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. This Area is responsible for: i) governing the macro process of definition, approval, control and implementation of 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's strategies and objectives; iii) coordinating and verifying their implementation by the responsible units of the Group, also within the various corporate areas; iv) guaranteeing the measurement and control of the Group's exposure to various types of risk and v) implementing the second level controls on credit and other risks, in addition to ensuring the validation of internal risk measurement and management systems.
The Parent Company performs a guidance and coordination role with respect to the Group companies[22], 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.

In its risk management, the Group also pays close attention 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 therefore conducts specific scenario and stress analyses to assess the 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.

With specific regard to the management of risks deriving from the Russian-Ukrainian conflict, details concerning credit risk are provided in the paragraph "The valuation impacts for the Intesa Sanpaolo Group of the military conflict between Russia and Ukraine", and there continue to be no significant impacts of the conflict 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

[22] 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.

counterparties, there were no significant impacts on the Group's consolidated liquidity position. With regard to foreign exchange risk, there continue to be no significant impacts due to the low exposures. With regard to operational risks, the additional costs incurred for business continuity and any losses resulting from physical damage to premises/branches located in the conflict zone form part of the monitoring of the exposure to the risk, including that relating to the Risk Appetite Framework. Lastly, with regard to the monitoring of insurance risks, the focus remains on exposures to countries involved in the conflict, which are still entirely residual in nature compared to the total assets.

BASEL REGULATION AND THE INTERNAL PROJECT

To ensure ongoing compliance with the Basel Committee agreements, in 2024 the Intesa Sanpaolo Group implemented appropriate project initiatives to improve the measurement systems and the related risk management systems.

With regard to credit risk, the ECB authorisations granted in August 2025 for the use of the new Corporate and Retail SME rating models for regulatory purposes have been implemented.
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.

With regard to **counterparty risk**, there were no changes in the scope of application compared to 30 June 2025.

In connection with the adoption of the Basel 4 framework, in the months following the first supervisory reporting as at 31 March 2025, there were no significant changes with respect to the situation already described in previous reports concerning the implementation of the new regulation.
The prudential framework, effective from 1 January 2025 following the entry into force of Regulation (EU) 2024/1623, is now fully integrated into the Group's internal processes. Within Intesa Sanpaolo's Basel 4 Project, scheduled to conclude alongside the closure of the current financial year, the only outstanding tasks are marginal activities aimed at verifying full compliance of the adopted procedural frameworks, with a focus on the consistency of the quarterly reporting flows for Supervisory Prudential Reporting purposes.

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

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

With regard to **market risk**, the new developments in the regulatory framework for the calculation of own funds requirements (Fundamental Review of the Trading Book – FRTB) will become applicable from 1 January 2027[23].

The annual Internal Capital Adequacy Assessment Process (ICAAP) Report, based on the extensive use of internal risk measurement methodologies, internal capital and total capital available, was approved and sent to the ECB in March 2025.

[23] On 19 September 2025, the European Commission published the postponement to 1 January 2027 in the Official Journal of the European Union.

THE VALUATION IMPACTS FOR THE INTESA SANPAOLO GROUP OF THE MILITARY CONFLICT BETWEEN 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 September 2025, the Group had the following on-balance sheet exposures to counterparties resident in Russia and Ukraine (net of ECA guarantees and gross/net of adjustments made).

(millions of euro)

	30.09.2025 (*)				31.12.2024 (**)			
	Gross exposure		Net exposure		Gross exposure		Net exposure	
	Russia	Ukraine	Russia	Ukraine	Russia	Ukraine	Russia	Ukraine
Loans to customers	**448**	**160**	**312**	**109**	**547**	**193**	**409**	**138**
Banca Intesa Russia	*87*	*-*	*26*	*-*	*126*	*-*	*71*	*-*
Pravex	*-*	*50*	*-*	*-*	*-*	*54*	*-*	*-*
Cross-border exposures	*361*	*110*	*286*	*109*	*421*	*139*	*338*	*138*
Due from banks	**49**	**39**	**46**	**39**	**759**	**72**	**751**	**72**
Banca Intesa Russia	*34*	*-*	*32*	*-*	*744*	*-*	*737*	*-*
Pravex	*-*	*39*	*-*	*39*	*-*	*72*	*-*	*72*
Cross-border exposures	*15*	*-*	*14*	*-*	*15*	*-*	*14*	*-*
Securities	**-**	**158**	**-**	**150**	**1**	**53**	**-**	**51**
Banca Intesa Russia	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Pravex	*-*	*152*	*-*	*146*	*-*	*46*	*-*	*46*
IMI C&IB Division	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Insurance Division	*-*	*6*	*-*	*4*	*1*	*7*	*-*	*5*

(*) In addition to the on-balance sheet exposures shown in the table, there are off-balance sheet exposures to customers for 6 million euro (5 million euro net) at Banca Intesa Russia, and 27 million euro (both gross and net value) at Pravex, in addition to 20 million euro (book value nil in net terms) in cross-border off-balance sheet exposures to customers resident in Russia, net of ECA, and 8 million euro (both gross and net value) to customers resident in Ukraine.
There are also 20 million euro (both gross and net value) in cross-border off-balance sheet exposures to banks resident in Russia and 10 million euro (both gross and net value) in cross-border off-balance sheet exposures to banks resident in Ukraine.
Lastly, the cross-border exposures to customers resident in Ukraine, for the corporate part (backed by guarantees provided by European persons), decreased by approximately 17 million euro compared to December 2024, while, for the household part (mainly related to exposures disbursed by the subsidiary VUB to households with permanent residence in Slovakia), they decreased by approximately 12 million euro compared to December 2024.

(**) In addition to the on-balance sheet exposures shown in the table, there are off-balance sheet exposures to customers for 29 million euro (25 million euro net) at Banca Intesa Russia, and 33 million euro (both gross and net value) at Pravex, in addition to 20 million euro (book value nil in net terms) in cross-border off-balance sheet exposures to customers resident in Russia, net of ECA, and 8 million euro (both gross and net value) to customers resident in Ukraine.
There are also 27 million euro (both gross and net value) in cross-border off-balance sheet exposures to banks resident in Russia and 9 million euro (both gross and net value) in cross-border off-balance sheet exposures to banks resident in Ukraine.
Lastly, the cross-border exposures to customers resident in Ukraine are, for the corporate part, backed by guarantees provided by European and US persons, while, for the household part, mainly relate to exposures disbursed by the subsidiary VUB to households with permanent residence in Slovakia.

Starting in March 2022, among the areas receiving the greatest attention in terms of credit assessments in the emergency triggered by the conflict in Ukraine, a specific focus was dedicated to the Group's exposure to counterparties resident in Russia and Ukraine. Specifically, customised measures were implemented to strengthen the oversight of credit risk, also by updating the assessment of creditworthiness, of counterparties with residency or parent companies in the Russian Federation, Belarus[24] or Ukraine.

As shown in the table, as at 30 September 2025, the remaining on-balance sheet exposures to the total counterparties resident in Russia and Ukraine amounted, in terms of gross values, to 87 million euro (26 million euro net) for Banca Intesa Russia and 361 million euro (286 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 49 million euro (46 million euro net). Exposures to customers resident in Ukraine amounted to 160 million euro (109 million euro net), of which 50 million euro (book value nil in net terms) related to the subsidiary Pravex Bank. There were also exposures to banks of 39 million euro (39 million euro net) and in securities totalling 158 million euro (150 million euro net).

During the first nine months of 2025, gross on-balance sheet exposure to all counterparties resident in Russia and Ukraine (customers, banks, and securities) decreased by 771 million euro (-47%) compared with 1,625 million euro at the end of 2024. This reduction mainly concerned amounts due from banks of the subsidiary Banca Intesa Russia, primarily attributable to the

[24] For these purposes, the small exposures to Belarusian counterparties have for simplicity been treated and disclosed together with the exposures to the Russian Federation.

conversion of term deposits with Central Banks into liquid assets (cash and on-demand deposits). Gross exposures to cross border customers resident in Russia also decreased by 60 million euro, mainly due to repayments.
The overall net exposure (customers, banks, and securities) to counterparties resident in Russia and Ukraine, amounting to 656 million euro, decreased by 765 million euro (-54%) from 1,421 million euro on 31 December 2024.

For the Interim Statement as at 30 September 2025, 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 September 2025 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). Lastly, adjustments have been applied to a counterparty (increases in the ECL as calculated above) to capture potential expected losses not adequately measured by the estimates. 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 September 2025, there were remaining positions of 8 million euro gross (4 million euro net), essentially in line with 31 December 2024.

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 (50 million euro gross as at 30 September 2025 and 54 million euro gross as at 31 December 2024), has been maintained.

For Banca Intesa Russia, in line with previous years, an approach to classifying and measuring performing loans has been adopted that strongly considers the geopolitical risk deriving from the ongoing crisis and the effects on macroeconomic prospects. With regard to the valuation of loans, the approaches already adopted have been maintained through the application of prudential adjustments. In summary, therefore:

- for exposures to counterparties in common with the Group, the principle of substantial consistency with the approach adopted for the Core scope has been maintained (Stage 2 classification, and ECL consistent with the assigned rating and the loss rate adopted by the Parent Company);
- for the remaining portfolio, based on the initial valuation criteria adopted by the bank, a significant and broader prudence factor has been applied, covering all segments (Corporate, SME Corporate, Retail) and set with a particularly high average coverage by the CRO Area, further strengthened in the first quarter of 2025 to reflect the continued conflict.

As a result of the provisions made, the total coverage of performing loans of the Russian subsidiary amounted to 52.7% of their gross value (36.3% in December 2024).
With regard to gross non-performing loans, these amounted to 32 million euro (35 million euro as at 31 December 2024) and have been fully written down, on a prudential basis, 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 September 2025 of 114 million euro.

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 2024 Annual Report. These essentially relate to Pravex, 152 million euro as at 30 September 2025 and 46 million euro as at 31 December 2024, in connection with the purchase of government securities or securities issued by central banks.
The small real estate portfolio of the two subsidiaries has also been valued using the approach adopted in previous years.

Profit and loss impacts were recognised on the Russian and Ukrainian exposures as at 30 September 2025, amounting to overall net recoveries of 43 million euro, before tax, mainly attributable to collections from customers and exchange rate differences on certain positions. In addition to these profit and loss impacts, the subsidiary Banca Intesa Russia generated positive earnings of 113 million euro, which have been included in the consolidated result from the first quarter of 2025, in consideration 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 line with the financial statements as at 31 December 2024, the provision made to eliminate the shareholders’ equity of the subsidiary on that date has been substantially maintained. This provision, allocated to a specific allowance for risks and charges, amounted to 422 million euro as at 30 September 2025 (382 million euro as at 31 December 2024, with the change mainly linked to the appreciation of the rouble against the euro).

CREDIT RISK

The Intesa Sanpaolo Group has developed a set of techniques and tools for credit risk measurement and management which ensures analytical control over the quality 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 internally calculated ratings are then made comparable with those awarded by rating agencies, by means of a consistent 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.

Credit quality

(millions of euro)

	30.09.2025			31.12.2024			Change
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure	Net exposure
Bad loans	4,091	-2,748	1,343	3,502	-2,382	1,120	223
Unlikely to pay	5,249	-2,144	3,105	5,715	-2,277	3,438	-333
Past due loans	565	-173	392	516	-154	362	30
Non-Performing Loans	**9,905**	**-5,065**	**4,840**	**9,733**	**-4,813**	**4,920**	**-80**
Non-performing loans in Stage 3 (subject to impairment)	*9,834*	*-5,027*	*4,807*	*9,666*	*-4,777*	*4,889*	*-82*
Non-performing loans measured at fair value through profit or loss	*71*	*-38*	*33*	*67*	*-36*	*31*	*2*
Performing loans	**409,492**	**-2,037**	**407,455**	**412,397**	**-2,167**	**410,230**	**-2,775**
Stage 2	*34,916*	*-1,508*	*33,408*	*35,032*	*-1,610*	*33,422*	*-14*
Stage 1	*373,712*	*-529*	*373,183*	*376,608*	*-557*	*376,051*	*-2,868*
Performing loans measured at fair value through profit or loss	*864*	*-*	*864*	*757*	*-*	*757*	*107*
Performing loans represented by securities	**8,780**	**-13**	**8,767**	**6,300**	**-12**	**6,288**	**2,479**
Stage 2	*311*	*-6*	*305*	*195*	*-7*	*188*	*117*
Stage 1	*8,469*	*-7*	*8,462*	*6,105*	*-5*	*6,100*	*2,362*
Loans held for trading	**11**	**-**	**11**	**74**	**-**	**74**	**-63**
Total loans to customers	**428,188**	**-7,115**	**421,073**	**428,504**	**-6,992**	**421,512**	**-439**
of which forborne performing	***4,793***	***-253***	***4,540***	***4,465***	***-297***	***4,168***	***372***
of which forborne non-performing	***3,112***	***-1,384***	***1,728***	***3,061***	***-1,370***	***1,691***	***37***
Loans to customers classified as non-current assets held for sale	**130**	**-46**	**84**	**330**	**-291**	**39**	**45**

Figures restated, where necessary and material, considering the changes in the scope of consolidation and discontinued operations.

As at 30 September 2025, the Group's gross non-performing loans amounted to 9.9 billion euro, up slightly (+1.8%, or +0.2 billion euro) compared to December 2024. The NPL ratio was 2.3% gross and 1.1% net (2% and 1%, respectively, gross and net according to the EBA methodology). That result was marked by a small amount of new inflows from performing loans, due to the performance recorded by prevention measures. At the end of September 2025, an amount of non-performing loans classified as assets held for sale was recorded, having met the conditions for applicability based on IFRS 5, totalling 0.1 billion euro gross and 0.1 billion euro net. During the first nine months, gross inflows came to 2.2 billion euro (0.7 billion euro, 0.8 billion euro and 0.7 billion euro in the first, second, and third quarters respectively), lower than the figure recorded in the nine-month comparison period of 2024 (2.3 billion euro). In net terms, that is, net of outflows to performing loans, inflows came to 1.8 billion euro (0.6 billion euro, 0.7 billion euro and 0.5 billion euro respectively in the first, second and third quarters), in line with the figure reported in the first nine months of 2024. The table shows that the slight increase from the end of 2024 in gross non-performing loans was driven by bad loans (+16.8%, or +589 million euro) and, to a marginal extent, by past due loans (+9.5%, or +49 million euro), against a decrease in unlikely-to-pay loans (-8.2%, or -466 million euro). As at 30 September 2025, the net non-performing loans of the Group amounted to 4,840 million euro, lower than the figure recorded as at 31 December 2024 (4,920 million euro), and representing a new all-time low. The ratio of non-performing loans to total net loans to customers came to 1.1% (1% according to the EBA definition) with the coverage ratio for non-performing loans increasing to 51.1% from 49.5% at the end of 2024. In further detail, in September 2025 bad loans amounted to 1,343 million euro (+19.9% from 31 December 2024), net of adjustments, representing 0.3% of total net loans with a coverage ratio of 67.2%. Loans included in the unlikely-to-pay category amounted to 3,105 million euro, down by 9.7%, accounting for 0.7% of total net loans to customers, with a coverage ratio of 40.8%. Past due loans amounted to 392 million euro (+8.3% from the end of 2024), with a coverage ratio of 30.6%. Within the non-performing loan category, forborne exposures, generated by forbearance measures for borrowers experiencing difficulty in meeting their financial obligations, amounted to 1.7 billion euro, with a coverage ratio of 44.5%. Forborne exposures in the performing loan category amounted to 4.5 billion euro. At the end of September 2025, net performing loans amounted to 407.5 billion euro, down by 2.8 billion euro (-0.7%) on the end of 2024, with an overall coverage ratio of 0.5% of which 4.32% (from 4.6% at the end of 2024) for Stage 2 loans and 0.14% (0.15% at the end of December 2024) for Stage 1 loans. In terms of stock, net loans in Stage 1 decreased by 0.8% to 373.2 billion euro and those in Stage 2 were essentially in line at 33.4 billion euro.

Macroeconomic scenario for forward-looking conditioning

For the purposes of forward-looking conditioning of the ECL estimation parameters, Intesa Sanpaolo's policy involves the use of the macroeconomic scenario produced and updated by the Research Department (CFO Area) on at least a half-yearly basis (June/December). In September 2025, the Research Department updated the macroeconomic forecasts, producing alternative scenarios – in addition to the baseline scenario – using the methodology applied as at 30 June 2025. The updated forecasts are broadly consistent with those presented in last quarter's update. Therefore, as required under the Impairment Policy, the re-assessment of the calculation parameter conditioning will take place on 31 December 2025.

The September baseline scenario forecasts assume neutral developments, compared to the June projections, for the main sources of geopolitical risk, within a context of reduced uncertainty stemming from agreements reached on tariffs. However, risks to the stability of the financial system persist, making it very difficult to predict economic trends beyond the short term.

With regard to the United States trade policies, the baseline scenario assumes that existing tariffs will remain in place throughout the forecast horizon, with no easing of the current regime and, unlike the assumptions made in June, that the announced but not yet implemented sector-specific tariffs will be enacted. For the European Union, the assumption of an effective average tariff rate of 14% (in line with June) is considered appropriate, also in the event of additional sector-specific tariffs. With regard to the structural fiscal plans of the Eurozone, the forecasts continue to assume formal compliance with the new fiscal rules, with an expected decline in public sector deficits that had already factored in prudent assessments in relation to France.

Eurozone GDP growth for 2025 has been revised upwards from 0.9% to 1.2%, following a better-than-expected first half of the year. This revision is driven by the surge in exports to the United States (which bolstered the data in the first part of the year) as well as stronger trends in investment and consumption. The estimate for 2026 has been lowered by one-tenth compared with June due to less favourable assessments of the French and Italian economies. However, the delayed impact of interest rate cuts and fiscal expansion in Germany are expected to sustain domestic demand, which is stabilising but remains weak. Finally, a re-acceleration to 1.3% average annual growth is expected in 2027 (1.5% in June).

Inflation projections are slightly lower than in June, due to the downward revision of oil prices and a slightly less negative assessment of the inflationary effects of US tariffs. The baseline scenario also assumes that the phase of monetary easing in the Eurozone has now come to an end.

In Italy, recent data on economic activity have generally been weak and worse than expected. GDP growth projections stand at 0.5% in 2025 and 0.8% in 2026, down by two tenths from June for both forecast years. The revision is driven not only by export trends (which have yet to fully reflect the impact of US tariffs) but also by a slower recovery in consumption. The September forecast still points to a moderate acceleration in GDP next year, mainly due to the gradual recovery in consumption and a decline in the saving ratio. The overall contribution of fixed investment will remain limited, despite the expected increase in spending flows linked to the NRRP. Investments in productive capital, despite signs of acceleration in the take-up of fiscal incentives and in NRRP-related activities, will be held back by the uncertain demand outlook.

As at 30 September 2025, the Research Department has developed the alternative scenarios (upside and downside), based on the forecasts included in the Consensus Economics survey published in September 2025, maintaining consistency with the assumptions adopted in June.

For the downside scenario, additional shocks have been introduced, relating to financial market tensions driven by lower confidence in the US dollar and an unexpected resurgence of international geopolitical tensions.

For Italy, this translates into an average annual growth rate at more than half a percentage point lower than in the baseline scenario in 2026, and a further 3.3 percentage points lower in the two-year period 2027–2028, with significant repercussions for the unemployment rate. Inflation falls marginally below the ECB's price stability definition during the period from 2026 to 2027, prompting the Central Bank to bring official interest rates into accommodative territory, with a significant and growing deviation from the baseline scenario. The more accommodative monetary conditions are partially passed on to long-term rates: the 10-year IRS rate is around 25 basis points lower than in the baseline scenario over the two-year period 2027-28.

The favourable scenario is characterised by higher real growth rates, moderately higher inflation and a lower unemployment rate. Interest rates are higher across all maturities. Stock indices and property prices are notably more robust than in the baseline scenario, in line with the underlying assumptions of the scenario. The divergence in growth rates from the baseline scenario for Italy is initially immaterial before becoming steadily and increasingly positive.

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

As at 30 September 2025, there were no changes with respect to the methodological approaches adopted in the Half-yearly Report as at 30 June 2025 and in the 2024 Annual Report. The planned reassessment of the assumptions (such as emerging risks identified and associated sector-specific vulnerabilities) was carried out, and did not result in substantial changes. The estimates were revised, along with the evidence updated to 30 September.

Starting from the 2023 Financial Statements and with subsequent refinements in December 2024, approaches based on two complementary elements have been introduced:

– 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;
– 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.

Given the above, adjustment allowances for performing exposures as at 30 September 2025 included prudential elements of 0.9 billion euro relating to both on-balance and off-balance sheet exposures, substantially unchanged from June 2025 and December 2024.

MARKET RISKS

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.

Daily managerial VaR of the trading book

In the third quarter of 2025, as shown in the table below, there was a slight decrease in trading managerial risks, which declined from 32.8 million euro (average value in the second quarter of 2025) to 29.6 million euro (average value in the third quarter of 2025). The reduction was mainly attributable to the scenario rolling effect.

(millions of euro)

	2025					2024			
	average 3rd quarter	minimum 3rd quarter	maximum 3rd quarter	average 2nd quarter	average 1st quarter	average 4th quarter	average 3rd quarter	average 2nd quarter	average 1st quarter
Total Group Trading Book (a)	**29.6**	**19.6**	**41.8**	**32.8**	**26.8**	**27.8**	**24.0**	**30.9**	**31.9**
of which: Group Treasury & Capital Management	*4.5*	*3.9*	*5.0*	*6.1*	*11.8*	*14.4*	*12.1*	*13.1*	*6.2*
of which: IMI C&IB Division	*21.9*	*13.2*	*35.8*	*20.6*	*15.0*	*15.3*	*14.7*	*20.3*	*23.3*

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.

As shown in the table below, the average VaR for the first nine months of 2025 came to 29.7 million euro, substantially stable with respect to 28.9 million euro recorded in the first nine months of 2024.

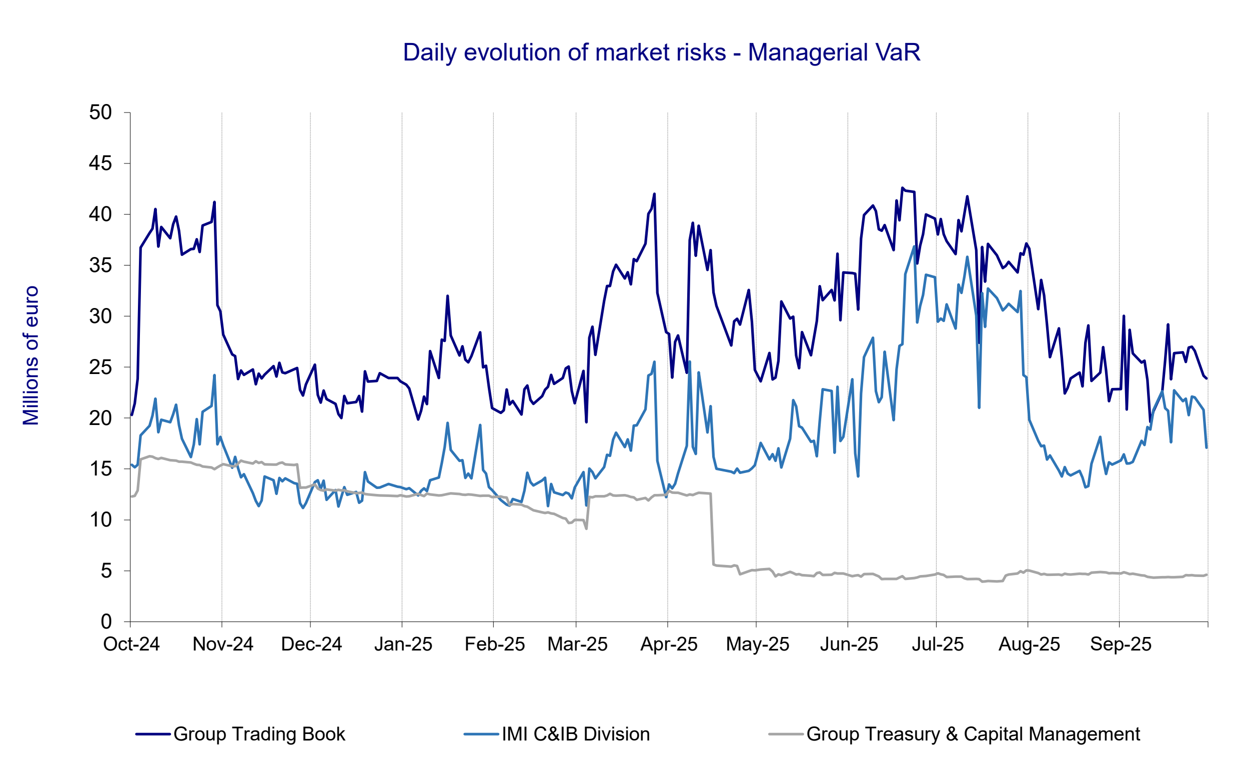
(millions of euro)

	2025			2024		
	average 30.09	minimum 30.09	maximum 30.09	average 30.09	minimum 30.09	maximum 30.09
Total Group Trading Book (a)	**29.7**	**19.6**	**42.6**	**28.9**	**19.4**	**42.2**
of which: Group Treasury & Capital Management	*7.5*	*3.9*	*12.8*	*10.5*	*2.8*	*14.2*
of which: IMI C&IB Division	*19.2*	*11.4*	*36.9*	*19.3*	*11.0*	*32.6*

The table shows the historical variability of the daily managerial VaR calculated on the time series for the first nine 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.



The breakdown of the Group's risk profile in the trading book in the third quarter of 2025 shows a prevalence of interest rate risk and credit spread risk, accounting for 32% and 35% 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 the Group Treasury & Capital Management (55% and 37%, respectively) and of credit spread for the IMI C&IB Division (39%).

Contribution of risk factors to total managerial VaR[(a)]

3rd quarter 2025	Shares	Interest rates	Credit spreads	Foreign exchange rates	Other parameters	Commodities
Group Treasury & Capital Management	6%	55%	2%	37%	0%	0%
IMI C&IB Division	22%	26%	39%	4%	5%	4%
Group Total	**19%**	**32%**	**35%**	**7%**	**4%**	**3%**

(a) 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 third quarter of 2025, 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).

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 September is summarised in the table below:

(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	4	108	-76	79	-14	20	39	-10	-6	4	0	0

In particular:
- for stock market positions, there would not be potential losses either in the case of sudden increases in stock prices or in the case of sharp decreases therein;
- for positions in interest rates, there would be potential losses of 76 million euro in the event of a 40 basis point rise in interest rates;

- for positions in credit spreads, there would be potential losses of 14 million euro in the event of a 25 basis point tightening of credit spreads;
- for positions in exchange rates, there would be potential losses of 10 million euro in the event of a 5% appreciation of the Euro against the other currencies;
- for positions in commodities, there would be a loss of 6 million euro in the event of a fall in prices of commodities other than precious metals;
- lastly, for positions linked to inflation, there would be no potential losses, either in the event of a rise or a fall in inflation.

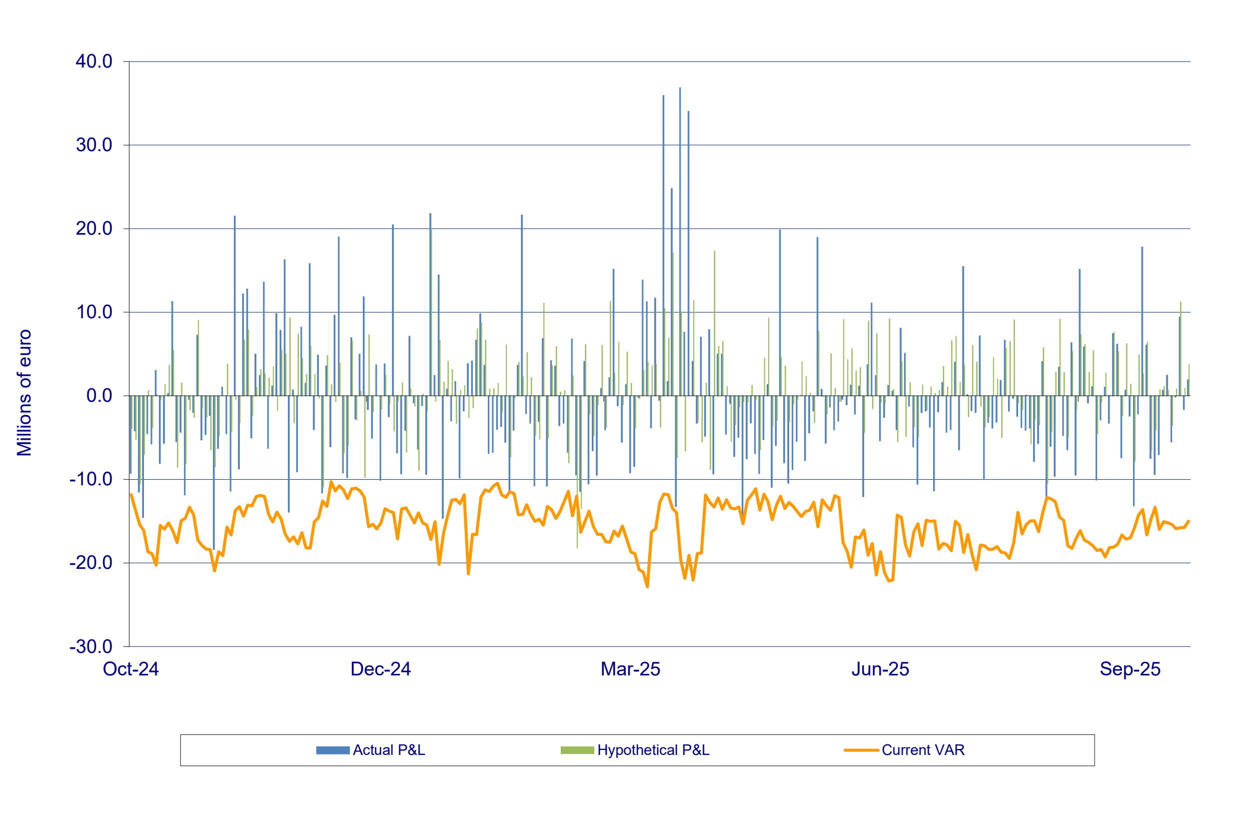
With regard to the use of the overall limit relating to trading and the hold to collect and sell (HTCS) business model, the market managerial VaR in the third quarter of 2025 fell to 158.3 million euro (average managerial VaR third quarter of 2025), compared to 174.8 million euro in the previous period (average managerial VaR second quarter of 2025). The average figure for the first nine months of 2025 came to 169.2 million euro, up on the first nine months of 2024 (average figure of 137.4 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, a backtesting overshooting[25] occurred for the regulatory VaR measure on 5th March 2025 related to Hypothetical P&L The breach is attributable to the interest rate risk component, reflecting the pronounced increase in euro-area yields.



[25] In the last 250 observations, the Bank has recorded an Actual P&L exception and/or a Hypothetical P&L exception. 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

At the end of September 2025, interest rate risk generated by the Intesa Sanpaolo Group's banking book, measured through shift sensitivity of the economic value, amounted to -2,666 million euro.
The sensitivity of net interest income – assuming a +50, -50 and +100 basis point change in interest rates – amounted to 156 million euro, -63 million euro and 248 million euro, respectively, at the end of September 2025.
Interest rate risk, measured in terms of VaR, recorded a value of 661 million euro at the end of September 2025.

The table below shows the changes in the main risk measures during the third quarter of 2025, with regard to the Group's banking book.

(millions of euro)

	3rd quarter 2025			30.09.2025	30.06.2025
	average	minimum	maximum		
Sensitivity of the Economic Value +100 bp	-2,604	-2,529	-2,666	-2,666	-2,614
Sensitivity of Net Interest Income -50 bp	-41	28	-87	-63	4
Sensitivity of Net Interest Income +50 bp	127	59	166	156	82
Sensitivity of Net Interest Income +100 bp	194	60	275	248	103
Value at Risk - Interest Rate	701	661	760	661	726

Lastly, 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 minority interests, mainly held under the HTCS business model. That risk amounted to +/-93 million euro at the end of September 2025.

Price risk: impact on Shareholders' Equity

(millions of euro)

		Impact on shareholders' equity at 30.09.2025	Impact on shareholders' equity at 30.06.2025	Impact on shareholders' equity at 31.03.2025	Impact on shareholders' equity at 31.12.2024
Price shock	10%	93	93	83	74
Price shock	-10%	-93	-93	-83	-74

LIQUIDITY RISK

The Group's liquidity position, supported by suitable high-quality liquid assets (HQLA) and the significant contribution from stable customer deposits, remained within the risk limits set out in the current Group Liquidity Policy in the third quarter of 2025. The levels for both the regulatory indicators – Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) – are above the minimum regulatory requirements.
Over the last 12 months, the Liquidity Coverage Ratio of the Intesa Sanpaolo Group, measured according to Delegated Regulation (EU) 2015/61, has amounted to an average of 141.9% (154.8% in December 2024).
At the end of September 2025, the value of the total unencumbered HQLA reserves, at the various Treasury Departments of the Group, amounted to 129.7 billion euro (127.4 billion euro at the end of 2024). Adding the other marketable reserves and/or eligible Central Bank reserves, including retained self-securitisations, the Group's total unencumbered liquidity reserves amounted to 211.3 billion euro (207.0 billion euro at the end of 2024).
The total unencumbered reserves of the Group increased mainly due to the higher liquidity surplus from operations of the Group's Commercial Networks, partially used for the repayment of the medium/long-term funding.

(millions of euro)

	Unencumbered (net of haircut)	
	30.09.2025	31.12.2024
HQLA Liquidity Reserves	**129,722**	**127,378**
Cash and Deposits held with Central Banks (HQLA)	30,998	35,446
Highly liquid securities (HQLA)	86,978	81,064
Other HQLA reserves not included in LCR	11,746	10,868
Other eligible and/or marketable reserves	**81,555**	**79,621**
Total Group's Liquidity Buffer	**211,277**	**206,999**

As already mentioned above, The NSFR remained above the minimum regulatory requirement of 100%, supported by a solid base of stable deposits from customers, in addition to adequate wholesale medium/long-term securitised funding. As at 30 September 2025, the Intesa Sanpaolo Group's NSFR, measured in accordance with regulatory instructions, was 122.1% (121.4% at the end of 2024).
The stress tests, in view of the high liquidity reserves, 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 longer than 3 months.
Adequate and timely information regarding the development of market conditions and the position of the Bank and/or Group was regularly provided to the corporate bodies and internal committees in order to ensure full awareness and manageability of the main risk factors.

INFORMATION ON FINANCIAL PRODUCTS

FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

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	30.09.2025			31.12.2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	118,494	29,399	9,695	112,812	28,322	9,809
a) Financial assets held for trading	18,024	27,167	143	14,948	26,337	154
of which: Equities	*5,236*	*-*	*1*	*7,588*	*-*	*1*
of which: quotas of UCI	*461*	*-*	*34*	*440*	*-*	*37*
b) Financial assets designated at fair value	-	-	4	-	2	4
c) Other financial assets mandatorily measured at fair value	100,470	2,232	9,548	97,864	1,983	9,651
of which: Equities	*7,276*	*362*	*108*	*6,090*	*296*	*104*
of which: quotas of UCI	*83,430*	*200*	*8,132*	*83,884*	*201*	*8,236*
2. Financial assets measured at fair value through other comprehensive income	150,069	11,507	739	139,665	9,792	812
of which: Equities	*702*	*108*	*607*	*542*	*122*	*648*
3. Hedging derivatives	-	6,847	-	-	6,505	-
4. Property and equipment	-	-	6,506	-	-	6,607
5. Intangible assets	-	-	-	-	-	-
Total	**268,563**	**47,753**	**16,940**	**252,477**	**44,619**	**17,228**
1. Financial liabilities held for trading	6,886	33,207	94	6,890	35,982	10
2. Financial liabilities designated at fair value	4,777	68,690	43	1,488	72,519	76
3. Hedging derivatives	-	2,977	-	-	4,410	-
Total	**11,663**	**104,874**	**137**	**8,378**	**112,911**	**86**

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 5.1% on total assets (down on 5.5% as at 31 December 2024). Level 3 financial assets refer mainly to UCI units under Financial assets mandatorily measured at fair value, and are mainly attributable to equity and bond funds of insurance companies. 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 165 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 38.4% of the balance sheet assets at level 3 fair value.
A total of 80.6% 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 89.9% of the liabilities are attributable to Level 2, primarily to Financial liabilities designated at fair value.

Fair value hierarchy – 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	**30.09.2025**			**31.12.2024**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Financial assets measured at fair value through profit or loss	18,260	28,204	4,198	15,136	27,244	4,255
a) Financial assets held for trading	17,989	27,167	143	14,910	26,337	154
of which: Equities	*5,236*	-	*1*	*7,588*	-	*1*
of which: quotas of UCI	*461*	-	*34*	*440*	-	*37*
b) Financial assets designated at fair value	-	-	4	-	2	4
c) Other financial assets mandatorily measured at fair value	271	1,037	4,051	226	905	4,097
of which: Equities	*205*	*362*	*14*	*172*	*296*	*13*
of which: quotas of UCI	*66*	*200*	*3,486*	*54*	*201*	*3,540*
2. Financial assets measured at fair value through other comprehensive income	81,658	8,208	665	69,754	6,810	732
of which: Equities	*702*	*108*	*600*	*542*	*122*	*641*
3. Hedging derivatives	-	6,818	-	-	6,469	-
4. Property and equipment	-	-	6,499	-	-	6,600
5. Intangible assets	-	-	-	-	-	-
Total	**99,918**	**43,230**	**11,362**	**84,890**	**40,523**	**11,587**
1. Financial liabilities held for trading	6,881	33,204	94	6,882	35,974	10
2. Financial liabilities designated at fair value	4,777	20,554	43	1,488	21,873	76
3. Hedging derivatives	-	2,910	-	-	4,363	-
Total	**11,658**	**56,668**	**137**	**8,370**	**62,210**	**86**

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 7.4% on total assets (down on 8.5% as at 31 December 2024).
A total of 64.7% 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 57.2% of the balance sheet assets at level 3 fair value.
A total of 82.8% of these liabilities are classified in level 2. The share of level 3 instruments is less than 1% of total liabilities.
Lastly, the caption “Other assets”, not directly included in the table above, comprised tax credits recognised and measured at fair value for 8.3 billion euro as at 30 September 2025, of which 2.6 billion euro held under the Hold to Collect and Sell business model and 5.7 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”).

Fair value hierarchy – *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		**30.09.2025**			**31.12.2024**	
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Financial assets measured at fair value through profit or loss	100,234	1,195	5,497	97,676	1,078	5,554
a) Financial assets held for trading	35	-	-	38	-	-
of which: Equities	-	-	-	-	-	-
of which: quotas of UCI	-	-	-	-	-	-
b) Financial assets designated at fair value	-	-	-	-	-	-
c) Other financial assets mandatorily measured at fair value	100,199	1,195	5,497	97,638	1,078	5,554
of which: Equities	*7,071*	-	*94*	*5,918*	-	*91*
of which: quotas of UCI	*83,364*	-	*4,646*	*83,830*	-	*4,696*
2. Financial assets measured at fair value through other comprehensive income	68,411	3,299	74	69,911	2,982	80
of which: Equities	-	-	*7*	-	-	*7*
3. Hedging derivatives	-	29	-	-	36	-
4. Property and equipment	-	-	7	-	-	7
5. Intangible assets	-	-	-	-	-	-
Total	**168,645**	**4,523**	**5,578**	**167,587**	**4,096**	**5,641**
1. Financial liabilities held for trading	5	3	-	8	8	-
2. Financial liabilities designated at fair value	-	48,136	-	-	50,646	-
3. Hedging derivatives	-	67	-	-	47	-
Total	**5**	**48,206**	**-**	**8**	**50,701**	**-**

With regard to the assets of Insurance Companies, level 3 instruments, which allow for more discretion in fair value measurement, account for a small portion of the portfolio, with an impact of 3.1% on total assets (also 3.2% as at 31 December 2024).
94.4% 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.
The liabilities were almost entirely measured using level 2 inputs and attributable to Financial liabilities designated at fair value.

INFORMATION ON STRUCTURED CREDIT PRODUCTS

The risk exposure in structured credit products came to 7,282 million euro as at 30 September 2025, a net increase of 1,182 million euro compared to the stock of 6,100 million euro as at 31 December 2024. The exposure includes investments in CLOs (Collateralised Loan Obligations) of 4,192 million euro, in ABSs (Asset-Backed Securities) of 3,022 million euro and in CDOs (Collateralised Debt Obligations) of 68 million euro, which continued to be a marginal activity also in 2025.

(millions of euro)

Accounting categories	30.09.2025				31.12.2024	changes	
	Collateralized Loan Obligations	Asset Backed Securities	Collateralized Debt Obligations	Total		absolute	%
Financial assets held for sale	280	667	-	**947**	**961**	-14	-1.5
Financial assets mandatorily measured at fair value	-	-	-	**-**	**-**	-	-
Financial assets measured at fair value through other comprehensive income	2,088	538	-	**2,626**	**2,204**	422	19.1
Financial assets measured at amortised cost	1,824	1,817	68	**3,709**	**2,935**	774	26.4
Total	**4,192**	**3,022**	**68**	**7,282**	**6,100**	**1,182**	**19.4**

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[26].
The performance of the portfolio in the first nine months of 2025 shows higher overall investments than disposals and redemptions, with a total increase of 1,182 million euro, mainly attributable to the operations of the IMI Corporate & Investment Banking Division.
Exposures measured at fair value (CLO and ABS debt securities) increased by 408 million euro, from 3,165 million euro in December 2024 to 3,573 million euro in September 2025. The net increase was attributable to higher investments totalling 1,517 million euro, of which 678 million euro relating to financial assets held for trading and 839 million euro to financial assets measured at fair value through other comprehensive income, offset by redemptions and disposals totalling 1,109 million euro, of which 692 million euro relating to the first component and 417 million euro to the second component.
Exposures classified among assets measured at amortised cost (CLO, ABS and CDO debt securities) amounted to 3,709 million euro in September 2025, compared with a balance of 2,935 million euro in December 2024, a net increase of 774 million euro, generated by higher investments of 1,319 million euro, only partially offset by disposals and reimbursements of 545 million euro.
From the perspective of the income statement, the overall profit of +7 million euro in the first nine months of 2025 compares with a profit of +13 million euro in the same period of 2024.
The performance of assets held for trading, as at 30 September 2025, amounted to +6 million euro and related to the CLO and ABS exposures (+5 million euro from realisation impacts and +1 million euro from valuation effects), whereas as at 30 September 2024 it amounted to +9 million euro, again relating to exposures in CLO and ABS (+8 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 net increase in fair value of +4 million euro in the first nine months of 2025 through a shareholders' equity reserve (from a reserve of -9 million euro in December 2024 to -5 million euro in September 2025), while there were no impacts from sales in 2025, compared to +4 million euro in the corresponding period of 2024.
For the debt securities classified as assets measured at amortised cost, the figure of +1 million euro as at 30 September 2025 compares with the figure of zero as at 30 September 2024.

(millions of euro)

Income statement results broken down by accounting category	30.09.2025				30.09.2024	changes	
	Collateralized Loan Obligations	Asset Backed Securities	Collateralized Debt Obligations	Total		absolute	%
Financial assets held for sale	1	5	-	**6**	**9**	-3	-33.3
Financial assets mandatorily measured at fair value	-	-	-	**-**	**-**	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	**-**	**4**	-4	
Financial assets measured at amortised cost	-	1	-	**1**	**-**	1	-
Total	**1**	**6**	**-**	**7**	**13**	**-6**	**-46.2**

[26] 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 2024 Annual Report.
With regard to the covered bond issue programmes, under the programme guaranteed by **ISP CB Ipotecario**, the 24th series matured in July for an amount of 1 billion euro.
Within the covered bond programme guaranteed by **UBI Finance**, the 28th series was redeemed early in July for a remaining amount of 200 million euro, and in September the 31st series matured for an amount of 500 million euro.

A new self-securitisation, Brera Sec S.r.l. (SEC 4), was structured in September 2025, involving the sale of a loan portfolio originated by Intesa Sanpaolo to the vehicle company Brera Sec S.r.l. for a consideration of 8.4 billion euro. This is the Group's fourth Residential Mortgage Backed Security (RMBS) securitisation. In the fourth quarter of 2025, the Vehicle will issue two tranches of securities (one Senior, rated and listed on a regulated market, and one Junior unrated) which will be fully subscribed by Intesa Sanpaolo.

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 September 2025, for the Intesa Sanpaolo Group, the transactions that meet the definition of Leveraged Transactions based on the ECB Guidance amounted to 27.6 billion euro, relating to 2,197 credit lines. This portfolio recorded a decrease (-2 billion euro compared to 31 December 2024), primarily due to a reduction in the stock at the Parent Company. The geographical distribution shows that more than half of the transactions, in terms of volume, were with domestic counterparties (52%). The main economic macro-sectors of the counterparties concerned were the industrial, services and financial sectors.
In accordance with the requirements of the ECB Guidance, within the Credit Risk Appetite, specific limits for the outstanding stock of leveraged transactions, limits on new transaction flows, and early warning thresholds on concentration have been approved by the Parent Company's Board of Directors, in line with the Group's risk appetite for these types of operations.

INFORMATION ON INVESTMENTS IN HEDGE FUNDS

The Parent Company's hedge fund portfolio as at 30 September 2025 amounted to 271 million euro for the trading book and 201 million euro for the banking book for a total of 472 million euro, compared to 245 million euro and 204 million euro, respectively, for a total of 449 million euro as at 31 December 2024.
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 2025, there was an increase of +23 million euro on the end of the previous year, including greater investments of +20 million euro, disposals of -3 million euro, changes in fair value of +14 million euro, and adjustments to current exchange rates of -8 million euro.
Specifically, investments were made in the trading book, involving UCITS hedge funds that better meet the capital absorption requirements in accordance with the CRR. The disposals relate to the banking book, the positive changes in fair value were made up of +7 million euro for the trading book and +7 million euro for the banking book, while the adjustments to current exchange rates consisted of -1 million euro for the trading book and -7 million euro for the banking book.
In terms of effects on the income statement, the first nine months of 2025 show an overall positive result of +15 million euro, attributable to valuation effects of +14 million euro (trading book +7 million euro and banking book +7 million euro) and to realisation impacts on the banking book of +1 million euro. In the first nine months of 2024, the result in the income statement was an overall positive amount of +23 million euro, entirely attributable to valuation components (trading book +12 million euro and banking book +11 million euro).
Within the Intesa Sanpaolo Group, as at 30 September 2025 Eurizon Capital SGR held hedge funds for a total of 14 million euro (exposure unchanged compared to 30 June 2025 and 31 December 2024), at fair value through profit or loss of +0.4 million euro from valuation effects (-0.2 million euro also from valuations as at 30 September 2024). 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 September 2025, 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 2,464 million euro (3,039 million euro as at 31 December 2024). The notional value of these derivatives totalled 49,360 million euro (47,654 million euro as at 31 December 2024).
The positive fair value of contracts outstanding with the 10 customers with the highest exposures totalled 1,281 million euro (1,544 million euro as at 31 December 2024).
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 1,981 million euro as at 30 September 2025 (2,417 million euro as at 31 December 2024). The notional value of these derivatives totalled 44,316 million euro (52,267 million euro as at 31 December 2024).
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"). With regard to contracts outstanding as at 30 September 2025, these led to a negative impact of 12 million euro under “Profits (Losses) on trading in the income statement” (negative impact of 14 million euro as at 30 September 2024).
For details of the methodologies used in determining the fair value of financial instruments, see the paragraphs specifically dedicated to this subject in the 2024 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 has been using for some time a specific framework for the governance of operational, ICT and security risks, recently updated to incorporate the regulatory changes introduced by CRR3 – as reported in detail in the section “Basel regulation and the internal project” of this Report – effective from January 2025, which in turn incorporated the changes contained in the final Basel 4 reform, promoted internationally by the Basel Committee.
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 (the Group used the AMA internal model – in partial use with the Standardised and Basic approaches – to determine the capital requirement until 31 December 2024) and introducing a single standardised calculation method, referred to as the Standardised Approach (SA).
Under the new rules, 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 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.

For the first Supervisory reporting under the new rules, the average of the FINREP items for the period 2022-2024 was used. Thereafter, the reporting will be done quarterly, and the capital requirement calculation will be updated 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.
The change in methodology led to a significant increase in capital absorption for operational risks on a consolidated basis, quantified at 4,021 million euro for the year 2025, around 62% higher than the figure as at 31 December 2024, calculated using the AMA, TSA and BIA, amounting to 2,488 million euro.

Legal risks

For the main pending disputes, the significant developments in the third quarter are described below. For broader information regarding the disputes below and the pending significant ones, see the Half-yearly Report as at 30 June 2025 and the Notes to the 2024 Annual Report of the Intesa Sanpaolo Group.

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, 10 disputes are pending with local authorities, with possible or likely risk, for total claims of 25 million euro, and 3 disputes with subsidiaries of public entities, with total claims of 19 million euro. Disputes with individuals, assessed as having possible or likely risk, total 123, and of these, 37 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 70 million euro.

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 has arisen in which customers – in addition to making general claims concerning loan agreement – 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 on the perimeter of the contracts potentially affected by the cartel ("downstream contracts") and on the potential remedies available to clients to challenge their validity.
In his conclusions in the proceedings before the Joint Divisions, the Public Prosecutor's office requested the rejection of the clients' 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 European Court of Justice (CJEU) to verify the possible impact of Euribor manipulations on "downstream" contracts concluded between banks and their clients.
The questions put to the Court was:
– 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 in 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 brought against another intermediary as a new case.
As part of the proceedings before the CJEU, the Bank submitted its written observations during the first half of the year.
At the beginning of August 2025, the Registry of the CJEU notified the filing of the European Commission's observations and those of the other parties. No European State submitted observations.
In its observations, 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 2013 and 2016 decisions (derivatives – EIRD).

Italian Antitrust Authority (AGCM) proceedings against Intesa Sanpaolo RBM Salute – now Intesa Sanpaolo Protezione.
In November 2020, the AGCM had initiated proceedings against Intesa Sanpaolo RBM Salute for unfair business practices, which concluded in July 2021 with a fine of 5 million euro and a warning to cease the unfair practice. Intesa Sanpaolo RBM Salute appealed the AGCM's decision before the Lazio Regional Administrative Court, which, in November 2022, after having considered the complaint made regarding the lateness of the Authority's intervention to be valid, upheld the appeal and annulled the penalty measure in full. The AGCM appealed the judgement of the Regional Administrative Court before the Council of State, which suspended the judgement in January 2024, pending the ruling of the Court of Justice of the European Union on a number of preliminary questions relevant to the judgement. Following the Lazio Regional Administrative Court's judgement, the Italian Antitrust Authority issued an order of "no grounds for further action" in the non-compliance proceedings, which it had initiated on the grounds that Intesa Sanpaolo RBM Salute was not complying with the warning contained in the penalty measure. However, the Authority has reserved the right to defer any decisions until the outcome of the proceedings before the Council of State.
In its judgments of 30 January 2025, the Court of Justice of the European Union issued its preliminary ruling, where it held that the peremptory 90-day time limit, under Law no. 689/1981, by which the Authority must notify the company concerned of the proceedings against it, is incompatible with EU consumer law. The breach of said time limit was one of the grounds for the Lazio Regional Administrative Court's decision to annul the AGCM's measure.
On 28 February 2025, the AGCM filed a petition for the resumption of the suspended case before the Council of State. By order dated 21 October 2025, the Council of State again suspended the proceedings pending the ruling of the Court of Justice of the European Union on two preliminary questions raised within other cases, both relating to the 90-day time limit established by Law no. 689/1981.

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
By orders issued between June and August 2025, the First Division of the Court of Cassation, upholding the Bank's arguments, ruled favourably in the disputes concerning cases pending as at the date of the transfer (26 June 2017) and involving relationships terminated at that date and non-performing loans, ruling that those disputes come under the "Excluded Disputes", for which Intesa Sanpaolo bears no liability and lacks capacity to be sued.
During the same period, through a further three orders, the Court of Cassation confirmed that the Bank bears no liability and lacks capacity to be sued with regard to disputes concerning the mis-selling of shares/subordinated bonds carried out by the two Veneto Parent Banks.
However, the First Division of the Court of Cassation ruled unfavourably in two cases concerning so-called "linked transactions" brought against Intesa Sanpaolo seeking a declaration of non-existence of the credit transferred to the Bank and relating to the loan "used" to subscribe/purchase shares of the Veneto Banks. The Court adopted an exclusively literal and partial interpretation of certain provisions of Decree Law no. 99/2017, failing to consider the wider legislative and contractual framework, including EU law. Intesa Sanpaolo will continue to assert its lack of capacity to be sued in these disputes.

Labour litigation
With regard to labour litigation, as was the case as at 31 December 2024 and 30 June 2025, there were no significant pending disputes in terms of importance or number as at 30 September 2025. In general, all labour litigation is covered by specific provisions adequate to meet any outlays.

Tax litigation

The tax litigation risks of the Group (considering the subsidiaries subject to line-by-line consolidation) are covered by adequate provisions for risks and charges.

With regard to **Intesa Sanpaolo**, as at 30 September 2025, compared to the figures as at 30 June 2025, the claims decreased by 3.8 million euro, and the provisions decreased by 2.5 million euro.
There are 401 pending litigation proceedings (433 as at 30 June 2025) for a total amount claimed (taxes, penalties and interest) of 88.6 million euro (92.4 million euro as at 30 June 2025), considering both administrative and judicial proceedings at various instances.

In relation to these proceedings, the actual risks were quantified at (and accordingly provisioned for) 37.6 million euro as at 30 September 2025 (40.1 million euro as at 30 June 2025).

Compared to 30 June 2025, for the Parent Company, the main events that gave rise to significant movements in the amounts claimed (-3.8 million euro) included:
- an increase (0.5 million euro), due to: i) new disputes of 0.3 million euro, for municipal property tax (IMU) on terminated lease contracts; ii) new disputes of 0.1 million euro for registration tax on judicial documents; and iii) accrued interest expense of 0.1 million euro;
- a decrease (4.3 million euro) due to: i) closures of claims concerning registration tax for 3 million euro, of which: 1.7 million euro on higher value for business transfers; 1.2 million euro on judicial documents; and 0.1 million euro on deed declarations; and ii) closures of disputes for IMU on real estate from both terminated and current lease contracts for 1.3 million euro.

Also compared to 30 June 2025, for the Parent Company, the main changes in provisions (-2.5 million euro) consisted of:
- an increase (0.2 million euro), due to fees and interest accrued on outstanding disputes;
- a decrease (2.7 million euro) due to:
  - releases to the income statement (2.6 million euro), attributable to the settlement of disputes concerning registration tax on higher value for business transfers (1.7 million euro) and municipal property tax (IMU) on terminated lease contracts (0.9 million euro);
  - use (0.1 million euro) mainly for legal expenses.

For details of the main outstanding disputes, see the Half-yearly Report as at 30 June 2025, except for the following.

Intesa Sanpaolo – Registration tax on sale of a business line to Banca Popolare di Puglia e Basilicata (BPPB)
This dispute concerns the assessment of a higher registration tax (claim of 1.8 million euro plus interest), regarding the value of the business line (17 former UBI Banca branches) sold by Intesa Sanpaolo to BPPB in 2021. At second instance, the Tax Court upheld the Italian Revenue Agency – Milan II Provincial Directorate's appeal and overturned the lower court ruling in favour of BPPB and Intesa Sanpaolo. Both banks intend to file an appeal with the Court of Cassation.
On 29 August 2025, a payment notice was served for provisional collection of the remaining amount due following the second instance ruling, for a total of 1.58 million euro (592 thousand euro for taxes, the same amount for penalties and the remainder for interest), of which 1.22 million euro is payable by BPPB, under the contractual agreements.

Intesa Sanpaolo – Registration tax on the decree of the Civil Court of Milan
On 24 January 2024, the Italian Revenue Agency – Provincial Directorate of Milan issued a notice of assessment for registration tax (claim of 0.6 million euro) relating to a Court of Milan decree admitting Intesa Sanpaolo as a creditor in the insolvency of a company under extraordinary administration for a principal amount of 200 million euro, plus compensatory and default interest. The Agency quantified the latter at 59 million euro and, based on this, determined a 1% registration tax (judicial acts recognising property rights). Intesa Sanpaolo challenged the notice, and the First Instance Tax Court of Milan rejected the appeal by ruling filed on 4 November 2024. The Bank lodged an appeal on 28 January 2025 with the Second Instance Tax Court of Lombardy. The Italian Revenue Agency filed its defence statement on 31 March 2025. Following the hearing held on 22 October, the Second Instance Tax Court of Lombardy issued a ruling upholding the Bank's appeal and recalculating the registration tax due at the fixed amount of 200 euro. It is currently not possible to estimate when the ruling will be filed.

Intesa Sanpaolo – Mortgage and land registry taxes on sale of property in Cosenza
On 3 February 2025, the Italian Revenue Agency – Provincial Directorate of Cosenza issued an enforcement order concerning a notice of assessment for mortgage and land registry taxes (claim of 0.6 million euro) on the sale to third parties of the property located in Cosenza, Viale Crati (the headquarters of the former Banca Carime), adjusting the sale value.
Intesa Sanpaolo challenged the payment notice containing the enforcement order before the First Instance Tax Court of Cosenza, requesting its joint examination with appeal against the original notice of assessment. By rulings filed on 23 September 2025, the notice of assessment and, consequently, the payment notice were annulled. The time limit for a possible appeal by the Agency has not yet passed.

Intesa Sanpaolo – Registration tax on the judgment of the Civil Court of Lecco
On 4 December 2023, the Italian Revenue Agency – Provincial Directorate of Lecco issued a notice of assessment for registration tax (claim of 0.5 million euro) relating to a 2022 injunction issued by the Civil Court of Lecco ordering an industrial company to pay Intesa Sanpaolo – as assignee of the receivable for (non-financial) lease payments on the building where the company has its production plant – a total of 13.2 million euro plus VAT and interest on arrears. The notice was challenged within the legal deadlines by objecting, inter alia, to the proportional 3% registration tax on the lease payment order, for infringement of the principle that VAT and registration tax are mutually alternative taxes.
By judgment filed on 14 June 2024, the first instance Tax Court of Lecco upheld the Bank's action, fully annulling the challenged notice and ordering the Agency to pay the costs. The Agency lodged an appeal with the Second Instance Tax Court of Lombardy, which dismissed it by ruling filed on 31 March 2025, upholding the first instance decision. The Italian Revenue Agency, through the State Attorney's Office, filed an appeal with the Court of Cassation on 28 May 2025, to which Intesa Sanpaolo responded with its defence statement filed on 7 July 2025.

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For details of the disputes settled during the period, see the Half-yearly Report as at 30 June 2025, except for the following.

Former Banca Apulia – Registration tax on ruling of the Civil Court of Bari
Regarding the notice of assessment served on 8 August 2024 for registration tax of 1.1 million euro relating to a 2023 ruling of the Court of Bari, which was appealed before the Tax Court of Bari, Intesa Sanpaolo subsequently accepted a settlement proposal from the Italian Revenue Agency, which recognised that the assessed tax had been unduly charged, limited to the amount of 262 thousand euro. As a result, the proceedings were declared terminated by ruling of 11 February 2025 by the First Instance Tax Court of Bari, which became final and binding on 11 September 2025 upon expiry of the six-month period without appeal, following the settlement reached.

Intesa Sanpaolo – Registration tax on sale of business line to former Banca Carige
On 12 March 2010, a notice of assessment for registration tax was served regarding a business line (bank branches) sold by Intesa Sanpaolo to Banca Carige, for a total of 3.2 million euro (3 million euro for tax and 0.2 million euro for interest). Pending the legal proceedings, the Bank paid two-thirds of the tax (2 million euro), plus interest, on a provisional basis. Following the adverse outcome of the dispute, the remaining amount (1 million euro for tax, plus interest) was prudently provisioned. This amount is now no longer payable due to the ten-year statutory limitation and has therefore been released.

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With regard to Intesa Sanpaolo's international branches, the following is noted.
The audit of the London branch, started with a questionnaire dated 4 January 2023 from the UK tax authority (HMRC) with regard to the year 2020 – extended in December 2024 to the year 2022 – and continued with the delivery of a substantial amount of documentation in 2023 and 2024 in response to questions from the HMRC (mainly on international transfer pricing), has now been narrowed down to a review of service provisions/transfers of goods between the branch and other Group entities, as well as the branch's own funds. According to the letter dated 9 June 2025, the only objection raised by HMRC concerns the excessive size of the branch's endowment fund, which resulted in the undue tax deduction of "notional" interest for the years 2020 to 2022, leading to estimated higher taxes of around 2.8 million euro. On 11 July 2025, the branch replied to the observations made by the local authority, indicating its willingness to consider settling the potential dispute without the application of penalties. A formal response from HMRC is awaited.

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With regard to the whole amount of the tax disputes pending as at 30 September 2025, Intesa Sanpaolo's provisional tax payment assets amounted to 14 million euro (14.3 million euro as at 30 June 2025). The decrease of 0.3 million euro was due to the combined effect of the following: i) settlement of provisional payments of 0.2 million euro for disputes closed with an unfavourable outcome for the Bank; ii) reclassification of the amount provisionally paid as a tax receivable of 0.2 million euro for disputes settled in favour of the Bank; iii) refunds pending judgment of 0.1 million euro; and iv) new payments of 0.2 million euro.
The provisional payments in question were made in compliance with specific legal provisions, which provide for the mandatory payment based on an automatic mechanism totally independent of whether the related tax claims are actually founded and, thus, irrespective of the higher or lower level of risk of a negative outcome in the related proceedings. Thus, these payments were made solely because the administrative acts containing the tax claim are enforceable even in the event of an appeal, which has no suspensive effect. Provisional tax payments do not affect assessments of the actual risk of loss, which is measured in accordance with IAS 37 for liabilities.

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 September 2025, the investment portfolios, recorded at book value, amounted to 180,612 million euro. Of these, a part amounting to 92,954 million euro relates to traditional revaluable life policies (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. The other component, whose risk is borne solely by the policyholders, consists of investments related to unit-linked policies and pension funds and amounted to 87,658 million euro.
Considering the various types of risks, the analysis of investment portfolios, described below, concentrates 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 82.5% of the assets, amounting to over 76,715 million euro, were bonds, whereas assets subject to equity risk represented around 3.1% of the total and amounted to 2,844 million euro. The remainder (13,406 million euro) consisted of investments relating to UCI, Private Equity and Hedge Funds (around 14.4%). Of these, alternatives investments amounted to 1,420 million euro and made up 1.5% of the portfolio total.
The carrying value of derivatives came to around -11 million euro, of which around -38 million euro relating to effective management derivatives, and the remaining portion (around 27 million euro) is attributable to hedging derivatives.
At the end of the first nine months of 2025, investments made with the shareholders' fund of Intesa Sanpaolo Assicurazioni and Fideuram Vita amounted to around 1,294 million euro at market value and presented a risk in terms of VaR (99% confidence level, 10-day holding period) of around 17 million euro.
The sensitivity of the fair value of the financial asset portfolio to a movement in interest rates 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 -4,383 million euro in the bond portfolios.
The distribution of the portfolio by rating class was as follows: AAA/AA bonds represented 6.4% of the total invested in bonds, while around 17.4% was in single A. The low investment grade securities (BBB) represented 72.4% of the total, while the portion of speculative grade or unrated was minimal (3.8%).
More specifically, the government bonds (56.9% of the total investments) were concentrated mainly in Italian (46.1% of total investments), Spanish (2.1%), French (3%), German (0.1%) and US (0.01%) government bonds. The remaining 5.6% related to government bonds of other countries.
The analysis of the exposure in terms of the issuers/counterparties produced the following results: securities issued by governments, central banks and other public entities made up around 69% of the total investments, whereas the securities of corporate issuers (financial institutions and industrial companies) contributed around 31% of the exposure.
At the end of the third quarter of 2025, the sensitivity of bonds fair value to a change in credit rating of issuers, intended as a market credit spreads shock of +100 basis points, was -4,519 million euro, with -3,665 million euro due to government issuers and -854 million euro to corporate issuers.