality assessment, to explore potential portfolio vulnerabilities, particularly in the credit portfolio, as part of the regulatory stress testing exercises or the Internal Capital Assessment Adequacy Process (ICAAP) and the Internal Liquidity Assessment Adequacy Process (ILAAP).

In conducting the ICAAP process, Intesa Sanpaolo adopts an approach that incorporates specific solutions designed to verify the impact of transition and physical risk on the Non-Financial Corporate (NFC) portfolio and the real estate-backed portfolio. With regard to transition risk, the impact is assessed by means of shocks applied to the balance sheets of the individual counterparties and to the energy efficiency level of the residential and commercial immovable property provided as collateral. The estimate of the impact of physical risk, on the other hand, is determined based on the geolocation of collateral real estate or NFC customer production sites, according to the different types of weather events. Within the ILAAP, particular attention is paid to analysing the impact of climate and environmental risk factors that could compromise the liquidity positions from a forward-looking perspective over medium-term horizons (1-4 years).

Where required, the Group takes part in the stress tests conducted by the European Banking Authority (EBA).

The results of the impact assessments conducted so far (materiality assessment and climate scenario analysis) have shown that the Group is not exposed to a material extent to climate risks in the short term. Over the medium- to long-term horizon, exposure to these risks could intensify in a limited and concentrated manner in areas already subject to control and monitoring. In particular, with regard to the transition risk on the most emission-intensive sectors of the banking book (Oil & Gas, Power Generation and Automotive), intermediate sector targets to 2030 have been set in the Business Plan – aligned to the Net-Zero target by 2050 – subject to a transition plan in accordance with the NZBA guidance, to mitigate the potential future risk. The monitoring has been progressively extended to other sectors, in line with the commitments made upon joining the NZBA and with the request for validation by the SBTi.

Monitoring of ESG/climate risks in the different risk categories

Intesa Sanpaolo's risk management framework involves the integration of climate and environmental risk factors with the different risk categories impacted. This decision takes into account the fact that the impact of climate and environmental risks may be direct, for example due to lower earnings of companies or the reduction in value of assets, or indirect, for example due to legal actions (legal risk) or reputational damage that arises when the public, counterparties of the institution and/or investors associate the institution with adverse environmental effects (reputational risk).

With regard to **credit risk**, the qualitative component of the models currently validated and used by the Group considers various ESG and Climate-related aspects and elements. For the largest companies (Large Corporates), a specific module has been incorporated into the model, which considers the ESG quantitative data. For the Corporate segment (companies or groups with a turnover between 5 and 500 million euro) on the other hand, a simplified ESG risk assessment is applied, based on several questions in the qualitative questionnaire. In addition, a specific module has been incorporated into the Corporate and Retail SME models to take account of counterparty exposure to physical risks arising from catastrophic events (for example, damage to production facilities and/or warehouses). This module uses statistical analysis, based on historical and publicly available evidence of catastrophic events at geographic area level, to identify potential increases in the Probability of Default. More specifically, for domestic counterparties, this module provides an assessment of the risk of damage related to natural disasters (floods, fires, earthquakes and landslides) to which a company is potentially exposed depending on the region (and/or municipality) where it operates and/or mainly conducts its business. Finally, the assessment of the exposure to risks arising from climate change and natural disasters, as well as local environmental protection for larger-scale initiatives, has recently been incorporated into the Real Estate and Project Finance rating models.

In managing **market risk**, Intesa Sanpaolo also assesses the effects of climate and environmental factors on its current positions exposed to market risk. Specifically, the Group:

– analyses and monitors market prices and liquidity of financial instruments to identify possible evidence of climate and environmental risk factors;
– analyses the impact of climate and environmental risks on the fair value measurement of financial instruments, focusing in particular on the main asset classes, payoffs and positions explicitly linked to climate and environmental (C&E) risk factors, as well as the future investments proposed by the business structures;
– classifies current positions subject to market risk using the ESG indicators available internally (e.g. ESG Sectoral Assessment and ESG Sectoral Color Coding) and externally (e.g. economic-industrial business sectors, ESG score/rating), also through recognised providers, in order to identify specific risk controls, also considering the materiality of the exposures. These controls consist of the establishment of market risk limits on the investment activity (e.g. allocation of ceiling limits). In principle, the indicators used for assessing the ESG risks associated with the investment activity enable the establishment of negative/positive screening criteria and strategies, taking into account the specific characteristics of the different asset classes concerned, such as instruments issued by corporate counterparties and instruments issued by government or supranational counterparties.

Within the market risk management model, the assessment of exposure to ESG risks also involves stress tests to investigate the sensitivity of the portfolios to ESG risk factors and estimate the impact that those factors, particularly climate and environmental risks, may have on the actual risk level of the exposures.

As part of the **counterparty risk** management, a monthly analysis is performed to assess the concentration of the exposure in the OTC derivatives and SFTs portfolio, measured with Potential Future Exposure and Current Exposure metrics, using the internally available ESG indicators (such as ESG Sectoral Assessment and ESG Sectoral Color Coding). Specifically, quarterly monitoring is performed for the Tableau de Bord on the exposures to counterparty risk in the coal mining and oil & gas sectors, and in sectors characterised by significant problem issues, especially with regard to social aspects.

With regard to **liquidity risk**, significant climate and environmental risks may lead to an increase in net cash outflows or erode available liquidity reserves. Even though, according to the general consensus in the banking industry, the link between C&E risks and liquidity is mainly indirect and potentially more long term in nature, it is considered important not to underestimate these risks and their potential transmission, and to duly incorporate an assessment of their potential effects on the Group's current and future liquidity position.
To this end, after the prior identification of climate and environmental risk factors that could adversely affect the Group's liquidity positions, specific analyses and monitoring of exposures are carried out to assess the materiality of the risk factors identified, maintaining a close connection with the qualitative assessments adopted:
– by the Bank at sector and sub-sector level (e.g. ESG Sectoral Assessment) for credit risk purposes;
– for the valuation of securities for market risk purposes.
In the assessment of the various scenarios, including stress scenarios, on the timing of inflows and outflows and the quantitative and qualitative adequacy of liquidity buffers, particular attention is also devoted to analysing the impact of climate and environmental risk factors that could compromise the liquidity positions on a forward-looking basis. These analyses are incorporated into the annual report on the Internal Liquidity Adequacy Assessment Process (ILAAP) without highlighting material absorptions of Group liquidity reserves.

In managing **operational risks**, Intesa Sanpaolo also considers the possible adverse impact arising from weather and environmental events on its real estate, business continuity and litigation risk.

In relation to climate/environmental litigation risk, Intesa Sanpaolo has continued the monitoring of market disputes (domestic and international), recently extending it to include social & governance factors, refined its litigation monitoring process and provided specific training for the staff involved.

As part of the annual Self-Diagnosis process, particularly in the Scenario Analysis, the Group's organisational units are required to assess the following, through specific dedicated risk scenarios:
− possible losses resulting from property damage, possible disruptions to its operations and potential legal liabilities;
− the impact of the physical risks associated with ICT centres and sites (including outsourced ICT services), identifying alternative locations for disaster recovery, to protect business continuity;
− the potential impact of extreme weather events affecting both essential suppliers, compromising outsourced critical services, and the Group's owner-occupied properties and other assets.

In terms of operational losses, as part of the loss data collection activities, the Group identifies operational events related to climate and environmental risks through specific event types. This information, is used for various purposes within the operational risk management framework, including:
− are included in the Non-FINREP contribution required for the calculation of the regulatory capital requirement under the Standardised Approach (SA), at both individual and consolidated level;
− feed into the loss time series used for the calculation of Pillar 2 economic capital using the internal AMA model;
– are included in the operational risk reporting periodically submitted to the Group Control Coordination and Non-Financial Risks Committee.

In managing **reputational risk**, the Group makes prior assessments of the potential ESG and reputational risks associated with the Group's business operations and supplier/partner selection through the ESG & Reputational Risk Clearing process.
With regard to the corporate credit granting process in particular, it is aimed at making a prior assessment of the potential ESG and reputational risks associated with credit transactions involving counterparties operating in sectors sensitive to ESG and/or reputational risks. The ESG & Reputational risk clearing process involves escalation mechanisms differentiated according to the ESG/reputational risk class assigned to the transaction/counterparty. The Group also monitors its web and press reputation by integrating specific assessments of events related to environmental risks/climate change (e.g. events resulting from protests or adverse campaigns arising from the Bank's lending activities) and greenwashing. Lastly, specific scenarios relating to ESG and climate issues are included in the annual reputational risk assessment by the top management.

In relation to the **risks associated with the investment service for customers**, the Group has set up a series of centralised controls aimed, on one hand, at monitoring the sustainability risk implicit in the size of the ESG score provided by a specialist info provider at instrument and portfolio level and, on the other hand, at ensuring that sufficient stress is given to Sustainable Development Goal (SDG) factors in the analyses carried out within the Product Governance process for the assets under administration issued by the Parent Company and distributed through the captive networks.

With regard to **direct environmental risks** and considering the increasing strategic importance of CO_2 emissions, in 2024 Intesa Sanpaolo updated its decarbonisation plan, known as the Own Emissions Plan, which confirmed the target of Carbon Neutrality by 2030 for Scope 1 and Scope 2 emissions. Own emissions will be reduced through energy efficiency measures and increased use of energy from renewable sources. Residual emissions will be neutralised through the purchase of carbon credits. Intesa Sanpaolo is also committed to analysing and containing possible risks on its properties, as well as taking swift action to deal with any environmental emergencies that may arise. To this end, in line with the provisions of the Business Plan, a specific tool is used that identifies the degree of exposure of Intesa Sanpaolo's real estate assets to the main geographical and climate change risks. This platform geolocalises each individual asset and calculates the exposure index for each risk, based on data from the main national and international certified sources, such as Swiss RE, Copernicus, INGV, ISPRA, and the Department of Civil Protection, etc. With regard to hydrogeological risk (floods and landslides), which also relates to climate change and the potential occurrence of crisis scenarios in Italy which could have repercussions on Intesa Sanpaolo's properties, a series of corporate structures will be set up. Specifically, the platform supports the management of emergency events, generating alerts based on weather reports and other sources, and providing detailed information on events, including affected assets and related communications. In the event of a weather alert, the CEM (Critical Events Management) is activated to monitor the situation and coordinate the necessary actions, in continuous liaison with the head office and local structures. In serious emergency situations, the Emergency Management Operational Centre of the Business Continuity Management Department is also engaged.
The platform is continually updated and now considers a variety of physical and geographical risks, such as earthquakes, floods, landslides, droughts, and wildfires. The platform also assesses risks such as lightning, storm surges, tsunamis and other coastal phenomena, using digital terrain models and data from selected sources. The platform also enables the identification of the Group's buildings located in areas included in the World Database on Protected Areas (WDPA), the most comprehensive global database on terrestrial and marine protected areas, including Natura 2000 sites.

Additional information on the management of environmental and climate risks is provided in the Consolidated Sustainability Statement – which, starting from the 2024 Annual Report, is included in a specific section of the Report on operations accompanying the consolidated financial statements –, in the Basel 3 Pillar 3 Disclosure and in the Climate Report.

INFORMATION ON FINANCIAL PRODUCTS

FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES, INDEPENDENT PRICE VERIFICATION AND PRUDENT VALUATION

The framework of financial measurement at fair value is based on three pillars: fair value measurement according to the IAS/IFRS, independent price verification (IPV) and prudent value measurement. The latter are established by the CRR (Capital Requirements Regulation). The paragraphs below describe the methods applied by the Intesa Sanpaolo Group to implement and use those elements.

Fair value of financial instruments

The Intesa Sanpaolo Group governs and defines the fair value measurement of financial instruments through the "Group Guidelines/Rules for Valuation of Financial Instruments at Fair Value", prepared by Market & Financial Risk Management and applied by the Parent Company and all consolidated subsidiaries, including the Insurance Companies.
The "Guidelines for Valuation of Financial Instruments at Fair Value", once a favourable opinion has been given by the Group Financial Risks Committee, are revised and approved at least on an annual basis by the Board of Directors, with the support of the Risks and Sustainability Committee. The "Rules for Valuation of Financial Instruments at Fair Value" are reviewed, revised and approved at least on an annual basis by the Group Financial Risks Committee, which is specifically delegated to do so by the Management Bodies, and which also reviews material changes and updates proposed by Market & Financial Risk Management.
The "Rules for the Measurement of Unlisted Equity Investments", drawn up by Group Shareholdings and approved by the Group Financial Risks Committee, govern the fair value measurement of unlisted equities and financial instruments with unlisted equities as their underlying.
The methodologies for the fair value measurement of financial instruments, as well as any adjustments attributable to uncertainties in valuation, are governed by the Intesa Sanpaolo Group through the "Rules for Valuation of Financial Instruments at Fair Value" and are described in detail in the "2025 Annual Report", to which reference is made for more information.

IFRS 13 establishes a fair value hierarchy in which inputs to fair value measurement techniques are divided into three levels. That hierarchy assigns top priority to (unadjusted) quoted prices on active markets for identical assets or liabilities (level 1 data) and the lowest priority to unobservable inputs (level 3 data). Specifically:
– fair value level 1 applies when an instrument is measured directly on the basis of (unadjusted) quoted prices on active markets for identical assets or liabilities to which the entity has access on the measurement date;
– fair value level 2 applies when a price has not been found on an active market and the instrument is measured according to valuation techniques, on the basis of observable market parameters, or of the use of parameters that are not observable but are supported and confirmed by market evidence, such as prices, spreads or other inputs (the comparable approach);
– fair value level 3 applies when fair value is measured using various inputs, not all of which are directly drawn from observable market parameters, and which thus entail estimates and assumptions by the valuator.

If various inputs are used to measure the fair value of an asset or liability, classification in the hierarchy is determined on the basis of the lowest-level input used in measurement. When assigning a level in the fair value hierarchy, priority is given to the inputs of the valuation techniques rather than the valuation techniques themselves.
The attachment "Fair Value Hierarchy Rules" to the "Rules for Valuation of Financial Instruments at Fair Value" defines, with regard to the respective financial instrument valuation models/inputs, the basic rules that market inputs must comply with in order to be classified as Level 2, and the significance thresholds which, when overrun, result in the assignment of Level 3.

For level 1 financial instruments, the current bid price is used for financial assets and the current ask price for financial liabilities, struck on the principal active market at the end of the reference period.
For financial instruments with a scarcely significant bid-ask spread or for financial assets and liabilities with offsetting market risks, mid-market prices are used (again referred to the last day of the reference period) instead of the bid or ask price.
The following are considered level 1 financial instruments: contributed bonds (i.e. bonds for which the Composite Bloomberg Bond Trader is available from the Information Provider Bloomberg, or, alternatively, a price on the EuroMTS circuit, or at least three prices available from the Information Provider Bloomberg), contributed equities (i.e., quoted on the official market of reference), UCITS funds (covered by EU directives), spot exchange rates, and derivatives for which prices are available on an active market (for example, exchange traded futures and options) and UCITS hedge funds.
Conversely, all other financial instruments that do not belong to the above-described categories or that do not have the contribution level defined by the "Rules for Valuation of Financial Instruments at Fair Value" are not considered level 1 instruments.
When no listing on an active market exists or the market is not functioning regularly, that is when the market does not have a sufficient and continuous number of trades, and bid-ask spreads and volatility that are not sufficiently contained, the fair value of the financial instruments is mainly determined through the use of valuation techniques whose objective is the establishment of the price at which, in an orderly transaction, the asset is sold or the liability transferred between market participants, as at the measurement date, under current market conditions.
Those techniques include:
– the use of market values that are indirectly linked to the instrument being measured, deriving from products with similar risk characteristics (level 2 inputs);
– valuations carried out using – even only partially – inputs not deriving from parameters observable on the market, for which estimates and assumptions are used by the valuator (level 3 inputs).

In the case of level 2 inputs, the valuation is based on prices or credit spreads presumed from the official listing of instruments which are similar in terms of risk factors, using a given calculation methodology (valuation model). The use of this approach requires the identification of transactions on active markets in relation to instruments that, in terms of risk factors, are comparable with the instrument to be measured. Level 2 calculation methodologies reproduce prices of financial instruments quoted on

active markets (model calibration) and do not contain discretional parameters – parameters for which values may not be inferred from quotations of financial instruments present on active markets or fixed at levels capable of reproducing quotations on active markets – that significantly influence the final measurement.
The following are measured using level 2 input models:
– bonds without official quotations expressed by an active market and whose fair value is determined through the use of an appropriate credit spread which is estimated starting from contributed and liquid financial instruments with similar characteristics;
– loans whose fair value is determined through the use of an appropriate credit spread which is estimated starting from market data of financial instruments with similar characteristics;
– derivatives measured through specific models, fed by input parameters (such as yield, foreign exchange and volatility curves) observed on the market;
– structured credit products (including, among others, ABSs, HY CLOs, CDOs) for which significant prices are not available and whose fair value is measured using valuation techniques that consider parameters that can be gathered from the market;
– non-contributed equity instruments measured based on direct transactions, that is significant transactions on the stock registered in a time frame considered to be sufficiently short with respect to measurement date and in constant market conditions, or using the "relative" valuation models based on multipliers;
– non-UCITS hedge funds, provided the Level 3 instruments do not exceed a set threshold.

In case of instruments classified as level 3, the calculation of the fair value is based on valuation models which consider input parameters not directly observable on the market, therefore implying estimates and assumptions on the part of the valuator. In particular, the valuation of the financial instrument uses a calculation methodology which is based on specific assumptions of:
– the development of future cash flows, which may be affected by future events that may be attributed probabilities presumed from past experience or on the basis of the assumed behaviour;
– the level of specific input parameters not quoted on active markets, for which information acquired from prices and spreads observed on the market is in any case preferred. Where this is not available, past data on the specific risk of the underlying asset or specialised reports are used (e.g. reports prepared by Rating agencies or primary market players).
The following are measured using this method:
– some transactions in derivatives, bonds, or complex structured credit instruments measured using level 3 inputs;
– hedge funds in which the level 3 assets are above a set limit;
– private equity funds, private debt funds, real estate funds and closed-end funds resulting from sales of non-performing loans valued at NAV, with possible discounts;
– shareholdings and other equities measured using models based on discounted cash flows or using equity methods;
– loans whose fair value is determined through the use of a credit spread that does not meet the criteria to be considered level 2;
– loans with underlying equity risk, whose fair value is calculated based on the discounting of expected contractual flows.

Independent Price Verification (IPV)

Independent Price Verification (IPV) of financial instruments is “the regular verification of the accuracy and independence of market prices or the data input in pricing models” (Art. 4 (1.70) Regulation (EU) no. 575/2013), carried out “in addition to daily marking to market or marking to model […] by a person or unit independent from persons or units that benefit from the trading book” (Art. 105 (8) Regulation (EU) no. 575/2013).
The Intesa Sanpaolo Group has set up an IPV process with 3 levels of control in line with the provisions of Bank of Italy Circular 285/2013, incorporated into the Integrated Internal Control System, which requires the risk management processes to be incorporated in the processes and methods for valuing the company activities, also for accounting purposes.
The Intesa Sanpaolo Group governs and defines the independent price verification process through the Group “Guidelines and Rules on Independent Price Verification”, as illustrated in detail in the “2025 Annual Report”, to which reference is made for more information.

Prudent value of financial instruments

The framework of financial measurements is completed with the prudent valuation of financial instruments measured at fair value. In accordance with the provisions of Regulation (EU) no. 575/2013 (Capital Requirements Regulation – CRR), prudent valuation entails the calculation of specific additional valuation adjustments (AVAs) for the financial instruments measured at fair value, aimed at capturing different sources of valuation uncertainty and ensuring the achievement of a suitable level of certainty in the measurement of the positions. The total value of the AVAs is deducted from the Common Equity Tier 1 capital, without impacts on accounting fair values.
The Intesa Sanpaolo Group, in line with the criteria indicated in Delegated Regulation (EU) 2016/101, is subject to the application of the core approach for the determination of AVAs both at individual and at consolidated level for all the positions measured at fair value. The prudent value corresponds to the exit price from the position with a level of certainty equal to 90%.
The Group governs and defines the prudent value measurement of financial instruments through the Group “Guidelines and Rules for Prudent Valuation of Financial Instruments at Fair Value”, illustrated in greater detail in the “2025 Annual Report”, to which reference is made for more information.

Fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis: fair value by level

(millions of euro)

Assets / liabilities at fair value	30.06.2026			31.12.2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	134,142	30,228	10,468	121,864	30,600	10,008
a) Financial assets held for trading	24,981	27,078	145	18,087	28,014	140
of which: equities	*8,881*	-	*1*	*5,446*	-	*1*
of which: quotas of UCI	*494*	-	*34*	*438*	-	*34*
b) Financial assets designated at fair value	-	-	4	-	-	4
c) Other financial assets mandatorily measured at fair value	109,161	3,150	10,319	103,777	2,586	9,864
of which: equities	*9,427*	*871*	*217*	*7,859*	*530*	*107*
of which: quotas of UCI	*88,982*	*217*	*8,405*	*85,683*	*194*	*8,208*
2. Financial assets measured at fair value through other comprehensive income	155,448	14,042	628	151,096	11,650	695
of which: equities	*589*	*192*	*576*	*638*	*141*	*572*
3. Hedging derivatives	-	5,837	-	-	7,372	-
4. Property and equipment	-	-	6,509	-	-	6,569
5. Intangible assets	-	-	-	-	-	-
Total	**289,590**	**50,107**	**17,605**	**272,960**	**49,622**	**17,272**
1. Financial liabilities held for trading	6,330	34,178	120	6,334	33,319	3
2. Financial liabilities designated at fair value	2,866	76,221	315	3,539	72,806	35
3. Hedging derivatives	-	2,882	-	-	2,695	-
Total	**9,196**	**113,281**	**435**	**9,873**	**108,820**	**38**

The above table shows the figures for the entire Group, including the insurance companies.
With regard to assets, level 3 instruments, which allow for more discretion in fair value measurement, account for a limited portion of the portfolio, with an impact of 4.9% on total assets (5.1% as at 31 December 2025).
Level 3 financial assets refer mainly to UCI units under Financial assets mandatorily measured at fair value, and are attributable to equity and bond funds of insurance companies for 4,673 million euro and UCI units of the Banking Group for 3,732 million euro.
With regard to the banking segment, the UCI units under Financial assets mandatorily measured at fair value are mainly attributable to the Parent Company and in terms of composition they relate, in order of significance, to real estate funds, private equity funds, private debt funds, hedge funds, infrastructure funds, and venture capital funds.
The caption also includes 151 million euro relating to interests held by the bank in the Atlante Fund and in the Italian Recovery Fund (formerly Atlante Fund II), alternative investment funds to support Italian banks in their recapitalisation transactions and in the management of the bad loans in the sector.
Property and equipment measured at level 3 fair value includes real estate assets and valuable art assets, which represent 37% of the balance sheet assets at level 3 fair value.
A total of 81% of assets measured at fair value are determined based on market prices (level 1), and therefore without any discretion by the valuator.
A total of 92.2% of the liabilities measured at fair value is attributable to Level 2 of the fair value hierarchy. This percentage is mainly represented by unit-linked investment contracts, classified under financial liabilities designated at fair value and attributable to insurance companies for an amount of 49,564 million euro. Also significant, within Level 2, was the amount of the certificates issued by Intesa Sanpaolo S.p.A., at 35,970 million euro.

Assets and liabilities measured at fair value on a recurring basis: fair value by level *(of which: Banking Group and Other Companies)*

(millions of euro)

Assets / liabilities at fair value	30.06.2026			31.12.2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	25,232	28,644	4,898	18,324	29,227	4,264
a) Financial assets held for trading	24,939	27,076	145	18,055	28,014	140
of which: equities	*8,881*	-	*1*	*5,446*	-	*1*
of which: quotas of UCI	*494*	-	*34*	*438*	-	*34*
b) Financial assets designated at fair value	-	-	4	-	-	4
c) Other financial assets mandatorily measured at fair value	293	1,568	4,749	269	1,213	4,120
of which: equities	*225*	*871*	*132*	*205*	*530*	*14*
of which: quotas of UCI	*68*	*217*	*3,732*	*64*	*194*	*3,476*
2. Financial assets measured at fair value through other comprehensive income	85,562	10,555	575	81,072	8,257	621
of which: equities	*589*	*192*	*569*	*638*	*141*	*565*
3. Hedging derivatives	-	5,805	-	-	7,342	-
4. Property and equipment	-	-	6,504	-	-	6,562
5. Intangible assets	-	-	-	-	-	-
Total	**110,794**	**45,004**	**11,977**	**99,396**	**44,826**	**11,447**
1. Financial liabilities held for trading	6,323	34,174	120	6,329	33,316	3
2. Financial liabilities designated at fair value	2,866	26,657	315	3,539	23,622	35
3. Hedging derivatives	-	2,850	-	-	2,641	-
Total	**9,189**	**63,681**	**435**	**9,868**	**59,579**	**38**

Exclusively with regard to the assets of the Banking Group and Other Companies, level 3 instruments, which allow for more discretion in fair value measurement, account for a limited portion of the portfolio, with an impact of 7.1% on total assets (7.4% as at 31 December 2025).
A total of 66% of assets measured at fair value are determined based on market prices (level 1), and therefore without any discretion by the valuator.
Property and equipment measured at level 3 fair value includes real estate assets and valuable art assets, which represent 54.3% of the balance sheet assets at level 3 fair value.
A total of 86.9% of these liabilities are classified in level 2, and the share of level 3 instruments is less than 1% of total liabilities.
As at 30 June 2026, the impact of non-performance risk (Credit Value Adjustment and Debt Value Adjustment) in the determination of the fair value of derivative contracts amounted to a reduction of 85 million euro in positive fair value and an increase of 35 million euro in negative fair value.
The impact of the Funding Value Adjustment in reducing the fair value amounted to 24 million euro, equal to the cost of funding the cash flows generated by the Parent Company's overall portfolio of OTC derivatives.
Determining the quantity of those adjustments is irrespective of the effects of the correlated operational hedging strategies, where present.

Lastly, the caption "Other assets", not directly included in the table above, comprised tax credits recognised and measured at fair value for 5.5 billion euro as at 30 June 2026, of which around 2 billion euro held under the Hold to Collect and Sell business model and 3.5 billion euro held under the Other/Trading business model. The fair value of those credits was determined with reference to the changes in interest rates. Given the specific characteristics of the credits in question, they have been assigned to level 3, also in line with the considerations set out in the clarification note issued by the Bank of Italy on 24 July 2023 ("Clarification Note on credit risk").
In addition to the transfers relating to financial assets and liabilities measured at level 3 as detailed below, please note that the following transfers were made during 2026:

- from level 1 to level 2:
  - financial assets held for trading for 15 million euro (book value as at 30 June 2026);
  - financial assets measured at fair value through other comprehensive income for 242 million euro (book value as at 30 June 2026);
  - financial liabilities held for trading for 415 million euro (book value as at 30 June 2026);
  - financial liabilities designated at fair value for 1,785 million euro (book value as at 30 June 2026);
- from level 2 to level 1:
  - financial assets held for trading for 284 million euro (book value as at 30 June 2026);
  - financial assets measured at fair value through other comprehensive income for 73 million euro (book value as at 30 June 2026);
  - financial liabilities held for trading for 321 million euro (book value as at 30 June 2026);
  - financial liabilities designated at fair value for 2,352 million euro (book value as at 30 June 2026).

The transfers between fair value levels are determined by the trends in the observability of prices or market data used to measure the instruments and by the materiality of the unobservable inputs.
The transition from level 1 to level 2 is a consequence of the disappearance of an active market for that instrument assessed by analysing the reliability and the reciprocal consistency of the available prices according to the Group's Guidelines and Rules for Valuation of Financial Instruments at Fair Value. Conversely, securities for which a mark-to-model measurement is performed using inputs that can be observed on the market – classified, therefore, as level 2 – are transferred to level 1 when the existence of an active market is identified.

Assets and liabilities measured at fair value on a recurring basis: fair value by level (of which: Insurance Companies)

(millions of euro)

Assets / liabilities at fair value	30.06.2026			31.12.2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	108,910	1,584	5,570	103,540	1,373	5,744
a) Financial assets held for trading	42	2	-	32	-	-
of which: equities	-	-	-	-	-	-
of which: quotas of UCI	-	-	-	-	-	-
b) Financial assets designated at fair value	-	-	-	-	-	-
c) Other financial assets mandatorily measured at fair value	108,868	1,582	5,570	103,508	1,373	5,744
of which: equities	*9,202*	-	*85*	*7,654*	-	*93*
of which: quotas of UCI	*88,914*	-	*4,673*	*85,619*	-	*4,732*
2. Financial assets measured at fair value through other comprehensive income	69,886	3,487	53	70,024	3,393	74
of which: equities	-	-	*7*	-	-	*7*
3. Hedging derivatives	-	32	-	-	30	-
4. Property and equipment	-	-	5	-	-	7
5. Intangible assets	-	-	-	-	-	-
Total	**178,796**	**5,103**	**5,628**	**173,564**	**4,796**	**5,825**
1. Financial liabilities held for trading	7	4	-	5	3	-
2. Financial liabilities designated at fair value	-	49,564	-	-	49,184	-
3. Hedging derivatives	-	32	-	-	54	-
Total	**7**	**49,600**	**-**	**5**	**49,241**	**-**

With regard to the assets of Insurance Companies, level 3 instruments, which allow for more discretion in fair value measurement, account for a very small portion of the portfolio, with an impact of 3% on total assets (3.2% as at 31 December 2025).
94.3% of financial assets measured at fair value in the insurance segment are determined based on market prices (level 1), and therefore without any discretion by the valuator.
Liabilities at fair value were almost entirely measured using level 2 inputs and attributable to unit-linked investment contracts included under Financial liabilities designated at fair value.
In addition to the transfers relating to financial assets and liabilities in the insurance segment designated at level 3 as detailed below, please note that the following transfers were made during 2026:

- from level 1 to level 2:
  - other financial assets mandatorily measured at fair value for 8 million euro (book value as at 30 June 2026);
  - financial assets measured at fair value through other comprehensive income for 43 million euro (book value as at 30 June 2026);
- from level 2 to level 1:
  - other financial assets mandatorily measured at fair value for 30 million euro (book value as at 30 June 2026).
  - financial assets measured at fair value through other comprehensive income for 52 million euro (book value as at 30 June 2026).

The transfers between fair value levels are determined by the trends in the observability of prices or market data used to measure the instruments and by the materiality of the unobservable inputs.
The transition from level 1 to level 2 is a consequence of the disappearance of an active market for that instrument assessed by analysing the reliability and the reciprocal consistency of the available prices according to the Group's Guidelines and Rules for Valuation of Financial Instruments at Fair Value. Conversely, securities for which a mark-to-model measurement is performed using inputs that can be observed on the market – classified, therefore, as level 2 – are transferred to level 1 when the existence of an active market is identified.

Half-yearly changes in assets measured at fair value on a recurring basis (level 3)

(millions of euro)

	Assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property and equipment	Intangible assets
	TOTAL	*of which: a) Financial assets held for trading*	*of which: b) Financial assets designated at fair value*	*of which: c) Other financial assets mandatorily measured at fair value*				
1. Initial amount	**10,008**	**140**	**4**	**9,864**	**695**	**-**	**6,569**	**-**
2. Increases	**2,600**	**33**	**-**	**2,567**	**87**	**-**	**51**	**-**
2.1 Purchases	845	18	-	827	-	-	6	-
2.2 Gains recognised in:	908	2	-	906	20	-	6	-
2.2.1 Income statement	908	2	-	906	-	-	2	-
- of which capital gains	*900*	*2*	-	*898*	-	-	*2*	-
2.2.2 Shareholders' equity	-	X	X	X	20	-	4	-
2.3 Transfers from other levels	131	9	-	122	-	-	-	-
2.4 Other increases	716	4	-	712	67	-	39	-
3. Decreases	**-2,140**	**-28**	**-**	**-2,112**	**-154**	**-**	**-111**	**-**
3.1 Sales	-374	-7	-	-367	-7	-	-6	-
3.2 Reimbursements	-13	-10	-	-3	-20	-	-	-
3.3 Losses recognised in:	-1,241	-7	-	-1,234	-50	-	-57	-
3.3.1 Income statement	-1,241	-7	-	-1,234	-	-	-54	-
- of which capital losses	*-981*	*-7*	-	*-974*	-	-	*-54*	-
3.3.2 Shareholders' equity	-	X	X	X	-50	-	-3	-
3.4 Transfers to other levels	-3	-2	-	-1	-44	-	-	-
3.5 Other decreases	-509	-2	-	-507	-33	-	-48	-
4. Final amount	**10,468**	**145**	**4**	**10,319**	**628**	**-**	**6,509**	**-**

The above table shows the figures for the entire Group, including the insurance companies.

Half-yearly changes in assets measured at fair value on a recurring basis (Level 3) *(of which: Banking Group and Other Companies)*

(millions of euro)

	Assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property and equipment	Intangible assets
	TOTAL	*of which: a) Financial assets held for trading*	*of which: b) Financial assets designated at fair value*	*of which: c) Other financial assets mandatorily measured at fair value*				
1. Initial amount	**4,264**	**140**	**4**	**4,120**	**621**	**-**	**6,562**	**-**
2. Increases	**947**	**33**	**-**	**914**	**28**	**-**	**51**	**-**
2.1 Purchases	547	18	-	529	-	-	6	-
2.2 Gains recognised in:	92	2	-	90	20	-	6	-
2.2.1 Income statement	92	2	-	90	-	-	2	-
- of which capital gains	*84*	*2*	-	*82*	-	-	*2*	-
2.2.2 Shareholders' equity	-	X	X	X	20	-	4	-
2.3 Transfers from other levels	128	9	-	119	-	-	-	-
2.4 Other increases	180	4	-	176	8	-	39	-
3. Decreases	**-313**	**-28**	**-**	**-285**	**-74**	**-**	**-109**	**-**
3.1 Sales	-32	-7	-	-25	-7	-	-4	-
3.2 Reimbursements	-13	-10	-	-3	-6	-	-	-
3.3 Losses recognised in:	-155	-7	-	-148	-10	-	-57	-
3.3.1 Income statement	-155	-7	-	-148	-	-	-54	-
- of which capital losses	*-154*	*-7*	-	*-147*	-	-	*-54*	-
3.3.2 Shareholders' equity	-	X	X	X	-10	-	-3	-
3.4 Transfers to other levels	-3	-2	-	-1	-44	-	-	-
3.5 Other decreases	-110	-2	-	-108	-7	-	-48	-
4. Final amount	**4,898**	**145**	**4**	**4,749**	**575**	**-**	**6,504**	**-**

Half-yearly changes in assets measured at fair value on a recurring basis (Level 3) *(of which: Insurance Companies)*

(millions of euro)

	Assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property and equipment	Intangible assets
	TOTAL	*of which: a) Financial assets held for trading*	*of which: b) Financial assets designated at fair value*	*of which: c) Other financial assets mandatorily measured at fair value*				
1. Initial amount	**5,744**	**-**	**-**	**5,744**	**74**	**-**	**7**	**-**
2. Increases	**1,653**	**-**	**-**	**1,653**	**59**	**-**	**-**	**-**
2.1 Purchases	298	-	-	298	-	-	-	-
2.2 Gains recognised in:	816	-	-	816	-	-	-	-
2.2.1 Income statement	816	-	-	816	-	-	-	-
- of which capital gains	*816*	-	-	*816*	-	-	-	-
2.2.2 Shareholders' equity	-	X	X	X	-	-	-	-
2.3 Transfers from other levels	3	-	-	3	-	-	-	-
2.4 Other increases	536	-	-	536	59	-	-	-
3. Decreases	**-1,827**	**-**	**-**	**-1,827**	**-80**	**-**	**-2**	**-**
3.1 Sales	-342	-	-	-342	-	-	-2	-
3.2 Reimbursements	-	-	-	-	-14	-	-	-
3.3 Losses recognised in:	-1,086	-	-	-1,086	-40	-	-	-
3.3.1 Income statement	-1,086	-	-	-1,086	-	-	-	-
- of which capital losses	*-827*	-	-	*-827*	-	-	-	-
3.3.2 Shareholders' equity	-	X	X	X	-40	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-	-	-
3.5 Other decreases	-399	-	-	-399	-26	-	-	-
4. Final amount	**5,570**	**-**	**-**	**5,570**	**53**	**-**	**5**	**-**

Half-yearly changes in liabilities measured at fair value on a recurring basis (level 3)

(millions of euro)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Initial amount	**3**	**35**	**-**
2. Increases	**119**	**300**	**-**
2.1 Issues	23	299	-
2.2 Losses recognised in:	-	1	-
2.2.1 Income statement	-	1	-
- of which capital losses	-	*1*	-
2.2.2 Shareholders' equity	X	-	-
2.3 Transfers from other levels	96	-	-
2.4 Other increases	-	-	-
3. Decreases	**-2**	**-20**	**-**
3.1 Reimbursements	-	-	-
3.2 Repurchases	-	-11	-
3.3 Gains recognised in:	-2	-	-
3.3.1 Income statement	-2	-	-
- of which capital gains	-2	-	-
3.3.2 Shareholders' equity	X	-	-
3.4 Transfers to other levels	-	-9	-
3.5 Other decreases	-	-	-
4. Final amount	**120**	**315**	**-**

A single table is shown, fully referring to the Banking Group and Other Companies (this case is not present in the insurance segment).

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: fair value by level

(millions of euro)

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	30.06.2026				31.12.2025			
	Book value	Level 1	Level 2	Level 3	**Book value**	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	553,776	64,170	301,731	178,890	532,710	55,823	293,578	172,007
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and discontinued operations	1,057	-	-	1,057	1,065	-	-	1,065
Total	**554,833**	**64,170**	**301,731**	**179,947**	**533,775**	**55,823**	**293,578**	**173,072**
1. Financial liabilities measured at amortised cost	636,774	50,135	544,727	44,080	623,444	52,676	531,634	41,424
2. Liabilities associated with non-current assets	62	-	-	62	45	-	-	45
Total	**636,836**	**50,135**	**544,727**	**44,142**	**623,489**	**52,676**	**531,634**	**41,469**

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: fair value by level (of which: Banking Group and Other Companies)

(millions of euro)

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	30.06.2026				31.12.2025			
	Book value	Level 1	Level 2	Level 3	**Book value**	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	553,773	64,170	301,728	178,890	532,701	55,823	293,569	172,007
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and discontinued operations	1,057	-	-	1,057	1,065	-	-	1,065
Total	**554,830**	**64,170**	**301,728**	**179,947**	**533,766**	**55,823**	**293,569**	**173,072**
1. Financial liabilities measured at amortised cost	634,682	50,135	542,694	44,080	621,287	52,676	529,568	41,424
2. Liabilities associated with non-current assets	62	-	-	62	45	-	-	45
Total	**634,744**	**50,135**	**542,694**	**44,142**	**621,332**	**52,676**	**529,568**	**41,469**

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: fair value by level (of which: Insurance Companies)

(millions of euro)

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	30.06.2026				31.12.2025			
	Book value	Level 1	Level 2	Level 3	**Book value**	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	3	-	3	-	9	-	9	-
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	**3**	**-**	**3**	**-**	**9**	**-**	**9**	**-**
1. Financial liabilities measured at amortised cost	2,092	-	2,033	-	2,157	-	2,066	-
2. Liabilities associated with non-current assets	-	-	-	-	-	-	-	-
Total	**2,092**	**-**	**2,033**	**-**	**2,157**	**-**	**2,066**	**-**

Sensitivity analysis for financial assets and liabilities measured at level 3

As required by IFRS 13, for the financial assets and liabilities measured at level 3 fair value, the following table lists the effects of a change in one or more significant non-observable parameters used in the valuation techniques adopted to determine the fair value. Note that only the total non null effects as at 30 June 2026 are shown in the table.

Financial assets/liabilities	Non-observable parameters	Sensitivity (thousands of euro)	Change in non-observable parameter
FVTPL and FVTOCI securities and loans	Credit spread	-111	1 bp
FVTPL and FVTOCI securities and loans	JD parameters	-14	1%
FVTPL and FVTOCI securities and loans	Correlation	-158	1%
OTC Derivatives - Equity	Correlation between underlying equity baskets	-42	10%
OTC Derivatives - Equity	Historical volatility	-2,372	10%
OTC Derivatives - Equity CPPI	Historical correlation	-52	10%
Hedge Fund	Net Asset Value	33	1%

Information on "Day one profit/loss"

Under IFRS 9, financial instruments shall be initially recognised at fair value. The fair value of a financial instrument at initial recognition is normally the "transaction price", i.e. the fair value of the consideration given or received in relation to, respectively, financial assets and liabilities. The fact that, upon initial recognition, the fair value of a financial instrument normally coincides with the transaction price is usually intuitively verifiable in the case of transactions falling under level 1 of the fair value hierarchy. Any differences between the price and the fair value are usually attributable to the so-called commercial margins, which are considered as not falling within the scope of Day One Profit (DOP). Therefore, commercial margins are taken to the income statement on the first subsequent measurement of the financial instrument. Also in the case of level 2, which is based on quotes that can be derived indirectly from the market (Comparable Approach), the fair value and the price often coincide upon initial recognition. Any residual differences, as in the previous case, are usually attributable to the commercial margins. With respect to level 3 instruments, no definite reference benchmark is available to compare the transaction price with, since there is more discretion in fair value measurement. For the same reason, the calculation of any commercial margin to be taken to the income statement is also difficult. In this event, the instrument is always initially recognised at the transaction cost, irrespective of whether it is possible to identify commercial margins. Subsequent measurement shall not include the difference between cost and fair value identified upon initial recognition (also defined as DOP). This difference shall be recognised in the income statement only when it arises from changes to the factors over which market participants base their valuations when fixing prices (including the time effect). Where unobservable inputs used to estimate the fair value become observable, the residual deferred DOPs are recognised in the income statement. Similarly, in the event of "on the book" transactions falling under the investment division's activities, the DOPs earned on transactions – included in the above on the book management – are taken to the income statement when transactions are carried out which substantially eliminate the risks linked to unobservable parameters of the instrument which generated the DOP.
As in 2025, there was also nothing to report for the first half of 2026.

INFORMATION ON STRUCTURED CREDIT PRODUCTS

The risk exposure in structured credit products came to 9,121 million euro as at 30 June 2026, a net increase of 1,721 million euro compared to the stock of 7,400 million euro as at 31 December 2025. The exposure included investments in CLOs (Collateralised Loan Obligations) of 4,943 million euro, in ABSs (Asset-Backed Securities) of 4,174 million euro and in CDOs (Collateralised Debt Obligations) of 4 million euro, which is increasingly a marginal activity.

(millions of euro)

Accounting categories	30.06.2026				31.12.2025	Changes	
	Collateralized Loan Obligations	Asset Backed Securities	Collateralized Debt Obligations	Total		absolute	%
Financial assets held for sale	316	1,230	-	1,546	1,127	419	37.2
Financial assets mandatorily measured at fair value	1	-	-	1	-	1	-
Financial assets measured at fair value through other comprehensive income	2,198	315	-	2,513	2,574	-61	-2.4
Financial assets measured at amortised cost	2,428	2,629	4	5,061	3,699	1,362	36.8
Total	**4,943**	**4,174**	**4**	**9,121**	**7,400**	**1,721**	**23.3**

In this disclosure, structured credit products include debt securities held by the Group divided into tranches upon issuance consisting of various degrees of subordination and not issued within transactions originated by entities of the Intesa Sanpaolo Group or by public entities, in addition to those issued within transactions where the Group finances its corporate and financial institution customers[60].

The performance of the portfolio in the first half of 2026 shows higher overall investments than disposals and redemptions, with a total increase of 1,721 million euro, mainly attributable to the operations of the IMI Corporate & Investment Banking Division, consisting of greater investments in ABSs and CLOs, mainly issued by financial companies with a top rating.

Exposures measured at fair value (CLO and ABS debt securities) increased by 359 million euro, from 3,701 million euro in December 2025 to 4,060 million euro in June 2026. The net increase was attributable to higher investments totalling 1,250 million euro, of which 955 million euro relating to financial assets held for trading, 294 million euro to financial assets measured at fair value through other comprehensive income and 1 million euro to financial assets mandatorily measured at fair value, offset by redemptions and disposals totalling 891 million euro, of which 536 million euro relating to the first component and 355 million euro to the second component.

Exposures classified among assets measured at amortised cost (CLO, ABS and CDO debt securities) amounted to 5,061 million euro in June 2026, compared with a balance of 3,699 million euro in December 2025, a net increase of 1,362 million euro, generated by higher investments of 2,045 million euro, only partially offset by disposals and reimbursements of 683 million euro.

From the perspective of the income statement, the profit of +2 million euro in the first half of 2026 compares with a profit of +4 million euro in the first half of 2025. The performance of assets held for trading, as at 30 June 2026, was nil overall and related to CLO and ABS exposures, with +2 million euro attributable to realisations and -2 million euro to valuations. As at 30 June 2025 they amounted to +3 million euro, relating to CLO and ABS exposures (+2 million euro from realisation impacts and +1 million euro from valuation effects).

The exposures to debt securities classified as assets measured at fair value through other comprehensive income recorded a nil net change in the fair value through a shareholders' equity reserve in 2026 (reserve of -3 million euro in December 2025 and June 2026), while the income statement showed impacts from sales of +1 million euro of recoveries, compared to nil in 2025.

On debt securities classified as assets measured at amortised cost, the income statement result as at 30 June 2026 was +1 million euro, relating to gains from disposals of CDOs (Collateralized Debt Obligations), compared to the same result of +1 million euro as at 30 June 2025.

(millions of euro)

Income statement results broken down by accounting category	30.06.2026				30.06.2025	Changes	
	Collateralized Loan Obligations	Asset Backed Securities	Collateralized Debt Obligations	Total		absolute	%
Financial assets held for sale	-	-	-	-	3	-3	
Financial assets mandatorily measured at fair value	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1	-	-	1	-	1	-
Financial assets measured at amortised cost	-	-	1	1	1	-	-
Total	**1**	**-**	**1**	**2**	**4**	**-2**	**-50.0**

[60] This is implemented by the Group through its subsidiary Duomo Funding Plc.

INFORMATION ON ACTIVITIES PERFORMED THROUGH SPECIAL PURPOSE ENTITIES (SPEs)

For the purpose of this analysis, legal entities established to pursue a specific, clearly defined and limited objective (raising funds on the market, acquiring/selling/managing assets both for asset securitisations, acquisition of funding through self-securitisations and the issuance of covered bonds, developing and/or financing specific business initiatives, undertaking leveraged buy-out transactions, or managing credit risk inherent in an entity's portfolio) are considered Special Purpose Entities (SPEs).

The sponsor of the transaction is normally an entity which requests the structuring of a transaction that involves the SPE for the purpose of achieving certain objectives. In some cases, the sponsor may be the Bank itself, which establishes a SPE to achieve one of the aims mentioned above.

For the SPE categories identified as non-consolidated structured entities, no changes have been made to the criteria applied by the Intesa Sanpaolo Group to decide whether to include said entities in the scope of consolidation, compared to the information provided in 2025 Annual Report.

With regard to the covered bond issue programmes, under the programme guaranteed by **ISP CB Ipotecario**, in February the 4th series matured for an amount of 100 million euro and the 16th series matured for an amount of 1.25 billion euro.

Within the covered bond programme guaranteed by **ISP OBG**, in June two issuances of retained covered bonds, listed on the Luxembourg Stock Exchange with a Morningstar DBRS AA (Low) rating, were made for a total amount of 5.7 billion euro:

- the 50th series for 2.8 billion euro, with a fixed rate and a 11-year maturity;
- the 51st series for 2.9 billion euro, with a fixed rate and a 13-year maturity.

With regard to the loan portfolio, in May the disposal was completed of a loan portfolio of 9.3 billion euro.

INFORMATION ON LEVERAGED TRANSACTIONS

In line with the ECB reference regulations, "Guidance on Leveraged Transactions", the scope of leveraged transactions includes exposures in which the borrower's level of leverage, measured as the ratio of total financial debt to EBITDA, is greater than 4, as well as exposures where the borrower is owned by one or more financial sponsors. Moreover, counterparties with Investment Grade ratings, private individuals, credit institutions, financial institutions and companies in the financial sector in general, public entities, non-profit entities, as well as counterparties with credit facilities below a certain materiality threshold (5 million euro), Retail SME counterparties and Corporate SME counterparties (the latter if not owned by financial sponsors) are explicitly excluded from that scope. Specialised lending transactions (project finance, real estate and asset financing) and certain other types of credit facilities, such as trade finance transactions, are also excluded.

As at 30 June 2026, for the Intesa Sanpaolo Group, the transactions that meet the definition of Leveraged Transactions as per the ECB Guidance amounted to 32.3 billion euro, relating to 2,218 credit lines. The geographical distribution shows that around half of the transactions, in terms of volume, were with domestic counterparties (51%). The main economic macro-sectors of the counterparties concerned were the services, industrial and financial sectors.

In line with the requirements set out in the ECB Guidance, the Company's Board of Directors has approved, as part of the Credit Risk Appetite framework, specific limits on the outstanding stock of leveraged transactions, limits on new transaction flows, and concentration-related early warning thresholds, consistent with the Group's risk appetite for this type of business.

INFORMATION ON PRIVATE CREDIT

Intesa Sanpaolo's credit exposure to private credit funds is not material and related to senior secured portfolio financing transactions characterized by strong structural protections.

INFORMATION ON INVESTMENTS IN HEDGE FUNDS

The Parent Company's hedge fund portfolio as at 30 June 2026 amounted to 334 million euro for the trading book and 217 million euro for the banking book for a total of 551 million euro, compared to 295 million euro and 195 million euro, respectively, for a total of 490 million euro as at 31 December 2025.

The investments in the banking book are recognised under financial assets mandatorily measured at fair value and pertain to funds that adopt medium- to long-term investment strategies and average redemption times that are longer than those of UCITS (Undertakings for Collective Investment Schemes in Transferable Securities) funds.

In 2026, there was an increase of +61 million euro on the end of the previous year, including greater investments of +70 million euro, disposals of -33 million euro, changes in fair value of +22 million euro, and adjustments to current exchange rates of +2 million euro.

The investments were made in the trading book in the amount of +50 million euro, involving UCITS hedge funds that better meet the capital absorption requirements in accordance with the CRR, as well as the trading book in the amount of +20 million euro. The disposals consisted of -26 million euro for the trading book and -7 million euro for the banking book. The positive changes in fair value were made up of +15 million euro for the trading book and +7 million euro for the banking book, while the adjustments to current exchange rates consisted of +2 million euro for the banking book.

In terms of effects on the income statement, the first half of 2026 shows an overall positive result of +23 million euro, attributable to valuation effects of +22 million euro (trading book +15 million euro and banking book +7 million euro) and to realisation impacts on the trading book of +1 million euro. In the first half of 2025, the result in the income statement was a +8 million euro, with +7 million euro attributable to valuation effects (trading book +3 million euro and banking book +4 million euro) and +1 million euro to realisation impacts on the banking book.

Within the Intesa Sanpaolo Group, as at 30 June 2026 Eurizon Capital SGR had an exposure in hedge funds of 15 million euro (14 million euro as at 31 December 2025), at fair value through profit or loss of +0.4 million euro from valuation effects (+0.1 million euro also from valuations as at 30 June 2025). Hedge funds are held according to a seeding approach that involves setting up a service portfolio consisting of shares of mutual funds for which marketing has begun in support of the funds.

INFORMATION ON TRADING TRANSACTIONS IN DERIVATIVES WITH CUSTOMERS

Considering relations with customers only, as at 30 June 2026, the Intesa Sanpaolo Group, in relation to derivatives trading with retail customers, non-financial companies and public entities (therefore excluding banks, financial and insurance companies), presented a positive fair value, not having applied netting agreements, of 2,190 million euro (2,071 million euro as at 31 December 2025). The notional value of these derivatives totalled 46,209 million euro (45,883 million euro as at 31 December 2025).

In particular, the notional value of plain vanilla contracts was 42,733 million euro (41,623 million euro as at 31 December 2025), while that of structured contracts was 3,476 million euro (4,260 million euro as at 31 December 2025).

The positive fair value of contracts outstanding with the 10 customers with the highest exposures was 1,111 million euro (1,036 million euro as at 31 December 2025).

Conversely, the negative fair value referring to total contracts outstanding, determined with the same criteria, for the same types of contracts and with the same counterparties, totalled 2,099 million euro as at 30 June 2026 (2,057 million euro as at 31 December 2025). The notional value of these derivatives totalled 53,971 million euro (48,098 million euro as at 31 December 2025).

In particular, the notional value of plain vanilla contracts was 49,640 million euro (44,198 million euro as at 31 December 2025), while that of structured contracts was 4,331 million euro (3,900 million euro as at 31 December 2025).

The fair value of derivative financial instruments entered into with customers was determined considering, as for all other OTC derivatives, the creditworthiness of the single counterparty (“Bilateral Credit Value Adjustment”), which resulted in the recognition of a negative impact of 10 million euro in the income statement as at 30 June 2026 under “Profits (losses) on trading” (negative impact of 11 million euro as at 30 June 2025).

For details of the methodologies used in determining the fair value of financial instruments, see the paragraphs specifically dedicated to this subject in the 2025 Annual Report.

The figures reported above do not include the fair value of derivatives embedded in structured bond issues as well as the related hedges taken out by the Group.

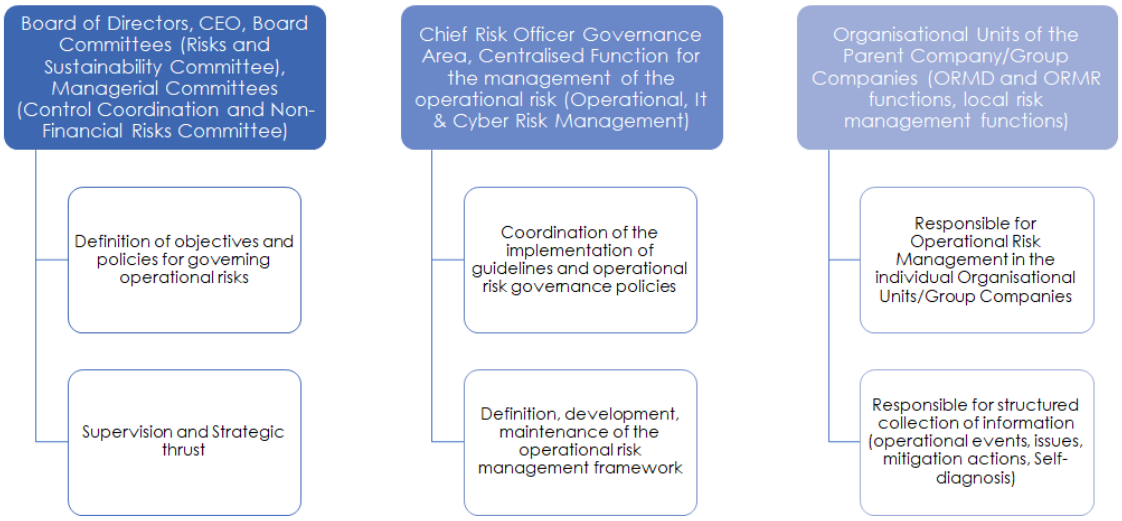
OPERATIONAL RISKS

Operational risk is defined as the risk of incurring losses resulting from inadequate or failed internal processes, people and systems, or from external events. The risk taxonomy adopted by the Group, as agreed upon by the Corporate Control Functions, for the component of economic losses, includes the following risks within operational risk: legal, conduct, compliance, financial crime, tax, technological, cyber security, physical security, third-party, data quality, fraud, process, and employer risk. Strategic and reputational risk are not included.
The Intesa Sanpaolo Group adopts a risk taking and management strategy for operational risk based on prudent management principles and aimed at guaranteeing long-term solidity and continuity for the company, with a particular focus on achieving an optimal balance between growth and profitability objectives and the associated risks.

ICT (Information and Communication Technology), included in the definition of operational risk, is defined as the risk of incurring losses due to breaches of confidentiality, lack of integrity and inadequacy of systems and data, unavailability of systems and data, or the inability to replace information technology within reasonable time and cost limits, in the event of changes in the requirements of the external environment or the business (agility). It also includes security risk resulting from inadequate or incorrect internal processes or external events, including cyber attacks, or an inadequate level of physical security.
The Intesa Sanpaolo Group considers its information system to be a tool of primary importance to the achievement of its strategic, business and social responsibility objectives, including in the light of the critical nature of the company processes that depend on it. In line with this approach, the Intesa Sanpaolo Group has a long-established operational, ICT and security risk governance framework, with specific organisational rules and processes for measuring, managing and controlling these risks.

Governance Model

An effective and efficient framework for managing operational, ICT and security risks must be fully integrated into decision-making processes and management of business operations. Accordingly, the Intesa Sanpaolo Group has chosen to involve the organisational units (business units, head-office/support structures) of the Parent Company, the banks and Group companies with direct responsibility in the operational, ICT and security risk management process.



The Intesa Sanpaolo Group's operational, ICT and security risk governance process is divided into the following phases:
- identification: detection and description of potential areas of operational, ICT and security risk (e.g., operational events, presence of critical issues, processes to be assessed and association of the risks/controls to be evaluated, relevant risk scenarios);
- assessment and measurement: determination of exposure to operational, ICT and security risks (e.g., self-diagnosis[61], determination of economic and regulatory capital, preventive analyses of operational, ICT and security risks, assessment of the significance of the issues identified);
- monitoring and control: ongoing supervision of the development of the exposure to operational, ICT and security risks, including to prevent the occurrence of harmful events and promote active risk management;
- mitigation: containment of operational, ICT and security risks through appropriate mitigation actions and suitable risk-transfer strategies according to a risk-driven approach;
- reporting: preparation of information flows related to operational, ICT and security risk management, designed to ensure adequate knowledge of the exposure to this risk.

[61] Self-diagnosis is the annual process through which the Organisational Units identify their level of exposure to operational, ICT and security risk. It includes the Operational Risk Assessment and the ICT Risk Assessment, both of which are further broken down into the Risk and Control Self-Assessment (RCSA) and Scenario Analysis (SA).

Operational risk capital requirement

The Intesa Sanpaolo Group used the internal AMA model (in partial use together with the standardised and basic approaches) for determining the capital requirement up to 31 December 2024.

From January 2025 – as set out in detail in the section "Basel regulations" of this Half-yearly Report – the new CRR3/Basel 4 regulatory framework has fundamentally altered the methodology for calculating the prudential capital requirement, eliminating the possibility of using internal models and introducing a new, single standardised calculation method, referred to as the Standardised Approach (SA).

Under the new rules, inspired by more prudent criteria and aimed at ensuring greater uniformity among European financial institutions, the capital requirement is determined in line with the size of business activities (Business Indicator – BI), primarily using FINREP items (averaged over the previous three years), weighted with regulatory coefficients by band. The methodology also requires the inclusion of the duly reconciled accounting impact of the operational losses over the three-year period. The new regulatory framework therefore confirms the regulatory importance of high-quality operational loss data collection and related accounting reconciliation, in addition to the requirement for an effective, properly structured overall operational risk governance framework, supported by suitable infrastructure and verified by an independent function.

The capital requirement reported quarterly is calculated annually with reference to 31 December of each year, subject to any significant changes in the scope of consolidation that may have occurred during the quarter.

Based on the Standardised Approach (SA), as at 31 December 2025 the consolidated prudential requirement for operational risk amounted to 4,292 million euro and will be updated at the end of the current year (the transition to the new regulations resulted in a significant increase in the requirement, at around 72% higher than the figure of 2,488 million euro as at 31 December 2024, calculated using the AMA, TSA and BIA approaches).

Further quantitative information concerning operational risks, with particular regard to operational losses and in accordance with the regulatory requirements, is provided in the specific section of the Basel 3 Pillar 3 disclosure as at 31 December every year.

Internal model for the measurement of operational risk

From January 2025, following the entry into force of Basel 4, the AMA internal model is being used exclusively for management purposes to monitor "Pillar 2" risks, and therefore contributes to the determination of capital adequacy in the ICAAP.

It is designed to combine historical elements (internal and external operational losses) and forward-looking estimates (scenario analysis). Capital-at-risk is therefore identified as the minimum amount at Group level required to bear the maximum potential loss (worst case). It is estimated using a Loss Distribution Approach model (actuarial statistical model to calculate the Value-at-risk of operational losses), applied to historical data and the results of the scenario analysis assuming a one-year estimation period, with a confidence level of 99.9%.

Legal risks

As at 30 June 2026, there were a total of around 10,300 non-tax related disputes with a claim amount[62] of around 2,520 million euro – excluding those involving Risanamento S.p.A., which is not subject to management and coordination by Intesa Sanpaolo – pending at Group level, in addition to around 14,200 "mass" disputes at the international banks, which, as a whole, represent a total claim amount of around 128 million euro. This amount includes all disputes for which the risk of a disbursement of financial resources resulting from a potential adverse outcome has been deemed possible or likely and therefore does not include disputes for which risk has been deemed remote.
The risks associated with the above disputes are thoroughly and individually analysed by the Parent Company and Group companies. Specific and appropriate provisions have been made to the Allowances for Risks and Charges in the event of disputes for which there is an estimated probability of a disbursement of more than 50% and where the amount of the disbursement may be reliably estimated (disputes with likely risk). Without prejudice to the uncertainty inherent in all litigation, the estimate of the obligations that could arise from the disputes and hence the amount of any provisions recognised are based on the forward-looking assessments of the outcome of the trial. These forward-looking assessments are, in any event, prepared on the basis of all information available at the time of the estimate.
The disputes with likely risk numbered around 6,300, in addition to around 14,200 cases relating to the above-mentioned "mass" disputes. The total claim amount was 1,634 million euro and the provisions amounted to 509 million euro.
The component referring to the Parent Company Intesa Sanpaolo totals around 3,420[63] disputes, with a remedy sought of 1,181 million euro and provisions of 352 million euro. These include around 1,650 positions relating to disputes concerning compound interest.
There were around 580 disputes relating to other Italian subsidiaries, with a claim amount of 247 million euro and provisions of 64 million euro. Those relating to the international subsidiaries numbered around 2,300, in addition to around 14,200 cases relating to the above-mentioned "mass" disputes, with a total claim amount of 206 million euro and provisions of 93 million euro. Compared to last year's figures, there was an increase in the claim amount and the litigation due to the evolution of the "mass" disputes at the international banks.

For the main pending disputes, the significant developments in the half year are described below. For previous disputes and a detailed illustration of significant individual disputes, see the Notes to the 2025 Consolidated Financial Statements.

Dispute regarding financial derivative instruments
With regard to derivative transactions, the legal risks linked to legal proceedings with local authorities, their subsidiaries and individuals continue to be subject to careful monitoring. Specifically, for the Parent Company, 8 disputes are pending with local authorities, with possible or likely risk, for total claims of 23 million euro, and 2 disputes with subsidiaries of public entities, with total claims of 14 million euro. Disputes with individuals, assessed as having possible or likely risk, total 95, and of these, 29 positions also regard requests for refunds of amounts on other accounts held with the Bank. Net of those latter positions, the total value of the claims lodged in the proceedings regarding only derivatives amounts to 53 million euro.
During the second quarter of 2026, most rulings expressly incorporated the principles established by the First Civil Division of the Court of Cassation in its orders of February 2026, although their application did not always result in outcomes favourable to the intermediaries due to the specific circumstances of each case.

Disputes regarding Euribor Manipulation
By two decisions, in 2013 and 2016, the European Commission Antitrust established the existence of a cartel between a number of European banking groups (Barclays, Deutsche Bank, Société Générale, The Royal Bank of Scotland, Crédit Agricole, HSBC and JPMorgan Chase) in the period between 29 September 2005 and 30 May 2008 aimed at manipulating Euribor. In Italy, a dispute arose in which customers claim the nullity of the Euribor indexation clause included in the contracts, even where, as in the case of Intesa Sanpaolo, the lending bank did not participate in the cartel. To date, this phenomenon has had a limited impact in terms of volume; the lower courts have mainly ruled in the banks' favour. In July 2024, in the context of a dispute brought against a credit intermediary, the matter was referred to the Joint Divisions to resolve the conflict that had emerged between the First and Third Divisions of the Court of Cassation on the perimeter of the contracts potentially affected by the cartel ("downstream contracts") and on the potential remedies available to customers to challenge their validity. In his conclusions in the proceedings before the Joint Divisions, the Public Prosecutor's office requested the rejection of the customers' claim, noting the absence of an objective connection between the cartel and the "downstream" mortgage loan contracts at issue in the dispute.
In the first quarter of 2025, as part of a dispute brought against Intesa Sanpaolo on a securitised bad loan deriving from a mortgage loan contract, the Cagliari Court of Appeal made a reference for a preliminary ruling to the Court of Justice of the European Union (CJEU) to verify the possible impact of Euribor manipulations on "downstream" contracts concluded between banks and their customers. The questions put to the Court were:
- whether the evidence of manipulation established by the European Commission is binding on national courts;
- whether the anti-competitive cartel constitutes a prohibited agreement solely in the derivatives market (where it took place) or
- whether it can be extended to any market which used the manipulated Euribor benchmark, such as the mortgage loan market.

In the light of the reference for a preliminary ruling made by the Court of Cagliari, the Joint Divisions of the Court of Cassation decided to handle the action as a new case. In 2025, within the proceedings before the CJEU, both the Bank and the European

[62] The figures for the claim amount do not include claims of indeterminate value, i.e. those that do not contain a specific financial claim when the dispute is initiated; the value of these disputes is determined during the course of the proceedings when sufficient information emerges for the valuation.
[63] These include disputes arising from the acquisition of certain assets, liabilities and legal relationships of Banca Popolare di Vicenza S.p.A. in compulsory administrative liquidation and Veneto Banca S.p.A. in compulsory administrative liquidation, so-called Excluded Disputes covered by public guarantee ("Indemnification Guarantee").

Commission submitted their written observations. Specifically, the Commission noted that, in the context of European Union law, evidence of Euribor manipulation can only be considered established in respect of legal relationships arising within the markets covered by the decisions of 2013 and 2016 (derivatives – EIRD) and of the other parties.
In March 2026, the Advocate General submitted its conclusions and the decision will be made without the scheduling of a hearing.

Transfer of business units to Isybank – Proceedings of the Italian Personal Data Protection Authority
By order of 3 January 2025, the Italian Personal Data Protection Authority - after having carried out a preliminary investigation in the context of which it had made a number of requests for information to the Bank, which were duly fulfilled - informed Intesa Sanpaolo that its conduct in the context of the transfer of the business lines to Isybank was in breach of certain provisions of the General Data Protection Regulation (GDPR), with regard to the identification of the legal basis for the processing of data aimed at identifying the "mainly digital" customers included in the branches being contributed and to the information provided to such customers.
With the same measure, the Authority announced the start of a procedure for the adoption of corrective measures and – if deemed applicable – the administrative penalties provided for by the GDPR.
On 3 March 2025, the Bank filed its defence submissions with the Data Protection Authority.
By decision dated 12 March 2026, the Data Protection Authority announced that it had identified breaches of certain GDPR provisions, imposing an administrative fine of 17,628,000 euro on the Bank, but without ordering the application of corrective measures. On 10 April 2026, the Bank lodged an appeal with the Court of Turin, seeking, in particular, the annulment of the penalty measure on procedural and substantive grounds, and, on an interim basis, the suspension of its enforceability and/or execution.
By order of 18 May 2026, the Court of Turin granted the Bank's application for interim relief and ordered the suspension of the enforceability of the penalty measure, subject to the Bank providing the Data Protection Authority with a first-demand guarantee for the full amount of the fine, which the Bank subsequently provided. The proceedings will continue to address the procedural and substantive issues at the hearing on 28 September 2026.

Unauthorised access to personal data - current judicial and administrative proceedings
In July 2024, the Parent Company notified the Italian Personal Data Protection Authority of certain accesses to customer data by an employee apparently not justified by service reasons and detected by the Bank's alert systems.
As a result of the investigations carried out, the employee was first suspended from duty and then dismissed for cause.
The Bank also lodged a complaint with the Public Prosecutor's Office at the Court of Bari against the former employee for unauthorised access to a computer system.
In the criminal proceedings against the former employee, the Bank, in addition to being the plaintiff and injured party, was investigated as an entity pursuant to Legislative Decree no. 231/2001, even though, as things stand, the acts attributed to the former employee appeared from the outset to have been committed to the detriment of the Bank and not for its benefit. By decree issued on 10 June 2026, the Public Prosecutor's Office of Bari ordered the dismissal of the case against the Bank, finding that conditions for attribution for corporate administrative liability under Legislative Decree 231/2001 had not been met.
The Bank notified the customers whose data was accessed by the former employee of the data breach where such access could not be attributed with certainty to service needs, as required by the Italian Personal Data Protection Authority by measure of 2 November 2024.
By order of 27 May 2025, the Authority, having concluded the investigation phase, notified the Bank of the breaches of personal data protection regulations that it considers to have been committed in connection with the matter, and further communicated the initiation of proceedings for the adoption of corrective measures and, if deemed applicable, of the penalties under those regulations. In its order, the Authority also acknowledged that the Bank duly complied with the requirements set out in the order of 2 November 2024. The Bank submitted its defence brief on 10 July 2025.
By decision dated 26 March 2026, the Data Protection Authority announced that it had found breaches of certain GDPR provisions, imposing an administrative fine of 31,800,000 euro on the Bank, but without ordering the application of corrective measures. On 28 April 2026, the Bank lodged an appeal with the Court of Turin, seeking, in particular, the annulment of the penalty measure on procedural and substantive grounds, and, on an interim basis, the suspension of its enforceability and/or execution.
By order of 13 July 2026, the Court of Turin granted the Bank's application for interim relief and ordered the suspension of the enforceability of the penalty measure, subject to the Bank providing the Data Protection Authority with a first-demand guarantee for the full amount of the fine, which the Bank subsequently provided. The proceedings will continue to address the procedural and substantive issues at the hearing on 23 September 2026.
Following supervisory inspections by the ECB, the Bank of Italy, acting at the ECB's request, identified certain irregularities with respect to provisions of the Consolidated Law on Banking and initiated administrative sanction proceedings, in which the Bank submitted its representations.

Auditors Italiana S.r.l. in compulsory administrative liquidation
In October 2023, Auditors Italiana S.r.l. in compulsory administrative liquidation brought a compensation claim against Intesa Sanpaolo (as the absorbing company of UBI Banca, which had previously acquired Nuova Banca dell'Etruria e del Lazio[64]) before the Court of Rome for alleged damages of over 32 million euro. According to the reconstruction by the plaintiff, those damages arose from wrongdoings committed by the former Banca Popolare dell'Etruria e del Lazio in relation to a current account in its name, which facilitated the diversion of sums to the detriment of the principals and of the company, leading to its financial distress and consequent compulsory administrative liquidation. In its defence statement, the Bank raised the

[64] Note that this dispute is backed by the warranties and obligations to indemnify by the Seller (National Resolution Fund) for the benefit of the former UBI Banca in relation to the acquisition of the New Banks deriving from the resolution of Banca delle Marche, Banca Popolare dell'Etruria e del Lazio and Cassa di Risparmio della Provincia di Chieti and therefore also cover any liabilities arising from the activities carried out by the Banks (the "Old Banks") before they were subject to the resolution procedure, in relation to, *inter alia*, risks of a legal nature or generally related to ongoing or threatened disputes, or violations of the law and any potential liabilities.

preliminary objections, among other things, of its lack of standing to be sued and the expiry of the limitation period, in addition to submitting a series of defence arguments on the merits.
In April 2026, the Court issued a ruling rejecting the plaintiffs' claims and upholding the objection of its lack of standing to be sued raised by the Bank. The counterparty recently lodged an appeal against the decision, and the hearing is scheduled for January 2027.

Deiulemar
The Bankruptcy Trustees of Deiulemar Compagnia di Navigazione S.p.A. separately brought proceedings before the Court of Torre Annunziata in 2017 against several banks, including the former Banco di Napoli and the former Banca Intesa (whose proceedings were subsequently consolidated) and UBI Banca. The claims seek to establish alleged liability attributable to failure to comply with anti-money laundering regulations and the principles of professional diligence in the unlawful so-called "irregular bearer bond" transaction. The sole Director of Deiulemar issued bonds, drawn on personal current accounts held with the banks, that were not approved by the company and therefore not recorded in the financial statements, raising funds from private individuals. According to the counterparty, the banks, in allowing these operations, caused damage to Deiulemar, quantified – with regard to the former Banco di Napoli and the former Banca Intesa – at a total of 36.8 million euro plus interest. The court-appointed technical expert assessment is currently underway in these proceedings. In the last quarter of 2025, the Court of Torre Annunziata unexpectedly upheld the claims of the Deiulemar Bankruptcy and ruled on two proceedings brought against another bank and Intesa Sanpaolo as successor of UBI Banca concerning relationships transferred to another intermediary before the merger into Intesa Sanpaolo. Despite having applied to be removed from the proceedings and being of the opinion, based on the agreements with the transferee, that it should be indemnified against any charges arising from such a ruling, Intesa Sanpaolo has, on a precautionary basis, lodged an appeal against the ruling before the Court of Appeal of Naples.
During the second quarter of 2026, the disputes were closed by way of settlement.

Azienda Agricola Turelli S.S. Soc. Agricola
In 2017, as part of an objection to an order to pay obtained by Intesa Sanpaolo to recover its credit, Azienda Agricola Turelli S.S. and its members Attilio and Laura Turelli filed a counterclaim for compensation for damages quantified at a total of around 20 million euro, for alleged breach of the obligations of good faith and contractual fairness. In August 2023, the Court of Brescia rejected the objection and the claim for compensation for damages, ordering the opponents to pay the legal fees to Intesa Sanpaolo. In the meantime, the credit covered by the order to pay was subject to two subsequent assignments. In February 2024 the opponents lodged an appeal against the first instance ruling. At the last hearing on 25 February 2026, the Court rejected the plaintiffs' application to suspend the enforceability of the first instance ruling and the order to pay, and declared the proceedings interrupted solely in respect of Attilio Turelli, who recently passed away. Following the February 2026 hearing, the case was adjourned to February 2027 for adjudication.

Azzurro 2000 S.a.s. di Tilli Renzo & C.
In 2004, the company Azzurro 2000 brought a compensation claim before the Court of Santa Maria Capua Vetere (Caserta Divisional Section) against the former Sanpaolo Banco di Napoli for alleged unlawful reporting to the Central Credit Register, quantifying the claim at around 50 million euro. The plaintiff's claim was rejected at both first and second instance. Against the appeal ruling, the plaintiff filed (i) an appeal before the Court of Cassation and (ii) a revocation proceeding before the same Court of Appeal. The latter declared the request for revocation inadmissible and the plaintiff filed a further appeal before the Court of Cassation against this second ruling of the Court of Appeal. The Supreme Court combined the two cases and upheld the first appeal, basing solely on one of the grounds of appeal, overturning the decision and referring the case back to the Naples Court of Appeal, and declared the request for revocation inadmissible. The counterparty has resumed the proceedings.
In a ruling issued in January 2026, the Naples Court of Appeal fully rejected the compensation claim lodged by Azzurro 2000 S.a.s., finding that there was no evidence of the alleged damage resulting from the reporting to the Central Credit Register, and ordered the counterparty to pay the costs of all levels of proceedings.
In March 2026, the counterparty lodged a new appeal before the Court of Cassation. The Bank promptly filed a counter-appeal.

Armonia SPV S.r.l.
At the end of March 2026, the company served a writ of summons on the Bank before the Court of Milan, seeking damages of 84 million euro, plus monetary revaluation and interest, alleging the lack of existence of some of the receivables purchased from the former UBI Factor (now Intesa Sanpaolo), which were the subject of judicial recovery proceedings at the time of the assignment, completed in 2019. The Bank entered an appearance in the proceedings fully contesting the opposing claims. In 2024, Armonia SPV S.r.l. issued a pre-litigation notice regarding the same assignment of receivables, which the Bank responded to with a communication rejecting all the claims in full.

SIM Bankruptcy
By claim form and particulars of claim served in October 2022, the receiver to SIM S.p.A. summoned Intesa Sanpaolo (along with other 7 banks) before the Court of Catania, with the first hearing scheduled for 31 March 2023. This is a compensation claim brought for damages allegedly suffered by the company and its creditors due to conduct by the banks defined by the adverse party as "unlawful", which allegedly resulted in the unlawful granting of credit. The claim for damages has been quantified at around 47 million euro, requesting that the defendant banks be jointly ruled against. The Bank argued in Court lack of legal standing of the receiver and expiry of the limitation period, among other things, in addition to contesting the factual and legal grounds of the adverse party's claims, with a series of defence arguments on the merits. The President of the Court did not consider that the conditions had been met for the joinder of the action with another action brought by the receiver pursuant to Article 146 of the Bankruptcy Law against the directors of the bankrupt company SIM S.p.A.
In February 2026, the court ordered the technical appraisal requested by the counterparty to examine the credit lines granted by the banks and the causes of the company's insolvency. The case was adjourned to the fourth quarter of 2026 for the examination of the appraisal.

Società Agricola La Valle S.S. former absorbing company of Società Agricola Tenuta San Giovanni e Santa Chiara S.S.
In 2025, the company brought proceedings against the Bank before the Court of Padua, with a claim quantified at around 33 million euro. The claims consist of requests for repayment linked to alleged irregularities in the application of financial conditions to current accounts and loans held with the Bank and now closed, as well as claims for damages related to the management of those relationships. After the Bank filed its statement of defence in 2026, the Court determined that the case did not require complex evidentiary proceedings and ordered the conversion from ordinary proceedings to simplified proceedings.

Litigation against Fideuram concerning investment transactions
In October 2022, Fideuram - Intesa Sanpaolo Private Banking S.p.A. was summoned before the Court of Naples with a request for: (i) a declaration of the alleged invalidity of the current account and investment services master agreement entered into by the plaintiff with Fideuram, the consequent invalidity of all the investment transactions carried out and the alleged contractual and non-contractual liability of the Bank, and, as a result, (ii) an order for the Bank to pay compensation for the alleged damages suffered totalling around 29 million euro. The Bank filed an appearance, contesting the factual and legal validity and admissibility of the claims made and confirming the correctness and compliance of its actions with the applicable regulations, also in terms of profiling and customer information. The case was referred back for further investigation in March 2026 for a technical appraisal to verify the methods of trading of the financial instruments with respect to the regulatory obligations concerning investment services.

Iter Capital Partners S.r.l.
In November 2024, Iter Capital Partners S.r.l. and its Professionals sued before the Court of Milan Eurizon Capital SGR (hereinafter, also SGR) and Eurizon Capital Real Asset SGR (hereinafter, ECRA) with regard to an advisory agreement pursuant to which the plaintiffs had undertaken to carry out activities relating to the management of two investment funds by SGR. The plaintiffs brought the action against the two companies having regard to the different roles played by each in the management of the investment funds: (i) Eurizon Capital SGR S.p.A., as the company that had set up the funds and as Iter's contractual counterparty, and (ii) ECRA, as the entity delegated by Eurizon Capital SGR S.p.A. to manage the funds. Specifically, the plaintiffs asked the court to (i) determine that the termination of the advisory agreement by SGR in July 2024 with effect from 1 November 2024 was unlawful, (ii) find and declare the agreement terminated due to serious breach of contract by SGR, and (iii) order SGR and ECRA jointly and severally to pay compensation for all the damages allegedly suffered by the plaintiffs for a total of 88.8 million euro, plus interest and costs. SGR and ECRA rejected all the plaintiffs' arguments, including their calculation of damages, and asked the court to reject all the plaintiffs' claims, on grounds considered valid in fact and in law in support of the termination of the agreements by SGR. The latter also filed a counterclaim asking the court to find and declare that it had acted lawfully in terminating the agreement and exercising the consequent rights under the agreement. After a lengthy adjournment ordered by the court, at the first hearing held in January 2026 the court invited the parties to settle the dispute by proposing a settlement arrangement providing for payment by SGR and ECRA of an amount corresponding to the total costs incurred in both levels of proceedings.
Iter Capital Partners S.r.l. and its Professionals did not consider it appropriate to accept the settlement proposal put forward by SGR and ECRA. The court then scheduled the hearing for the fourth quarter of 2026, rejecting the counterparty's applications for additional evidentiary measures.

Disputes relating to CHF loans against the Croatian subsidiary Privredna Banka Zagreb d.d.
In June 2026, the content of the decision by the Extended Session of the Croatian Supreme Court, called upon to rule on Swiss Franc (CHF) - denominated loans - or loans indexed to CHF, converted pursuant to the 2015 Croatian Conversion Act, within a litigation involving another financial institution, was made public.
The Court confirmed that, with reference to those loans, no repayment of the principal is due, as any excess amounts (compared to the new repayment plan following the conversion) is already absorbed by the conversion mechanism provided for by the 2015 legislation. In particular, the signing of the conversion deed implies the consumer's acceptance of a new legal framework based on the retroactive recalculation of the loan as if it had originally been denominated in euro.
The Court confirmed the right to default interest on amounts paid in excess.
The evolution of this strand of litigation is being carefully monitored to appropriately manage the associated legal risk.

IMI/SIR
At the end of 2023, the Bank brought proceedings before the Tax Court to demand the refund of 33.2 million euro of withholding, previously paid as a withholding agent for overdue interest on the compensation for damages recognised under the 1994 ruling. In March 2026, the Second Instance Tax Court of Lazio dismissed the appeal lodged by the Bank, upholding the first instance decision. The deadline for challenging the decision has not yet expired and an assessment is underway regarding the appeal of the decision before the Court of Cassation.

Istituto Neurotraumatologico Italiano S.p.A. (INI)
Factoring relationship arising from the former UBI Factor (now Intesa Sanpaolo) relating to receivables from various public healthcare entities (several healthcare authorities of the Lazio and Abruzzo Regional Authority).
The relationship resulted in a debt of around 20 million euro owed by the assignor INI to the Bank, relating to advances previously disbursed. This exposure is covered by appropriate adjustments.
Given the lack of concrete prospects of recovery from the assigned debtors[65], legal action was initiated against INI to recover the amount due. However, INI lodged an objection to our injunction order, accompanied by a counterclaim for 46.7 million

[65] The proceedings against the assigned debtors have mostly had an unfavourable outcome, in some cases also on a final basis. The reasons mainly relate to objections concerning the exceeding of budget limits set by the National Health Service (SSN), lack of adequate contractual documentation, and the entity's failure to accept the assignment.

euro[66], primarily based on an alleged lack of documentary evidence regarding the existence of the receivables for the advances disbursed, leading to a recalculation of the debtor-creditor relationship that would result in the amount claimed by INI.
In the opinion of the Legal Counsel assisting the Bank, the counterclaim filed by INI can be considered "unfounded", because, contrary to INI's arguments, the Bank has provided evidence of the existence of agreements – including in written form – legitimising the application of charges for commissions, fees and interest, as well as debt acknowledgments previously issued by INI.
On 10 March 2026, however, the Court decided to admit a court-appointed technical expert accounting assessment to verify that the related charges were in line with what was agreed between the parties.

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Dispute regarding the assignment of trade receivables
Under a receivable purchase agreement involving trade receivables – which includes an obligation for the assignor to repurchase the receivables upon the occurrence of certain contractual conditions – some receivables remained unpaid at maturity due to disputes that are currently under further investigation, including for recovery purposes.
The exposure, including assigned receivables not yet due, amounts to around 200 million euro, with a 50% coverage in place.

Labour litigation
In line with the situation as at 31 December 2025, as at 30 June 2026 there were no significant cases of labour litigation from either a qualitative or quantitative standpoint. In general, all labour litigation is covered by specific provisions adequate to meet any outlays.

Tax litigation

At Group level, the total value of the claims for tax disputes (taxes, penalties and interest) was equal to 143 million euro as at 30 June 2026, up slightly on 138 million euro as at 31 December 2025.
The Group's tax litigation risks are covered by adequate provisions to the allowances for risks and charges (56 million euro as at 30 June 2026, almost unchanged compared to 55 million euro as at the end of 2025).
Compared to figures as at 31 December 2025, claims against Intesa Sanpaolo increased by around 3 million euro, while provisions increased by around 1 million euro. For the Italian subsidiaries, claims increased by around 2 million euro, with provisions remaining substantially unchanged. For the international subsidiaries, both claims and provisions showed no appreciable changes.

The Parent Company Intesa Sanpaolo (**ISP**) had 415 pending tax litigation proceedings (386 as at 31 December 2025) for a total amount claimed (taxes, penalties and interest) of 80.6 million euro (77.7 million euro as at 31 December 2025), considering both administrative and judicial proceedings at various instances.
In relation to these proceedings, the actual risks were quantified at 37.8 million euro as at 30 June 2026 (37.4 million euro as at 31 December 2025).
During the half year, a total of 32 disputes, with a total claim amount of 1.1 million euro, were settled (matters closed), for a total disbursement (including legal and court fees) of 0.4 million euro, covered through the utilisation of the provision for risks (including legal fees).

With regard to the Italian subsidiaries, tax disputes totalled 39.7 million euro as at 30 June 2026 (38.2 million euro as at 31 December 2025), covered by specific provisions amounting to 12.5 million euro (12.3 million euro as at 31 December 2025).
The change in the claim amount with respect to 31 December 2025, with an overall increase of 1.5 million euro, related entirely to the calculation of interest on the potential assessments expected for the years 2020 to 2025 for Eurizon Capital SGR, with regard to the disputes already received for the years 2018 and 2019.
The change in the provision with respect to 31 December 2025, with an overall increase of 0.2 million euro, was also attributable to the disputes described above.

For the international subsidiaries, the tax disputes as at 30 June 2026 amounted to a total claim amount of 22.2 million euro (22.1 million euro as at 31 December 2025), covered by provisions of 6.4 million euro (6.5 million euro as at 31 December 2025).

[66] At the time of its relationship with the former UBI Factor, INI had already disputed the debt accrued against it. This had led to reciprocal accounting assessments, which, for the former UBI Factor, were concluded in April 2018 with the confirmation of the correctness and lawfulness of the charges applied during the relationship, as attested by a specific accounting expert report.

Parent Company

For the Parent Company, the main events that gave rise to significant movements in the amounts claimed (+2.9 million euro), compared to 31 December 2025, included:

- an increase (4 million euro) attributable to:
  - 1.7 million euro concerning the long-standing claim by the Brazilian tax authority on the divested Banco Sudameris Brasil (which was accused of the deduction of the loan loss provision for the year 1995). The increase in the claim amount was due solely to the appreciation of the Real/Euro exchange rate compared to 31 December 2025;
  - 1.0 million euro for new disputes concerning municipal property tax (IMU) on both terminated and income-generating lease contracts;
  - 0.7 million euro relating to two new disputes, one concerning mortgage and land registry taxes due to the adjustment of the property sale value and the other (0.1 million euro) relating to 2024 municipal property tax (IMU) on a property owned by the Bank, the latter notified in January 2026 and subsequently annulled by the Municipality following a self-review request;
  - 0.2 million euro for new disputes concerning registration tax on judicial acts;
  - 0.2 million euro in respect of the long-standing claim by the Portuguese tax authorities on the discontinued Sanpaolo IMI Bank International S.A. (based in Madeira), which was charged with having failed to apply withholding taxes in 2002, 2003 and 2004 on interest paid to foreign bondholders. The increase in the claim amount was due exclusively to the accrual of interest at the rate established under Portuguese law on the principal amount of the tax claim (the alleged omitted withholding taxes);
  - 0.2 million euro for additional interest accrued on outstanding disputes;
- a decrease (1.1 million euro) attributable to:
  - 0.6 million euro for the closure of a dispute relating to a payment notice served for mortgage and land registry taxes;
  - 0.4 million euro for closures of disputes concerning IMU on both terminated and income-generating lease contracts;
  - 0.1 million euro in relation to the above-mentioned 2024 municipal property tax (IMU) dispute, which arose and was then annulled by the Municipality during the half year.

Compared to 31 December 2025, the provisions for the Parent Company (37.8 million euro as at 30 June 2026) recorded the following changes:

- an increase (around 1.5 million euro) attributable to:
  - 0.7 million euro relating to the case involving Banco Sudameris Brasil for direct taxes for the year 1995, as an additional provision to adjust the value of the provision (expressed in euro) following the above-described increase in the claim amount generated by the appreciation of the local currency;
  - 0.5 million euro for new disputes concerning mortgage and land registry taxes;
  - 0.2 million euro for the dispute with the Portuguese tax authorities concerning the discontinued Sanpaolo IMI Bank International S.A. (based in Madeira) mentioned above, to adjust the provision to the increase in interest expense described above;
  - 0.1 million euro for legal expenses and additional interest accrued on outstanding disputes;
- a decrease (around 1.1 million euro) attributable to:
  - uses (around 0.4 million euro) of which:
    - 0.2 million euro for payment of advisors' defence fees (legal expenses);
    - 0.2 million euro for closure of disputes concerning IMU on terminated lease contracts;
  - releases of provisions to the income statement (around 0.7 million euro) of which:
    - 0.6 million euro for the favourable closure of a dispute relating to a payment notice served for mortgage and land registry taxes;
    - 0.1 million euro for favourable closures of disputes concerning municipal property tax (IMU) on both terminated and current leases.

For information on the main outstanding disputes, see the Notes to 2025 Consolidated Financial statements, except for the update below for disputes with a claim amount of 1 million euro or more.

Municipal property tax (IMU) assessment by the Municipality of Bari on leases still in force – years 2021-2022-2023

On 23 October 2025, a municipal property tax (IMU) assessment notice was served by the Municipality of Bari relating to the 2021-2022-2023 tax periods, for a total claim of 1.2 million euro (of which 0.8 million euro for taxes).

The claim relates to properties owned by the Bank, the vast majority of which are linked to leases still in force, and a minimal portion to terminated leases and to properties used by the Bank for its own purposes.

Intesa Sanpaolo has submitted a request to the Municipality for self-review and full annulment. However, in the absence of notification of the related annulment decision, the Bank has precautionarily lodged an appeal with the First Instance Tax Court of Bari to prevent the notice of assessment from becoming final due to failure to challenge it within the legal time limit. The hearing of the case has been scheduled for 9 November 2026.

The full provisional payment of the amount requested in the notice has been recorded as a receivable from the Tax Authority.

Since this is a tax claim relating to properties for which the tax liability lies with the property user, the risk of loss/outflow has been assessed as remote.

Former Sanpaolo IMI Bank International S.A. (Madeira – Portugal) – Withholding taxes for the years 2002 to 2004

At Sanpaolo IMI Bank International S.A., which was placed in liquidation in 2008, a dispute is pending for the years 2002 to 2004, for which the Portuguese tax authority disputed the absence of local withholding taxes on bond interest, claiming a lack of sufficient documentary evidence to establish the beneficiaries' non-resident tax status in Portugal.

The original claim amounted to a total of 24.8 million euro (18.1 million euro for 2002, 3.3 million euro for 2003 and 3.4 million euro for 2004), plus interest. The claim was subsequently reduced in the administrative proceedings – following discussions with the Portuguese tax authority and the submission of evidentiary documentation – to 5.2 million euro, plus interest.

The dispute is currently pending at first instance for all the years 2002, 2003 and 2004, following the referral by the Portuguese Supreme Administrative Court for the re-examination of the evidence submitted by Intesa Sanpaolo in the proceedings and not duly taken into consideration. With regard to the 2002 tax year, the hearing was held on 16 April 2026 and the ruling is still awaited.
Based on the opinion of the local advisor following the dispute, who considers the risk of an adverse outcome likely, the position is covered by a total provision equal to the claim amount of 14.6 million euro, which consists of 5.2 million euro for withholdings, 0.8 million euro for compensatory interest, 8.5 million euro for default interest updated half-yearly, and 0.1 million euro for collection charges, including legal fees.

There were no disputes settled during the half year with a claim amount exceeding 1 million euro.

Questionnaire on the ICT business line transfer in 2025
On 4 February 2026, the Italian Revenue Agency – Milan II Provincial Directorate served a questionnaire on Intesa Sanpaolo for registration tax purposes regarding the November 2025 deed of transfer of an ICT business line to State Street Bank International GMBH – Italy Branch (SSBI), a company outside the Group, requesting the submission of documents and various pieces of information for the assessment of the transferred business line. A similar questionnaire was served on the transferee company.
Both Intesa Sanpaolo and the transferee company replied to the questionnaire, providing the requested documents and information on 3 March 2026. To date, no claims have been raised.

General audit for the year 2020 on the former UBI Banca
On 16 July 2026, the Italian Revenue Agency – Lombardy Regional Directorate – Large Taxpayers Office initiated a tax audit for direct taxes, IRAP tax and obligations as of tax withholding agent on the former UBI Banca for the 2020 tax period. No specific requests have been made to date.

With regard to the Parent Company's international branches:
- the audit conducted on the London branch for the years 2020, 2021 and 2022 has been concluded. The HMRC's claim regarding the allegedly excessive amount of capital attributed to the branch (resulting in the alleged undue tax deduction of "notional" interest for the years 2020 to 2022 and, consequently, lower taxes paid by the branch of around 2.8 million euro) was settled without the application of penalties and by offsetting against previous overpaid taxes by the branch totalling 7.6 million euro; as a result, the difference of 4.8 million euro was received in April 2026;
- regarding the tax audit initiated in 2024 and concluded in 2025 on the Hong Kong branch for the 2019/2020, 2020/2021 and 2021/2022 tax periods, the local tax authorities preliminarily identified potential additional tax of around 1.7 million euro, having analysed the methods used to determine the branch's taxable income in accordance with Article 7 of the OECD Model Tax Convention. The formal notices of assessment are still awaited, and the branch – also based on the opinion of the local tax advisor – considers it appropriate to settle the dispute without the application of penalties and interest, rather than initiating litigation with an uncertain outcome;
- in January 2026, a tax audit was initiated for tax period 2023 on the Amsterdam branch regarding corporate income tax for the company. The branch, with the assistance of its advisor, provided the requested documentation. No findings are noted for the time being;
- in June 2026, a tax audit was initiated on the Warsaw branch concerning the accuracy of reports on customer transactions submitted by the Bank to the Polish tax authorities. This is a routine inspection in relation to which no issues have been raised so far.

Italian Group Companies

Fideuram – Intesa Sanpaolo Private Banking - Withholding tax on interest on foreign bank accounts - Tax years 2009, 2010 and 2011
With regard to Fideuram – Intesa Sanpaolo Private Banking (hereinafter Banca Fideuram), the case hearing was held on 1 July 2026, following the appeal upheld by the Court of Cassation, with referral back to the second instance court, concerning the three appeals relating to the years 2009, 2010 and 2011, regarding the alleged failure to withhold 27% of the interest accrued on foreign bank accounts held at Fideuram Bank (Luxembourg) by two "historical" Luxembourg mutual funds (Fonditalia and Interfund SICAV), for which Banca Fideuram was only the placement bank and correspondent bank in the years under tax assessment (total value of the disputes of 9.1 million euro). The timing of the ruling is not predictable, and for the time being, it has been considered appropriate to maintain the provision originally made to cover the risk of penalties and interest.

Fideuram Intesa Sanpaolo Private Banking (Banca Fideuram) – Waste Tax (TARI) and Environmental Services Tax (TEFA) – Tax years 2019/2024
The dispute was closed with the Municipality of Rome arising from the appeal against two tax assessment notices regarding waste tax (TARI) and environmental services tax (TEFA) for the years from 2019 to 2024. The first instance court declared the dispute resolved following the annulment of the measures by the Municipality through self-review, ordering the latter to pay the legal costs.

Intesa Sanpaolo Protezione – Tax on insurance policies covering the risk of loss of employment – Tax year 2012
The assessment notice for the year 2012 (tax of 0.3 million euro, penalties of 0.8 million euro, plus interest of 0.1 million euro), which contested the company's classification of insurance policies covering the risk of "loss of employment" (which are mandatorily associated with salary-backed loans and optional with other mortgages, loans and consumer credit) as subject to tax on insurance premiums at a rate of 2.5%, while the Italian Revenue Agency maintained they should have been classified as credit risk insurance policies subject to a tax rate of 12.5%, was appealed in September 2023 and upheld on 1 July 2024 by ruling no. 841/2024 of the Turin First Instance Tax Court. The Italian Revenue Agency's appeal was rejected by ruling of

16 April 2026. The time limit for a possible appeal before the Court of Cassation by the Agency has not yet passed.

Intesa Sanpaolo RBM Salute – Underpayment of insurance tax - Tax year 2023
On 3 March 2025, Intesa Sanpaolo Protezione, as the absorbing company of Intesa Sanpaolo RBM Salute, was served with a tax liquidation notice regarding the tax on insurance premiums and ancillary amounts collected in 2024 and relating to the year 2023, for the alleged underpayment of the advance on the insurance tax for employment risk coverage, quantifying penalties of 0.4 million euro plus interest. The company lodged an appeal on 29 April 2025, which was upheld by ruling of the First Instance Tax Court on 19 December 2025. On 20 May 2026, the Italian Revenue Agency appealed against the first instance ruling in the company's favour, in relation to which the company will enter an appearance in the proceedings within the legal time limit.

Intesa Sanpaolo Life DAC – Tax monitoring – Tax years 2018/2022
As already reported in the Notes to the 2025 Consolidated Financial Statements, the Italian Revenue Agency – Milan I Provincial Directorate, following a tax audit on the premiums collected and insurance benefits paid by the Group's Irish insurance company (ISL), now Intesa Sanpaolo Assicurazioni, alleged the breach of tax monitoring obligations for the years 2018 to 2022, quantifying administrative penalties of 2.2 million euro. Despite the defence submissions presented in response to the first tax notice of alleged violation relating to the 2018 tax year, the Italian Revenue Agency assessed that year at 0.6 million euro – the company then lodged an appeal on 13 April 2026 and made a provision of 0.2 million euro. Four tax assessment notices of alleged violation (preliminary to future assessments) were also served for the years 2019 to 2022 (penalties quantified at a total of 1.6 million euro), in response to which Intesa Sanpaolo Assicurazioni filed specific defence submissions. In respect of these tax notices for the years 2019 to 2022, pending the possible future notification of the actual penalty notices, no provision has been made as the risk of an adverse outcome is considered possible but not likely.

Eurizon Capital SGR – transfer pricing – Tax year 2019
In June 2026, the Italian Revenue Agency – Lombardy Regional Directorate, following up on the draft tax assessment notices issued in December 2025, served two notices of assessment on Eurizon Capital SGR (and on Intesa Sanpaolo, as the consolidating company for IRES tax purposes) for the year 2019, for a total of 7.4 million euro in IRES tax and IRAP tax, plus interest of 1.5 million euro. The higher tax assessed in the draft tax assessment notices refer to the 2019 tax year and relate to alignment with the arm's length values of the service – provided by Eurizon Capital SGR and Epsilon – of delegated management of several UCIs (Undertakings for Collective Investment) established by the former Luxembourg subsidiary Eurizon Capital S.A. and, for Eurizon alone, of several unit-linked policies of Intesa Sanpaolo Life DAC (Ireland) and delegated by the latter to Eurizon Capital S.A., which in turn had sub-delegated the management to Eurizon.
Eurizon Capital SGR submitted a request to initiate a tax assessment settlement procedure – currently under examination by the Italian Revenue Agency – with the aim of settling the assessments based on the same criteria used to close the similar dispute for 2018 (which, when applied to the 2019 tax year, would result in additional taxes of 2.5 million euro in total, compared to the 7.4 million euro assessed).
Based on logic consistent with the agreement already reached and taking into account the positive effect of the tax recovery in Luxembourg – through the EU procedure for resolving tax disputes between Member States – Eurizon Capital SGR made a provision of 7 million euro for additional taxes and interest (of which 0.9 million euro relating to the IRES tax and IRAP tax assessments for the year 2019 and 6.1 million euro as a forward-looking estimate for disputes that may be settled for the years 2020-2025).

International Group Companies

There are no developments of particular significance to report regarding the international subsidiaries, except for the following.

Pravex Bank
The appeal pending before the Court of Cassation since 2021, after two favourable rulings by the lower courts, by the Ukrainian subsidiary Pravex Bank concerning the non-recognition of the tax loss of around 4 million euro carried forward in 2018 from previous years was closed by favourable ruling of 7 April 2026.

Intesa Sanpaolo Banka d.d. Bosna I Hercegovina (Intesa Sanpaolo Banka)
Intesa Sanpaolo Banka underwent an audit by the Indirect taxes BiH office, which was followed by a VAT assessment notice for the period April 2013 - March 2018. The dispute concerns certain services that allegedly do not qualify for VAT exemption as they are not of a financial nature, and amounts to a total of 0.1 million euro for VAT, penalties and interest. Intesa Sanpaolo Banka lodged an appeal against the assessment notice, which was rejected in March 2019 by the first instance tax authority, in February 2022 by the second instance tax authority, and in May 2024 by the Director of the Tax Authority. The bank lodged an appeal against this decision with the Court of First Instance, which rejected it by ruling of 22 October 2025, confirmed by the Court of Appeal by decision of 2 February 2026. The bank lodged an appeal against this latest decision on 3 February 2026 before the Constitutional Court of Bosnia and Herzegovina.
In October 2021, Intesa Sanpaolo Banka underwent a new VAT tax audit for tax periods 2018-2021 concerning certain services rendered in the payment card segment to banks based in Bosnia and Herzegovina, including Intesa Sanpaolo Banka, which had previously been considered, according to local law and practice, as financial services and consequently VAT exempt. During the audit, the Bosnian tax authority considered that the services in question could not be classified as financial services and were therefore subject to VAT. As a result of this decision, in May 2023 Intesa Sanpaolo Banka received a tax assessment of approximately 0.9 million euro for additional VAT for the period from April 2018 to August 2021, without default interest. In June 2023, the bank filed an appeal, which was rejected by the same authority in the following August, and received a demand for payment of 0.4 million euro in default interest, which it promptly paid. The bank appealed to the higher tax authority against the claim of May 2023 and the demand for interest of August 2023, an appeal that the tax authority rejected by ruling of May 2024, against which the bank lodged an appeal with the Court of Appeal in July 2024, both on the merits and concerning certain

procedural defects, which was rejected by ruling of 17 November 2025. The bank lodged an appeal against this latest decision on 17 March 2026 before the Constitutional Court of Bosnia and Herzegovina.
The disputed amounts (0.9 million euro for VAT and 0.4 million euro for interest) have been provisioned.
In light of the position taken by the Bosnian tax authority on the issue, in December 2023 the Board of Directors of Intesa Sanpaolo Banka resolved to set aside 1 million euro by way of additional VAT for the period from September 2021 to September 2023, plus default interest, and to allocate monthly provisions corresponding to the VAT accrued on services provided in the cards segment by Mastercard and Visa.
As a result, the updated provision totalled 3.7 million euro, of which 3.1 million euro for VAT and 0.6 million euro for interest.

INSURANCE RISKS

Investment portfolios

The investments of the insurance companies of the Intesa Sanpaolo Group (Intesa Sanpaolo Assicurazioni, Intesa Sanpaolo Protezione and Fideuram Vita) are made with their shareholders' fund and to cover contractual obligations with customers. These refer to traditional revaluable life insurance policies, unit-linked policies, pension funds and non-life policies.
As at 30 June 2026, the investment portfolios of Group companies, recorded at book value, amounted to 192,385 million euro (187,056 million euro as at 31 December 2025). Of these, 98,322 million euro relates to traditional revaluable life policies (Class C), the financial risk of which is shared with the policyholders by virtue of the mechanism whereby the returns on assets subject to segregated management are determined, non-life policies and shareholders' fund (96,846 million euro at the end of 2025). The remaining component, whose risk is borne entirely by the policyholders, consists of investments backing unit-linked policies (Class D) and pension funds and amounted to 94,063 million euro (90,210 million euro at December 2025).
Considering the various types of risks, the analysis of investment portfolios, described below, concentrates solely on Class C investments and consequently on the assets held to cover traditional revaluable life policies, non-life policies and shareholders' fund.
In terms of breakdown by asset class, net of derivative financial instruments, around 80.3% of assets, i.e. 78,901 million euro, were bonds (79,030 million euro at the end of 2025), whereas assets subject to equity risk represented around 4% of the total and amounted to 3,963 million euro (against 3,212 million euro at December 2025). The remainder of 15,432 million euro (14,603 million euro at the end of 2025) consisted of investments in UCIs, Private Equity and Hedge Funds (around 15.7%). Of these, alternative investments amounted to 4,657 million euro and made up 4.7% of the investments in traditional revaluable life policies (net of derivatives).
The distribution of the bonds by rating class (80.3% of Class C net of positions in derivative financial instruments) was as follows: AAA/AA bonds represented 3.9%, while around 21.4% were in the single A rating category. Low investment grade securities (BBB) represented 51.2%, while the remainder (3.8%) was represented by speculative grade or unrated securities.
The analysis of the exposure by issuers/counterparties produced the following results: bonds issued by governments, central banks and other public entities made up around 51.4% of the total of Class C (net of positions in derivative financial instruments), whereas the securities of corporate issuers (financial institutions and industrial companies) contributed around 28.9% of the exposure.
With specific regard to government bonds, these were mainly concentrated in Italian (40.2% of total investments), French (3.3%), Spanish (1.6%), German (0.17%) and US (0.02%) government bonds. The remaining 6.14% related to government bonds of other countries.
The carrying value of derivatives amounted to approximately 26 million euro. Of this total, approximately 25.8 million euro referred to derivatives used for efficient portfolio management, while the remainder related to derivatives classified as hedging instruments.
At the end of the first six months of 2026, investments made with the shareholders' fund of Intesa Sanpaolo Assicurazioni and Fideuram Vita amounted to around 1,353 million euro at market value and presented a risk in terms of VaR (99% confidence level, 10-day holding period) of around 43 million euro.
The sensitivity of the fair value of the financial asset portfolio to interest rates movements highlights the exposure of the securities portfolio. For example, a parallel upward shift of the yield curve of +100 basis points results in a negative change of 4,460 million euro in the bond portfolios.
At the end of the first half of 2026, the sensitivity of bonds' fair value to a change in credit rating of issuers, assuming a market credit spread shock of +100 basis points, was -4,572 million euro, with -3,560 million euro attributable to government issuers and -1,012 million euro to corporate issuers.