

SHAREHOLDERS' EQUITY

As at 31 March 2025, the Group's shareholders' equity amounted to 66,633 million euro compared to the 65,176 million euro as at 31 December 2024. This aggregate included the net income earned in the first three months of the year (2,615 million euro).

The Group assigned net income of 8,666 million euro for the year 2024 to reserves, pending distribution in May 2025 of the remaining cash amount to shareholders (3 billion euro), for a total payout ratio - interim dividend and remaining dividend - of 70% of 2024 consolidated net income.

Valuation reserves

	Reserve 31.12.2024	Change of the period	(millions of euro) Reserve 31.03.2025
Financial assets measured at fair value through other comprehensive income (debt instruments)	-1,972	109	-1,863
Financial assets measured at fair value through other comprehensive income (equities)	-270	28	-242
Property and equipment	1,847	-1	1,846
Foreign investment hedges	-10	-5	-15
Cash flow hedges	-119	22	-97
Foreign exchange differences	-1,490	-9	-1,499
Non-current assets held for sale and discontinued operations	-	-	-
Financial liabilities designated at fair value through profit or loss (change in its creditworthiness)	-190	51	-139
Actuarial profits (losses) on defined benefit pension plans	-178	6	-172
Portion of the valuation reserves connected with investments carried at equity	35	-15	20
Legally-required revaluations	312	-	312
Valuation reserves (excluding valuation reserves pertaining to insurance companies)	-2,035	186	-1,849
Valuation reserves pertaining to insurance companies	-297	-70	-367

Bank valuation reserves (excluding those pertaining to insurance companies) were negative (-1,849 million euro), down by 186 million euro compared to 31 December 2024 (-2,035 million euro). An improvement was seen mainly in reserves on debt securities and financial liabilities designated at fair value through profit or loss. The valuation reserves of the insurance companies, amounting to -367 million euro, increased by 70 million euro compared to the figure at the end of 2024.

OWN FUNDS AND CAPITAL RATIOS

Own funds and capital ratios	(millions of euro)	
	31.03.2025	31.12.2024
Own funds		
Common Equity Tier 1 capital (CET1) net of regulatory adjustments	39,634	39,307
Additional Tier 1 capital (AT1) net of regulatory adjustments	7,551	7,551
TIER 1 CAPITAL	47,185	46,858
Tier 2 capital net of regulatory adjustments	9,185	9,539
TOTAL OWN FUNDS	56,370	56,397
Risk-weighted assets		
Credit and counterparty risks	240,495	252,395
Market and settlement risks	13,654	12,690
Operational risks	50,262	31,098
Other specific risks (a)	225	183
RISK-WEIGHTED ASSETS	304,636	296,366
% Capital ratios		
Common Equity Tier 1 capital ratio	13.0%	13.3%
Tier 1 capital ratio	15.5%	15.8%
Total capital ratio	18.5%	19.0%

(a) The caption includes all other elements not contemplated in the foregoing captions that are considered when calculating total capital requirements.

Own Funds, risk-weighted assets and the capital ratios as at 31 March 2025 were calculated according to the harmonised rules and regulations for banks and investment firms contained in Directive 2013/36/EU (CRD) and in Regulation (EU) 575/2013 (CRR) as amended, which transpose into the European Union the standards defined by the Basel Committee on Banking Supervision (the Basel Framework), and on the basis of the related Bank of Italy Circulars.

As described in the following chapter "Risk management", from 1 January 2025 Regulation (EU) 2024/1623 (CRR3) entered into force, which transposes the principles of Basel 4 into European law. The first-time adoption of Basel 4 generated an impact of slightly more than 40 basis points on the CET 1 ratio.

Own funds

As at 31 March 2025, Own funds amounted to 56,370 million euro.

Even if the transitional period of IFRS 9 has ended, own funds take account of the provisions of the 2019 Budget Act, which temporarily called for - up to 2028 - the adjustments upon first-time adoption of the Standard to be applied in instalments for tax purposes, with the recognition of the resulting DTAs. These DTAs were fully included in the calculation of the thresholds established in Article 48 CRR, over the same time period.

Own Funds also take into account the applicable amount, object of deduction from CET1, related to the minimum coverage of losses on non-performing exposures, known as Minimum Loss Coverage, based on the provisions of Regulation (EU) 630/2019 of 17 April 2019.

The total of the programme of purchase of own shares for annulment (buyback), amounting to 2 billion euro, authorised by the Supervisory Authority and approved by the Shareholders' Meeting on 29 April 2025 was deducted from the amount of own funds.

Moreover, in compliance with Article 3 of the CRR ("Application of stricter requirements by institutions"), the calculation of the own funds as at 31 March 2025 included the voluntary deduction of around 29 basis points from the CET 1 of the calendar provisioning⁸ on exposures within the scope of Pillar 2.

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

In the calculation of own funds as at 31 March 2025, foreseeable charges⁹ were considered, while it was not included any net income of the first quarter of 2025, in compliance with the ECB's guidance, which specifically states that a supervised entity is not allowed to include any interim or year-end profits in CET1 capital in case it adopts a distribution policy that does not specify any upper limit for cash dividends and any share buybacks, and it does not commit not to distribute neither via cash dividends nor via share buybacks the profits that it wants to include in CET1.

⁸ The addendum to ECB Guidance on non-performing loans of 2018 contemplates the possibility that banks "deduce" on their own initiative specific amounts from CET 1, to anticipate supervisory requests, in the event of divergence between the prudential framework, which expects adjustments not based on credit risk measurement criteria, and the accounting framework.

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

Risk-weighted assets

As at 31 March 2025, risk-weighted assets came to 304,636 million euro, resulting primarily from credit and counterparty risk and, to a lesser extent, operational and market risks.

Common Equity Tier 1 Capital and risk-weighted assets as at 31 March 2025 take account of the impact of the application of the “Danish Compromise” (Art. 49.1 of Regulation (EU) no. 575/2013), as per the specific authorisation received from the ECB in 2019, according to which insurance investments are treated as risk-weighted assets instead of being deducted from capital.

Capital ratios

On the basis of the foregoing, capital ratios as at 31 March 2025 amounted to the following: Common Equity ratio of 13.0% (including the previously-mentioned impact of the first-time adoption of CRR3/Basel 4, equal to slightly more than 40 basis points), Tier 1 ratio of 15.5% and Total capital ratio of 18.5%.

Finally, on 10 December 2024, Intesa Sanpaolo announced that it had received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2025, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall requirement to be met in terms of Common Equity Tier 1 ratio is currently 9.84%, inclusive of the Capital Conservation Buffer, O-SII Buffer and Countercyclical Capital Buffer¹⁰ and Systemic Risk Buffer¹¹ requirements.

Reconciliation of Shareholders' equity and Common Equity Tier 1 capital

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

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

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

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

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

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

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

¹⁰ The Countercyclical Capital Buffer is calculated taking into account the exposure as at 31 March 2025 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2026, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for the first half of 2025).

¹¹ Phased-in, calculated considering the domestic exposures in March 2025. On 26 April 2024, the Bank of Italy announced the introduction of the new Systemic Risk Buffer (SyRB) amounting to 1% of the risk-weighted exposures to credit and counterparty risks for residents in Italy. The target rate must be reached gradually by establishing a reserve equal to 0.5% of the relevant exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025.