Basel 2 Pillar 3

Disclosure as at 30 September 2011

This is an English translation of the Italian original "Terzo pilastro di Basilea 2 – Informativa al pubblico al 30 settembre 2011" and has been prepared solely for the convenience of the reader. The Italian version takes precedence and will be made available to interested readers upon request to Intesa Sanpaolo S.p.A.

This document contains certain forward-looking statement, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Intesa Sanpaolo Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Basel 2 Pillar 3 Disclosures as at 30 September 2011

Intesa Sanpaolo S.p.A.
Registered office: Piazza San Carlo, 156 10121 Torino Secondary registered office: Via Monte di Pietà, 8 20121 Milano Share capital 8.545.561.614,72 Euro Registration number on the Torino Company Register and Fiscal Code 00799960158 VAT number 10810700152 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund, included in the National Register of Banks No. 5361 and Parent Company of "Intesa Sanpaolo", included in the National Register of Banking Groups.

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

Introduction

Notes to the Basel 2 Pillar 3 disclosure

The purpose of the disclosure defined as "Basel 2 Pillar 3" is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2), by encouraging market efficiency through the development of a set of disclosure requirements that will allow market participants to assess key pieces of information on regulatory capital, risk exposures, risk assessment processes, and therefore the capital adequacy of the institution. This has particular relevance under the framework introduced by Basel 2, where reliance on internal methodologies gives banks more discretion in assessing capital requirements.

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

In accordance with the provisions of the abovementioned Circular, this document is divided into sections called "Tables" and has been drawn up on a consolidated basis with reference to a "prudential" scope of consolidation, essentially corresponding to the definition of Banking Group for Regulatory purposes (integrated by the proportional consolidation of the jointly controlled entities). The Tables include both a "qualitative section" and a "quantitative section". The "Basel 2 Pillar 3" disclosure is published in accordance with the rules laid down by the Bank of Italy with the following frequency:

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

Please therefore refer to the document as at 31 December 2010 for a more comprehensive examination of the qualitative aspects. In addition, please note that the "prudential" scope of consolidation for the figures as at 30 September 2011 differs from that as at 31 December 2010 due to the sale of Cassa di Risparmio della Spezia and another 96 branches of the Group to Credit Agricole and the sale of Fideuram Bank (Suisse), as well as the acquisition of Banca Sara and Banca del Monte di Parma. In February 2011, Intesa Sanpaolo also acquired the majority of shares in Banco Emiliano Romagnolo, a mono-branch bank based in Bologna, under extraordinary administration. Although as at 30 September Intesa Sanpaolo held a majority interest in the bank (whose direct and indirect customers deposits totalled approximately 235 million euro at the end of October 2010), the investment was consolidated at equity, as it is formally still under extraordinary administration and, thus, the related carrying value was deducted from Regulatory Capital.

For the sake of completeness, please also note that the information on regulatory capital and capital adequacy is also published in the Interim Statement as at 30 September 2011.

The regulations governing the drafting of the "Basel 2 Pillar 3" disclosure require credit institutions to adopt a formal policy to meet the minimum public disclosure requirements and to put instruments in place that enable them to assess its adequacy. To this end, the Management Board and the Supervisory Board of the Parent Company Intesa Sanpaolo S.p.A. have approved a specific document "Guidelines on Pillar 3 disclosure". This document sets out the duties and responsibilities of the Corporate Bodies and the various Group departments involved in the different stages of the process governing this disclosure. Given its public importance, this document is submitted by the Manager responsible for preparing the Company's financial reports for approval to the competent Corporate Bodies. This document is therefore subject to the related certification, pursuant to Art. 154 bis of Legislative Decree 58/1998 (Consolidated Law on

Finance). As a consequence, the "Basel 2 Pillar 3" disclosure is subject to the checks and controls established in the Group's "Guidelines for administrative and financial governance", the document that sets out the rules for the application of art. 154 bis of the Consolidated Law on Finance in the Intesa Sanpaolo Group. In particular, the internal control system for accounting and financial information is designed to ensure the ongoing verification of the adequacy and effective implementation of the administrative and accounting procedures at Group level.

All the amounts reported in this disclosure, unless otherwise specified, are stated in millions of euro. The figures shown for comparison refer to the "Basel 2 Pillar 3" disclosure published as at 31 December 2010.

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

Capital ratios as at 30 September 2011

(millions of euro)

Regulatory capital and capital ratios	**30.09.2011**	**31.12.2010**
Regulatory capital		
Tier 1 capital	37.336	31.175
of which: instruments not included in Core Tier 1 ratio (*)	*4.510*	*5.016*
Tier 2 capital	13.332	16.348
Minus items to be deducted (**)	-3.199	-3.721
REGULATORY CAPITAL	**47.469**	**43.802**
Tier 3 subordinated loans	-	-
TOTAL REGULATORY CAPITAL	**47.469**	**43.802**
Risk-weighted assets		
Credit and counterparty risks	278.169	289.172
Market risks	13.503	15.385
Operational risks	27.255	27.175
Other risks (***)	3.129	426
RISK-WEIGHTED ASSETS	**322.056**	**332.158**
Capital ratios %		
Core Tier 1 ratio	10,2	7,9
Tier 1 ratio	11,6	9,4
Total capital ratio	14,7	13,2

(*) The caption includes preferred shares and, as of 31 December 2010, savings shares and preference ordinary shares.

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

(***) In relation to risk-weighted assets, the caption includes further specific capital requirements as provided for by the Supervisory Authority to the various Group entities. It also includes the supplement for the floor relating to the calculation of capital requirements for the credit risk according to IRB approaches.

Regulatory capital and related capital ratios as at 30 September 2011 have been determined in accordance with Basel 2 provisions, by applying the Bank of Italy's instructions. Moreover, effective from 31 December 2010, the new methods for determining regulatory capital, as a result of ratification of the CRD II Directive, call for the exclusion of the nominal value of preference shares issued by the Group.

As at 30 September 2011, total regulatory capital came to 47,469 million euro, compared to risk-weighted assets of 322,056 million euro, resulting primarily from credit and counterparty risk and, to a lesser extent, operational and market risk. With regard to the calculation method for weighted assets, as at 31 March 2011 this included an integration of approximately 8 billion euro for the floor set by the Supervisory Authority in reference to calculation of the requirements according to internal methods. As these methods reported lower riskiness of assets – reflected in the drop in credit and counterparty risk-weighted assets – the requirements were supplemented, taking as reference 90% of the same figure calculated with a view to Basel 1 (floor), as provided for by the Supervisory Authority. Taking into consideration that the Supervisory Authority issued an order authorising a reduction in the aforementioned floor from 90% to 85%, the calculations as at 30 June and 30 September were prepared according to the new parameters. The decrease in risk-weighted assets in the second quarter is thus mainly due to ordinary business activities, to the ongoing optimisation processes and to disposal of the assets referred to below. The increase in risk-weighted assets in the third quarter is mainly due to the acquisition of Banca Monte Parma.

Regulatory capital takes into account ordinary operations and an estimate of the dividends to be paid on 2011 net income, the amount of which has been determined on a conventional basis as three-quarters of the 2010 dividend, referring to all shares currently in issue and therefore including the new shares issued (994 million euro of the theoretical dividend 2011 totalling 1,325 million euro).

The Total capital ratio stood at 14.7%, while the Group's Tier 1 ratio was 11.6%. The ratio of Tier 1 capital net of ineligible instruments to risk-weighted assets (Core Tier 1) was 10.2%.

In addition to ordinary operations, the increase in the Core Tier 1 and Tier 1 ratio compared to 31 December 2010 derives from the capital increase resolved and subscribed during the second quarter of 2011 (approximately +150 basis points on Core Tier 1), the sale of Cassa di Risparmio della Spezia and of 96 branches to Crédit Agricole (+20 basis points on Core Tier 1 ratio), the sale of the second tranche of Findomestic (+11 basis points on Core Tier 1), the sale of part of the investment in Prada (+8 basis points on Core Tier 1), the removal of negative filters on the effects deriving from the detaxation of goodwill during the last few years (+14 basis points on the Core Tier 1 ratio), based on the specific notification of the Bank of Italy as a result of the provisions of the so-called "Milleproroghe Decree" on the matter of deferred tax assets, and from the detaxation of goodwill envisaged by Law Decree no. 98/2011 (+34 basis points on Core Tier 1). These increases were partially offset by the acquisition of Banca Monte Parma (-12 basis points on Core Tier 1), the write-downs of Greek securities (-14 basis points on Core Tier 1) and the charges for staff exit plans relating to the agreement of 29 July 2011 (-15 basis points on Core Tier 1).

Moreover, in a Regulation published on 18 May 2010, the Bank of Italy provided new supervisory instructions concerning the prudential treatment of reserves associated with debt securities issued by the central governments of EU countries and classified among "Financial assets available for sale". In particular, the Regulation allows the capital gains and losses recognised through such reserves associated with the foregoing securities to be completely neutralised effective 1 January 2010, as an alternative to the already established asymmetrical approach (full deduction of the net capital loss from Tier 1 capital and partial inclusion of the net capital gain in Tier 2 capital). The Intesa Sanpaolo Group had elected to apply this approach. Accordingly, the regulatory capital and capital ratios as at 30 September 2011 account for this measure (the effect on the Core Tier 1 ratio is +22 basis points).

Lastly, at the end of October, as part of the analysis conducted by the European Banking Authority (EBA) as regards the recapitalisation needs of Europe's banks in light of the market situation, it was confirmed that the Intesa Sanpaolo Group does not need additional capital. As at 30 June 2011 the Group had a 10.2% Core Tier 1 ratio. This would decrease to around 10% applying to the risk-weighted assets (RWAs) as at the same date the increase envisaged in the CRD3 provisions, as requested by the EBA analysis. Then, taking into account the capital buffer computed by the EBA against the Group's sovereign risk exposure recorded as at the same date, but measured on the basis of prices as at 30 September 2011, the Core Tier 1 ratio would be at around 9.2%, above the minimum level set at 9%. This is a preliminary and indicative result. It will be updated by the Authority to take into account the figures as at the end of September 2011.

Table 3 – Regulatory capital structure

Quantitative disclosure

Regulatory capital structure

The structure of the regulatory capital of the Intesa Sanpaolo Group as at 30 September 2011, which includes the effects of the 5 billion euro capital increase finalised in June, is summarised in the table below:

(millions of euro)

Information	30.09.2011	31.12.2010
A. Tier 1 capital before the application of prudential filters	**39.616**	**33.981**
B. Tier 1 capital prudential filters	**-605**	**-955**
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	-605	-955
C. Tier 1 capital before items to be deducted (A+B)	**39.011**	**33.026**
D. Items to be deducted from Tier 1 capital	**1.675**	**1.851**
E. Total Tier 1 capital (C-D)	**37.336**	**31.175**
F. Tier 2 capital before the application of prudential filters	**15.049**	**18.315**
G. Tier 2 capital prudential filters	**-42**	**-116**
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	-42	-116
H. Tier 2 capital before items to be deducted (F+G)	**15.007**	**18.199**
I. Items to be deducted from Tier 2 capital	**1.675**	**1.851**
L. Total Tier 2 capital (H-I)	**13.332**	**16.348**
M. Items to be deducted from total Tier 1 and Tier 2 capital	**3.199**	**3.721**
N. Regulatory capital (E+L-M)	**47.469**	**43.802**
O. Tier 3 capital	**-**	**-**
P. Regulatory capital including Tier 3 (N+O)	**47.469**	**43.802**

More details of the breakdown of the tier 1 and tier 2 capital are provided below; please note that "Items to be deducted from total Tier 1 and Tier 2 capital" include contributions deriving from the insurance business that refer to contracts which arose prior to 20 July 2006, and as such continue to be deducted from total capital.

Tier 1 capital

(millions of euro)

Information	30.09.2011	31.12.2010
TOTAL TIER 1 CAPITAL(*)		
- Share capital - ordinary shares (**)	8.383	6.454
- Share capital - preference savings shares (***)	488	488
- Share premium reserve	36.257	33.225
- Reserves and net income	15.185	14.299
- Non-innovative equity instruments	1.000	1.000
- Innovative equity instruments with final expiry	-	-
- Innovative equity instruments subject to transition requirements (grandfathering) (***)	3.022	3.528
- Positive IAS / IFRS prudential filters (+)		
Fair value option: changes in bank's own creditworthiness	-	-
Redeemable shares	-	-
Capital resources forming the object of forward purchase commitments included in tier 1 capital	-	-
Other positive prudential filters	-	-
TOTAL POSITIVE ITEMS	**64.335**	**58.994**
- Treasury shares or quotas (****)	-7	-7
- Goodwill	-19.557	-19.587
- Other intangible assets	-5.155	-5.419
- Loss for the period	-	-
- Adjustments to loans	-	-
- Adjustments calculated on the regulatory trading book	-	-
- Other	-	-
- Negative IAS / IFRS prudential filters (-)		
Fair value option: changes in bank's own creditworthiness	*-14*	*-11*
Negative reserves on equities and quotas of UCI available for sale	-	-
Negative reserves on debt securities available for sale (*****)	*-557*	*-453*
Net accumulated capital gain on tangible assets	-	-
Capital resources forming the object of forward purchase commitments not included in tier 1 capital	-	-
Other negative prudential filters (******)	*-34*	*-491*
TOTAL NEGATIVE ITEMS	**-25.324**	**-25.968**
TOTAL TIER 1 CAPITAL BEFORE ITEMS TO BE DEDUCTED	**39.011**	**33.026**
TOTAL ITEMS TO BE DEDUCTED	**-1.675**	**-1.851**
- Investment in the Bank of Italy	-314	-314
- Insurance subsidiaries purchased after 20 July 2006	-545	-429
- Other banking and financial investments higher than 20% of the investee's capital	-232	-436
- Excess expected losses with respect to adjustments (IRB approaches)	-490	-594
- Other deductions	-94	-78
TOTAL TIER 1 CAPITAL NET OF ITEMS TO BE DEDUCTED	**37.336**	**31.175**

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

(**) It does not include 22 millions euro of preference shares subject to grandfathering, calculated in Tier I capital in application of the transitional arrangements envisaged by Title I, Chapter 2, Section II, paragraph 1.4.1 of Circular No. 263 of 27 December 2006 – 5th update of 22 December 2010, "New regulations for the prudential supervision of banks".

(***) Securities subject to grandfathering, calculated in Tier I capital in application of the transitional arrangements envisaged by Title I, Chapter 2, Section II, paragraph 1.4.1 of Circular No. 263 of 27 December 2006 – 5th update of 22 December 2010, "New regulations for the prudential supervision of banks".

(****) The caption mainly includes ordinary shares.

(*****) The caption does not include the negative reserves on government bonds of EU countries, for which the supervisory regulations provided for the option – exercised by the Group – to exclude these from the negative Tier 1 capital filters, with an effect on the Core Tier 1 ratio of 22 basis points.

(******) Until 31 December 2010, the caption mainly included the prudential filter related to the alignment of tax values of goodwill to its book values. The filter was removed as at 31 March 2011.

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

Tier 2 capital

(millions of euro)

Information	30.09.2011	31.12.2010
TIER 2 CAPITAL (*)		
- Valuation reserves - Tangible assets		
Legally-required revaluations	*352*	*352*
Property and equipment used in operations	-	-
- Valuation reserve - Securities available for sale		
Equities and quotas of UCI	*84*	*232*
Debt securities	-	-
- Non-innovative equity instruments not included in tier 1 capital	-	-
- Innovative equity instruments not included in tier 1 capital	-	-
- Hybrid capital instruments	1.701	1.706
- Tier 2 subordinated liabilities	13.062	16.043
- Excess total adjustments with respect to expected losses	155	167
- Net capital gains on equity investments	-	-
- Other positive items	-	-
- Positive IAS / IFRS prudential filters (+)		
Net accumulated capital gain on tangible assets	-	-
Capital resources forming the object of forward purchase commitments included in tier 2 capital	-	-
Other positive items	-	-
TOTAL POSITIVE ITEMS	**15.354**	**18.500**
- Net capital losses on equity investments	-56	-22
- Loans	-	-
- Other negative items	-249	-163
- Negative IAS / IFRS prudential filters (-)		
Portion not included of the valuation reserve on property and equipment used in operations	-	-
Portion not included of positive reserves on securities available for sale - Equities	*-42*	*-116*
Portion not included of positive reserves on securities available for sale - Debt securities	-	-
Tier 2 subordinated liabilities and hybrid capital instruments forming the object of forward purchase commitments not included in tier 2 capital	-	-
Other negative filters	-	-
TOTAL NEGATIVE ITEMS	**-347**	**-301**
TOTAL TIER 2 CAPITAL BEFORE ITEMS TO BE DEDUCTED	**15.007**	**18.199**
TOTAL ITEMS TO BE DEDUCTED	**-1.675**	**-1.851**
- Investment in the Bank of Italy	-314	-314
- Insurance subsidiaries purchased after 20 July 2006	-545	-429
- Other banking and financial investments higher than 20% of the investee's capital	-232	-436
- Excess expected losses with respect to adjustments (IRB approaches)	-490	-594
- Other deductions	-94	-78
TOTAL TIER 2 CAPITAL NET OF ITEMS TO BE DEDUCTED	**13.332**	**16.348**

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

Table 4 – Capital adequacy

Quantitative disclosure

According to the "New regulations for the prudential supervision of banks" (Bank of Italy Circular 263 of 27 December 2006), which adopt the provisions on the International convergence of capital measurement and capital standards (Basel 2), the banking Group's capital must amount to at least 8% of total risk-weighted assets (total capital ratio) arising from the risks typically associated with banking and financial activity (credit, counterparty, market, and operational risk), weighted according to the regulatory segmentation of borrowers and considering credit risk mitigation techniques.

For the calculation of credit and counterparty risk capital requirements, the Intesa Sanpaolo Group, having received authorisation from the Supervisory Authority, uses the Advanced IRB approach and the foundation IRB approach for the Corporate segment and the IRB approach[1] for the Retail Mortgage segment (Residential mortgages for private individuals), from the report as at 31 December 2008 (31 December 2010 for the Advanced approach) and 30 June 2010 respectively. The complete list of the Group companies included in the scope of application of the various IRB approaches is provided in Table 7 of the half-yearly report and has not changed as at 30 September. The newly-acquired Banca Monte Parma adopts the standardised approach to calculate capital requirements for credit risk.

Specifically for the Corporate segment, for the product companies (Leasint and Mediofactoring) specific LGD models which will permit transition to the AIRB approach are planned to be issued by the end of 2011. Moreover, in the third quarter of 2011, the application for authorisation of transition to the AIRB approach was submitted for Intesa Sanpaolo Bank Ireland Plc, and in the fourth quarter, the same application will be submitted for Banca IMI. For the Retail Mortgage segment, the application for authorisation to extend the scope of application of the IRB approach to the former Casse del Centro network banks will be submitted in the fourth quarter 2011. An application for authorisation of transition to the IRB approach for the SME Retail segment is expected to be submitted in the first half of 2012.

Banks must also comply with capital requirements for market risks calculated on the whole trading book separately for the various types of risk: position risk on debt securities and equities, settlement risk and concentration risk. Moreover, with reference to the entire financial statements, foreign exchange risk and position risk on commodities must be calculated. The use of internal models to calculate the capital requirement for market risks is permitted; in particular, Intesa Sanpaolo and Banca IMI apply the internal model to calculate general position risk (price fluctuation risk) and specific risk (issuer risk) for equities, and general position risk (rate fluctuation risk) for debt securities. Intesa Sanpaolo's internal model also includes the calculation of the specific risk for certain types of credit derivatives in the trading book. Banca IMI's model includes the position risk on quotas of UCI (for the Constant Proportion Portfolio Insurance - CPPI component). The scope of validated risks has subsequently been extended to dividend derivatives and to the commodity risk for Banca IMI. Standardised approaches are used for the other types of risk. Counterparty risk is calculated independently of the portfolio of allocation.

With regard to operational risk, the Group was authorised, effective from 31 December 2009, to use the Advanced AMA Approaches (internal model) to determine the associated capital requirement on an initial scope that included the Organisational Units and Companies of the Banca dei Territori Division (excluding network banks belonging to Cassa di Risparmio di Firenze Group, but including Casse del Centro), Leasint, Eurizon Capital and VUB Banka. Effective 31 December 2010, the Group was then authorised to extend the Advanced approaches to a second set of Organisational Units and Companies of the Corporate and Investment Banking Division, in addition to Setefi, to the remaining banks of the Cassa di Risparmio di Firenze Group and to PBZ Banka. The remaining Companies, currently using the Standardised approach (TSA) or Basic Indicator Approach (BIA), will migrate progressively to the Advanced approaches starting from the end of 2011, based on the roll-out plan presented to the Management and Supervisory Authorities.

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

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

Moreover, the Intesa Sanpaolo Group was subject to a capital requirement restriction, consisting in a floor of 90% of the sum of the requirements for credit, market, counterparty and operational risk, calculated based on the Basel 1 rules. This penalty was prudently introduced by the Bank of Italy on authorising the use of Internal Methods for the calculation of requirements for credit risk in relation to several aspects deemed worthy of implementing. Taking account of the improvement achieved by the Intesa Sanpaolo Group in relation to the problems detected, the Bank of Italy authorised the reduction of said floor from 90% to 85% starting from 30 June 2011.

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

On the issue of capital adequacy, Intesa Sanpaolo has taken part in the 2011 EU-wide stress test – carried out by the European Banking Authority (EBA), in cooperation with the Bank of Italy, the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB) – whose results were released in July.

In 2011 the Group also presented its Internal Capital Adequacy Assessment Process Report as a "class 1" banking group, according to Bank of Italy classification, based on the extensive use of internal methodologies for the measurement of risk, internal capital and total capital available.

Lastly, in relation to the recent requests of the European Banking Authority (EBA) as regards the recapitalisation needs of Europe's banks, refer to that set forth in the “Introduction” of this document.

Capital requirements and capital ratios of the Intesa Sanpaolo Group

(millions of euro)

Information	30.09.2011			31.12.2010		
	Unweighted amounts	Weighted amounts	Requirements	Unweighted amounts	Weighted amounts	Requirements
A. CAPITAL REQUIREMENTS						
A.1 Credit and counterparty risks	**563.383**	**278.169**	**22.253**	**544.764**	**289.172**	**23.134**
1. Standardised approach	278.011	133.730	10.698	270.698	135.773	10.862
2. Internal models (IRB)	28.025	21.679	1.734	27.798	22.589	1.807
3. Internal models - Advanced approach and retail exposures	252.569	117.163	9.373	240.696	125.277	10.022
4. Securitisations	4.778	5.597	448	5.572	5.533	443
A.2 Market risk		**13.503**	**1.080**		**15.385**	**1.231**
1. Standardised approach		11.215	897		12.229	978
2. Internal models		2.285	183		2.523	202
3. Concentration risk		3	-		633	51
A.3 Operational risk		**27.255**	**2.180**		**27.175**	**2.174**
1. Basic indicator approach		838	67		1.613	129
2. Standardised approach		6.070	485		5.275	422
3. Advanced measurement approach		20.347	1.628		20.287	1.623
A.4 Other capital requirements		**-**	**-**		-	-
A.5 Other calculation elements (*)		**3.129**	**250**		**426**	**34**
A6 Total capital requirements		**322.056**	**25.763**		**332.158**	**26.573**
B. CAPITAL RATIOS (%)						
B.1 Core Tier 1			**10,2%**			**7,9%**
B.2 Tier 1 ratio			**11,6%**			**9,4%**
B.3 Total capital ratio			**14,7%**			**13,2%**

(*) The caption includes further specific capital requirements as provided for by the Supervisory Authority to the various Group entities and the supplement for the floor relating to the calculation of capital requirements for the credit risk according to IRB approaches.

For a better comparison of the figures for the two periods shown in the table above (figures for the previous period were not recalculated to take into account the change in the scope of consolidation), please note that:

- the sale of Cassa di Risparmio della Spezia and of 96 branches of the Group to Crédit Agricole resulted in a reduction in the assets at risk - weighted amounts - of around 3 billion euro (essentially credit and counterparty risks);
- the acquisition of Banca Monte Parma resulted in an increase in the assets at risk of around 2.7 billion euro (also in this case, essentially credit and counterparty risk).

The acquisition of Banca Sara and the sale of Fideuram Bank (Suisse) did not have a significant impact on assets at risk.

The tables below provide details of the Group's different capital requirements as at 30 September 2011.

Capital requirement for Credit and Counterparty Risk (Standardised Approach)

(millions of euro)

Regulatory portfolio	Capital requirement	
	30.09.2011	31.12.2010
Exposures to or secured by governments and central banks	92	108
Exposures to or secured by local authorities	319	287
Exposures to or secured by not for profit and public sector organisations	156	162
Exposures to or secured by multilateral development banks	-	1
Exposures to or secured by international organisations	-	-
Exposures to or secured by supervised institutions	1.258	1.194
Exposures to or secured by corporates	3.668	3.588
Retail exposures	2.716	2.892
Exposures secured by real estate property	634	626
Past due exposures	744	670
High-risk exposures	139	154
Exposures in the form of covered bonds	2	1
Short-term exposures to corporates	81	98
Exposures to UCI	171	341
Other exposures	718	740
Total capital requirement for credit risk and counterparty risk (Standardised Approach)	**10.698**	**10.862**

Capital requirement for Credit and Counterparty Risk (IRB Approach)

(millions of euro)

Regulatory portfolio	Capital requirement	
	30.09.2011	31.12.2010
A. Exposures to or secured by corporates (Foundation IRB Approach)	**10.225**	**10.795**
A.1) Specialised lending	506	515
A.2) Specialised lending - slotting criteria	264	176
A.3) SMEs	3.282	3.613
A.4) Other corporates	6.173	6.491
B. Exposures secured by residential property (IRB Approach)	**808**	**982**
B.1) Retail	808	982
C. Equity exposures (simple risk weight approach)	**74**	**52**
C.1) Private equity exposures in sufficiently diversified portfolios	28	25
C.2) Exchange-traded equity exposures	4	10
C.3) Other equity exposures	42	17
D. Equity instruments: Other assets - Ancillary investments	**-**	**-**
E. Exposures subject to supervisory transition regarding capital requirements	**-**	**-**
Total capital requirement for credit risk and counterparty risk (IRB Approach)	**11.107**	**11.829**

The equity exposures, for the companies that have adopted the IRB approach for the corporate regulatory portfolio, subject to grandfathering provisions regarding capital requirements, have a capital requirement of 180 million euro (214 million euro as at 31 December 2010).

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

Capital requirement for Credit and Counterparty Risk on securitisations (Standardised Approach) amounted to 448 million euro as at 30 September 2011 (443 million euro as at 31 December 2010).

Capital requirement for Market Risk

(millions of euro)

Information	Capital requirement	
	30.09.2011	31.12.2010
Assets included in the regulatory trading book	**961**	**1.120**
Position risk	961	1.069
Settlement risk for DVP (Delivery Versus Payment) transactions	-	-
Concentration risk	-	51
Other assets	**119**	**111**
Foreign exchange risk	84	67
Commodity risk	35	44
Total capital requirement for market risk	**1.080**	**1.231**

The capital requirement for "counterparty risk" for the regulatory trading book is 561 million euro (496 million euro as at 31 December 2010). This requirement is shown - for the individual regulatory portfolios - in the tables of capital requirements for credit risk under the standardised approach and the IRB approach.

Capital requirement for Operational Risk

(millions of euro)

Information	Capital requirement	
	30.09.2011	31.12.2010
Basic indicator approach	67	129
Standardised approach	485	422
Advanced measurement approach	1.628	1.623
Total capital requirement for operational risk	**2.180**	**2.174**

Almost all the Group companies used the Advanced Measurement Approach (AMA) and the Standardised Approach to determine capital requirements for operational risk. A small remaining number of companies use the Basic Indicator Approach (BIA). For the AMA Approach the requirement is recalculated on a half yearly basis, whereas for the Standardised and the BIA Approaches the requirement is only recalculated annually, unless one or more Group companies change approach during the year by migrating towards more sophisticated methods (as occurred in the first quarter of 2011, when the international subsidiaries Banca Intesa Beograd and Bank of Alexandria migrated from the BIA Approach to the Standardised Approach).

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

The Manager responsible for preparing the Company's financial reports, Ernesto Riva, declares, pursuant to par. 2 of art. 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document "Basel 2 - Pillar 3 as at 30 September 2011" corresponds to the corporate records, books and accounts.

8 November 2011

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

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An ability to develop new solutions, attention to and ongoing dialogue with households, businesses, the third sector and public institutions underlie Intesa Sanpaolo's commitment to contribute to Italy's growth.
A role that we carry out with professionalism, a sense of responsibility and passion, offering innovative, personalised products and services and sharing our projects with our customers.
This is the origin of the decision to tell our story through the vivid, positive stories of our customers, representing, with these images, the projects achieved, the spirit of initiative and entrepreneurial determination and ability.

Brunello Cucinelli S.p.A., Solomeo (PG).

Students in the Villa Amoretti Public Library, Torino.

I Leprotti, Abbiategrasso (MI).

Photovoltaic plant in Montalto di Castro, Viterbo.

The Venturino family, Maretto (AT).

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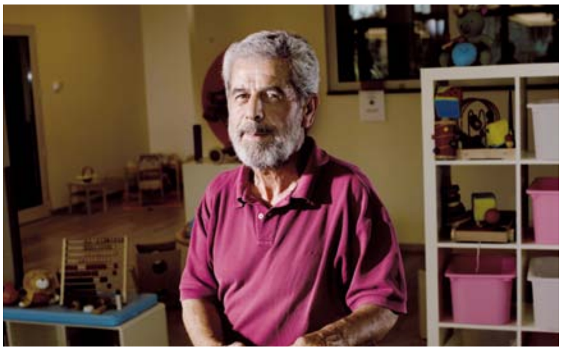

La Casa dei Girasoli, "Genitori Oggi" Non-Profit Voluntary Association, San Giustino Umbro (PG).

Photo: Alessandro Digaetano