



# **Intesa Sanpaolo Resolution Plan Section 1: Public Section**

**June 29, 2022**

## Section 1 – Public Section

### Table of Contents

1. Public Section .....	1-2
1.I. Summary of Resolution Plan .....	1-2
1.I.A. Material Entities .....	1-4
1.I.B. Core Business Lines .....	1-4
1.I.B.1. Wholesale Bank .....	1-4
1.I.B.2. Broker-Dealer .....	1-5
1.I.C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources .....	1-5
1.I.C.1. Capital .....	1-6
1.I.C.2. Funding .....	1-7
1.I.D. Description of Derivative and Hedging Activities .....	1-7
1.I.E. Memberships in Material Payment, Clearing and Settlement Systems .....	1-8
1.I.F. Foreign Operations .....	1-8
1.I.G. Material Supervisory Authorities .....	1-10
1.I.H. Principal Officers .....	1-10
1.I.I. Resolution Planning Corporate Governance Structure and Processes .....	1-11
1.I.J. Material Management Information Systems .....	1-11
1.I.K. Description of Resolution Strategy .....	1-12

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## 1. Public Section

### 1.I. Summary of Resolution Plan

On September 13, 2011, the Board of Governors of the Federal Reserve System (the “**FRB**”) and the Federal Deposit Insurance Corporation (the “**FDIC**” and, together with the FRB, the “**Agencies**”) jointly adopted a final rule pursuant to Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (FRB Regulation QQ, Part 381 of the FDIC Regulations) (the “**165(d) Rule**”) to implement resolution planning requirements for certain nonbank financial companies, bank holding companies and foreign banking organizations treated as bank holding companies.

The 165(d) Rule requires that a foreign banking organization treated as a bank holding company with operations in the United States and more than \$50 billion in total consolidated global assets submit to the FRB and the FDIC a plan for the rapid and orderly resolution of the covered company’s U.S. operations in the event of material distress or failure. Intesa Sanpaolo S.p.A. (on a consolidated basis, “**Intesa Sanpaolo**” and, on an unconsolidated basis, the “**Bank**”) has total consolidated global assets in excess of \$50 billion, is therefore deemed to be a “covered company” pursuant to the 165(d) Rule and is required to

file a resolution plan submission (the “**Resolution Plan**”) for its U.S. operations with the FRB and the FDIC.

In 2019, the Agencies jointly adopted a final rule (the “**Final Rule**”) that revised the 165(d) Rule. The Final Rule established a category of triennial reduced filers for certain covered companies, including Intesa Sanpaolo, with limited U.S. operations and activities.<sup>1</sup> Under the revised Final Rule, triennial reduced filers such as Intesa Sanpaolo must file a “reduced” U.S. Resolution Plan every three years, including for the July 2022 submission.<sup>2</sup> The reduced resolution plan must provide a description of each material change experienced by Intesa Sanpaolo since filing its previous resolution plan (or affirmation that no such material change has occurred), and a description of changes to the strategic analysis previously submitted resulting from any change in law or regulation, guidance or feedback from the Agencies, or other material change.<sup>3</sup> Intesa Sanpaolo has determined that there have been no material changes since its previously submitted resolution plan on December 31, 2018 and no changes to the strategic analysis.

As of December 31, 2021, Intesa Sanpaolo is one of the top banking groups in Europe. Intesa Sanpaolo (the Parent Company) has an international network specialized in providing support to corporate customers, in particular Europe, the Americas and Asia . As of December 31, 2021, it had 97,698 employees and 4,719 branches worldwide.

Intesa Sanpaolo’s U.S. operations consist of activities of the Corporate and Investment Banking Division, together with funding activities. Intesa Sanpaolo does not conduct retail banking in the US.

Intesa Sanpaolo is providing (i) information required by the 165(d) Rule, as well as (ii) other relevant or useful information, including:

- A. The “material entities” (“**MEs**”) within Intesa Sanpaolo’s U.S. operations;
- B. The “core business lines” (“**CBLs**”) within Intesa Sanpaolo’s U.S. operations;
- C. Summary financial information regarding assets, liabilities, capital and major funding sources;
- D. Description of derivative and hedging activities;
- E. Memberships in material payment, clearing and settlement systems;
- F. Description of foreign operations;
- G. Material supervisory authorities;
- H. Principal officers;

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<sup>1</sup> “Triennial reduced filers” are defined in the Final Rule as “any covered company that is not a global systemically important [bank holding company], nonbank financial company supervised by the Board, category II banking organization, or category III banking organization.” 12 CFR 243.4(c)(1).

<sup>2</sup> See Resolution Plans Required, 84 Fed. Reg. 59194 (Nov. 1, 2019); 12 CFR 243.4(c)(1); 12 CFR 243.7.

<sup>3</sup> 12 CFR 243.7.

- I. Corporate governance structure and processes related to resolution planning;
- J. Material management information systems; and
- K. Intesa Sanpaolo's U.S. resolution strategy.

As described in more detail in Section 1.I.K, the Resolution Plan demonstrates how the MEs and CBLs within Intesa Sanpaolo's U.S. operations can be resolved in an orderly wind-down and liquidation under the applicable U.S. insolvency regimes. Intesa Sanpaolo has a limited footprint in the United States and has no critical operations ("COs") whose failure or discontinuance would pose a threat to the financial stability of the United States.

### 1.I.A. Material Entities

The 165(d) Rule defines an ME as an entity that is significant to the activities of a CO or CBL. As described in the following section, Intesa Sanpaolo identified its CBLs based on analysis of several factors. Using these CBLs as the foundation for its analysis of its legal entities, Intesa Sanpaolo identified two MEs. (As noted above, Intesa Sanpaolo has no COs). Intesa Sanpaolo performed this analysis using key performance metrics to assess materiality. The MEs are:

- **Intesa Sanpaolo New York Branch ("ISPNY")**, licensed by the New York State Department of Financial Services and approved by the FRB as a New York branch of a foreign bank. ISPNY accepts only wholesale deposits which are not insured by the FDIC.
- **Intesa Sanpaolo IMI Securities Corp. ("IMI Securities")**, a registered broker-dealer under the Securities Exchange Act of 1934. IMI Securities is an indirect, wholly-owned subsidiary of the Bank.

Intesa Sanpaolo does not control any U.S. insured depository institution.

### 1.I.B. Core Business Lines

Under the 165(d) Rule, a business line is considered "core" if its failure would result in a material loss of revenue, profit or franchise value. On the basis of this definition, and applying a set of key performance metrics, Intesa Sanpaolo identified two CBLs, each of which is described in more detail below. Of these two CBLs, one—the Wholesale Bank CBL—operates through ISPNY. The second CBL—the Broker-Dealer CBL—operates through IMI Securities.

#### 1.I.B.1. Wholesale Bank

The Wholesale Bank CBL has two sub-businesses: Corporate Banking and Treasury. It also provides U.S. dollar clearing services to the Bank.

- The Corporate Banking sub-business provides financial support to multinational and Italian corporate clients in expanding their business, and conducts business activities with financial institutions. While Corporate Banking primarily focuses on commercial lending and trade and

export finance solutions, other product and service offerings include U.S.-based investing, and the provision of financial management services to U.S. subsidiaries of Intesa Sanpaolo's Italian customers.

- The Treasury sub-business is responsible for handling money market and foreign exchange (“FX”) activity in support of the funding needs of ISPNY as well as for managing the fixed income liquidity portfolio of ISPNY.

### 1.I.B.2. Broker-Dealer

The Broker-Dealer CBL consists of two main sub-businesses: Facilitation and Intermediation, and Capital Investments.

- The Facilitation and Intermediation sub-business provides market access and risk management solutions to Intesa Sanpaolo and its customers via the secondary trading markets in equity and debt securities. Moreover, with reference to Primary Market activity, IMI Securities acts as a “chaperone” under Rule 15a-6 to facilitate these U.S. clients obtaining underwriting services from the Bank.
- The Capital Investments sub-business invests excess capital in U.S. government securities for capital management purposes and to enhance the liquidity position of IMI Securities.

Intesa Sanpaolo elected, effective October 24, 2019, to be treated as a financial holding company pursuant to sections 4(k) and 4(l) of the Bank Holding Company Act of 1956 and section 225.91 of the FRB’s Regulation Y. Intesa Sanpaolo anticipates that following this change, it may in the future engage in increased underwriting activity in the United States, which it would do through IMI Securities.

### 1.I.C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

The consolidated balance sheet for Intesa Sanpaolo as of December 31, 2021 is presented below. Figures are in millions of Euros and have been prepared in accordance with International Financial Reporting Standards.

**Exhibit 1-1: Intesa Sanpaolo Consolidated Balance Sheet as of December 31, 2021**

Assets	In Millions (€)
Cash and cash equivalents	14,756
Due from banks	162,121
Loans to customers	465,254
Financial assets measured at amortised cost which do not constitute loans	43,325
Financial assets at fair value through profit or loss	51,636
Financial assets at fair value through other comprehensive income	66,841
Financial assets pertaining to insurance companies measured at fair value pursuant to IAS 39	206,800

Assets	In Millions (€)
Financial assets pertaining to insurance companies measured at amortised cost pursuant to IAS 39	85
Investments in associates and companies subject to joint control	1,652
Property, equipment and intangible assets	20,134
Tax assets	18,808
Non-current assets held for sale and discontinued operations	1,422
Other assets	16,169
<b>Total Assets</b>	<b>1,069,003</b>
Liabilities and Shareholders' Equity	In Millions (€)
Due to banks at amortised cost	165,250
Due to customers at amortised cost and securities issued	543,418
Financial liabilities held for trading	56,306
Financial liabilities designated at fair value	3,674
Financial liabilities pertaining to insurance companies measured at amortised cost pursuant to IAS 39	2,139
Financial liabilities pertaining to insurance companies measured at fair value pursuant to IAS 39	84,770
Tax liabilities	2,285
Liabilities associated with non-current assets held for sale and discontinued operations	30
Other liabilities	21,954
Technical reserves	118,296
Allowances for risks and charges	6,815
Share capital	10,084
Reserves	44,856
Valuation reserves	-709
Valuation reserves pertaining to insurance companies	476
Interim dividend	-1,399
Equity instruments	6,282
Minority interests	291
Net income (loss)	4,185
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,069,003</b>

Intesa Sanpaolo's U.S. operations (on an unconsolidated basis) represent slightly less than 2% of Intesa Sanpaolo's total assets as of December 31, 2021.

### 1.I.C.1. Capital

Intesa Sanpaolo is responsible for the maintenance of regulatory and economic capital adequacy requirements in accordance with Italian regulations. The Intesa Sanpaolo capital management process ensures that risk-based capital considerations are factored into the planning of business objectives. This process enables Intesa Sanpaolo to ensure that it maintains appropriate levels of capital to operate within the agreed-upon risk limits and to meet minimum regulatory capital requirements.

Intesa Sanpaolo considers the management and allocation of capital resources to be an instrument for strategic leverage, as well as a way to ensure consistency across the operating plans of the business units. Once Intesa Sanpaolo's strategic profitability, capital soundness and liquidity objectives have been defined, capital and financial resources are allocated to the business units through a process that evaluates their growth potential, capacity to generate value and financial autonomy. The capital at risk considered is twofold:

- regulatory capital covering Pillar 1 risks;
- economic capital covering both Pillar 1 and Pillar 2 risks, for ICAAP purposes.

As of December 31, 2021, Intesa Sanpaolo's total risk-based capital ratio stood at 19.1%, while the ratio of its tier 1 to its total risk-weighted assets (tier 1 ratio) was 16.4%. The Common Equity Tier 1 risk-based capital ratio stood at 14.5%.

### 1.I.C.2. Funding

Intesa Sanpaolo's liquidity management is integrated into a comprehensive, global and centralized funding and liquidity management approach for Intesa Sanpaolo, in accordance with its guidelines, and is largely governed by the Bank's Head Office. Intesa Sanpaolo's short- and medium-term funding is appropriately diversified in terms of investor groups, regions, products and currencies. ISPNY is primarily funded through intra-group and third-party deposits, placement of short term Commercial Paper and Yankee CDs. IMI Securities invests in U.S. government securities to enhance its liquidity profile. In addition, IMI Securities has established lines of credit with the Bank.

Intesa Sanpaolo's comprehensive funding and liquidity management are conducted through the use of various corporate bodies, starting at Intesa Sanpaolo's Board of Directors level, internal governance structures and operational functions.

For further information about Intesa Sanpaolo's financial condition and results of operations at and for the year ended December 31, 2021, please refer to the 2021 Intesa Sanpaolo Group Report on Operations and Consolidated Financial Statements ("**Annual Report 2021**").<sup>4</sup>

### 1.I.D. Description of Derivative and Hedging Activities

Within Intesa Sanpaolo's U.S. operations, derivatives are used to manage exposure to the risk of unfavorable interest rate movements (interest rate swaps) and unfavorable FX rate movements (FX forwards and FX swaps) affecting the balance sheet of ISPNY. Intesa Sanpaolo only engages in transactions using instruments that are permitted for banks under applicable banking and commodities law. When hedging risks in the investment book, Intesa Sanpaolo's Treasury function adheres to Intesa Sanpaolo's current hedging policy based on the applicable accounting standard, International Accounting

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<sup>4</sup> Intesa Sanpaolo Annual Report 2021, available at [https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2021/2021\\_Annual\\_report.pdf](https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2021/2021_Annual_report.pdf)

Standard 39 (“IAS 39”). All assets and new specific hedge transactions are booked in designated portfolios.

In accordance with IAS 39, derivative instruments used for hedging purposes are only reported under trading assets or trading liabilities if they do not meet the conditions for the application of hedge accounting. Otherwise, they are shown as fair values from derivative hedging instruments.

### 1.I.E. Memberships in Material Payment, Clearing and Settlement Systems

Intesa Sanpaolo has memberships with financial market utilities (“FMUs”), including financial institutions, to facilitate the payment, clearing and settlement of transactions. The table below summarizes material FMU memberships.

**Exhibit 1-2: Material Financial Market Utilities and Financial Institutions**

Contracting Legal Entity	Material Financial Market Utilities and Financial Institutions
The Bank	Clearing House Interbank Payments System
The Bank	SWIFT
The Bank	Continuous Linked Settlement (CLS)
ISPNY	Fedwire
ISPNY	FedACH
ISPNY	Depository Trust Clearing Corporation (accessed through BNYM)
IMI Securities	The Bank of New York Mellon
IMI Securities	Depository Trust Clearing Corporation
IMI Securities	National Securities Clearing Corporation
IMI Securities	Government Securities Division (“GSD”) of FICC (accessed through BONY)
IMI Securities	Clearstream

### 1.I.F. Foreign Operations

As described above, Intesa Sanpaolo, as a Parent Company, is one of the largest banking groups in Italy and in Europe. Intesa Sanpaolo has an international network specialized in providing support to corporate customers, focusing primarily on Europe, the Americas and Asia. Intesa Sanpaolo’s activities are divided into six business areas: the *Banca dei Territori* (Territorial Bank) Division, the Corporate and Investment Banking Division, the International Subsidiary Banks Division, the Private Banking Division, the Insurance Division, and the Asset Management Division.



**Exhibit 1-3: Intesa Sanpaolo Structure**

**AMERICA**

Direct Branches	Representative Offices
New York	Washington D.C.

Country	Subsidiaries	Branches
Brazil	Intesa Sanpaolo Brasil	1

**AUSTRALIA/OCEANIA**

Direct Branches
Sydney

**ASIA**

Direct Branches	Representative Offices
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Abu Dhabi	Beijing
Doha	Beirut
Dubai	Ho Chi Minh City
Hong Kong	Jakarta
Shanghai	Mumbai
Singapore	Seoul
Tokyo	

Country	Subsidiaries	Branches
UAE	Reyl	1

**EUROPE**

Direct Branches	Representative Offices
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Frankfurt	Brussels <sup>(1)</sup>
Istanbul	Moscow
London	
Madrid	
Paris	
Warsaw	



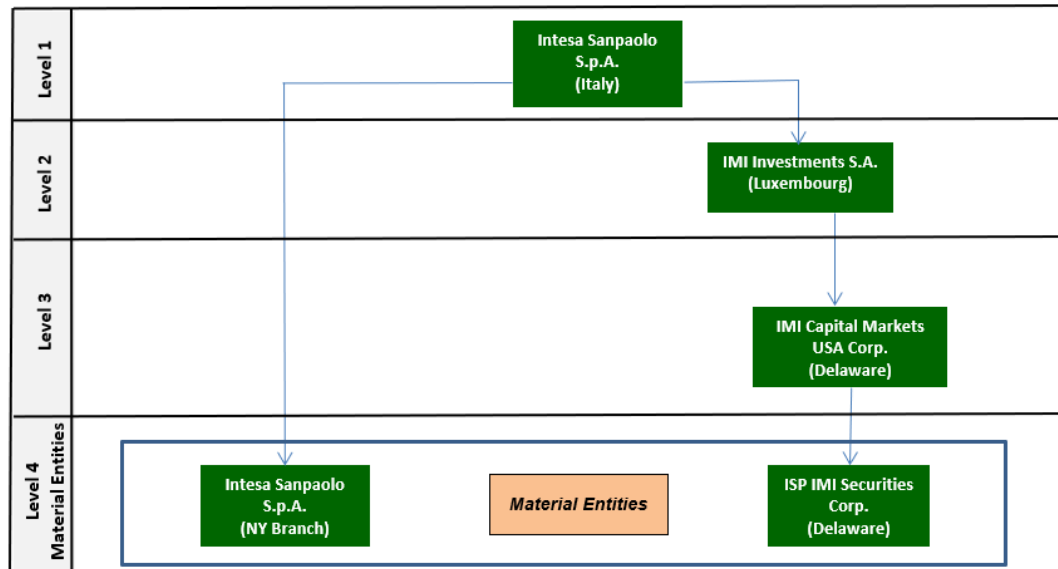
Country	Subsidiaries	Branches
Albania	Intesa Sanpaolo Bank Albania	35
Bosnia and Herzegovina	Intesa Sanpaolo Banka Bosna i Hercegovina	47
Croatia	Privredna Banka Zagreb	153
Czech Republic	VUB Banka	1
Hungary	CIB Bank	61
Ireland	Intesa Sanpaolo Bank Ireland	1
Luxembourg	Fideuram Bank Luxembourg	1
	Intesa Sanpaolo Bank Luxembourg	1
Moldova	Eximbank	17
Romania	Intesa Sanpaolo Bank Romania	33
Russian Federation	Banca Intesa	27
Serbia	Banca Intesa Beograd	147
Slovakia	VUB Banka	167
Slovenia	Intesa Sanpaolo Bank	44
Switzerland	Reyl	3
	Intesa Sanpaolo Private Bank (Suisse) Morval	2
The Netherlands	Intesa Sanpaolo Bank Luxembourg	1
Ukraine	Pravex Bank	45
United Kingdom	Intesa Sanpaolo Private Bank (Suisse) Morval	1

**AFRICA**

Representative Offices	Country	Subsidiaries	Branches
Cairo	Egypt	Bank of Alexandria	175

Figures as at 31 December 2021  
(1) European Regulatory & Public Affairs

**Exhibit 1-4: 165(d) Resolution Plan Material Entities of Intesa Sanpaolo**



For further information regarding Intesa Sanpaolo's global operations, please refer to the Annual Report 2017.

### 1.I.G. Material Supervisory Authorities

Intesa Sanpaolo is regulated by the European Central Bank and the Bank of Italy on a consolidated basis and, within the United States, by the following supervisory authorities for Intesa Sanpaolo's respective MEs:

#### Exhibit 1-5: Material Supervisory Authorities for ISPNY

Supervisory Authority	Jurisdiction
New York State Department of Financial Services	New York
Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York	United States; New York
National Futures Association	United States
Commodity Futures Trading Commission	United States

#### Exhibit 1-6: Material Supervisory Authorities for IMI Securities

Supervisory Authority	Jurisdiction
Financial Industry Regulatory Authority Inc.	United States
Securities and Exchange Commission	United States

### 1.I.H. Principal Officers

The table below lists the principal officers of Intesa Sanpaolo.

Name	Title
Gian Maria Gros-Pietro	Chairman of the Board of Directors
Carlo Messina	Managing Director and Chief Executive Officer
Davide Alfonsi	Chief Risk Officer
Paola Angeletti	Chief Operating Officer
Stefano Barrese	Head, Banca dei Territori Division
Piero Boccassino	Chief Compliance Officer
Tommaso Corcos	Head, Private Banking Division
Stefano Del Punta	Chief Financial Officer
Nicola Maria Fioravanti	Head, Insurance Division
Paolo Maria Vittorio Grandi	Chief Governance Officer
Alfonso Guido	Chief Cost Management Officer

Name	Title
Stefano Lucchini	Chief Institutional Affairs and External Communication Officer
Mauro Micillo	Head, IMI Corporate and Investment Banking Division
Saverio Perissinotto	Head, Asset Management Division
Massimo Proverbio	Chief IT, Digital and Innovation Officer
Marco Elio Rottigni	Head, International Subsidiary Banks Division
Raffaello Ruggieri	Chief Lending Officer
Claudio Testa	Chief Audit Officer

### 1.1.I. Resolution Planning Corporate Governance Structure and Processes

Intesa Sanpaolo fully supports the goals and objectives of the FRB and FDIC with respect to resolution planning and has adopted a robust corporate governance structure that includes, based in ISPNY, the establishment of a local U.S. Resolution Plan Advisory Committee (“**Advisory Committee**”) and a local U.S. Resolution Plan Working Group (“**Working Group**”), both of which include key officers of ISPNY and IMI Securities. The Advisory Committee is chaired by the Country Manager US & Americas, and the Working Group is comprised of key managers of both Material Entities. The Advisory Committee provides overall project guidance, review and local approval of key milestones related to the preparation of the Resolution Plan. The Working Group is responsible for drafting and finalizing resolution planning documentation, as well as for preparing reports and status updates for the Advisory Committee. Both external and internal legal counsel provide guidance on regulatory requirements and developments.

The U.S. Resolution Plan is approved by the Intesa Sanpaolo Board of Directors (*Consiglio di Amministrazione*) following its review and vetting (i) at a local level by the Advisory Committee, and (ii) at the level of Intesa Sanpaolo’s Head Office by the Chief Financial Officer Area relating to Group Recovery and Resolution Plan, which is responsible for the coordination and alignment of such activities across the Intesa Sanpaolo group.

The necessary processes to ensure the ongoing development and maintenance of the U.S. Resolution Plan have been incorporated into Intesa Sanpaolo’s business-as-usual procedures, and the Advisory Committee and Working Group are staffed with full-time personnel.

### 1.1.J. Material Management Information Systems

Management Information Systems (“**MIS**”) for Intesa Sanpaolo’s U.S. Operations represents all key systems and their associated Intellectual Property and infrastructure, including data centers, used to report essential management information. To identify systems that are key on an ongoing basis for enterprise risk reporting, accounting, financial and regulatory reporting, Intesa Sanpaolo’s U.S. Operations asked members of senior management at ISPNY and IMI Securities who are responsible for managing the enterprise risk reporting, accounting, financial and regulatory reporting to provide the list of key applications that produce such reports.

Intesa Sanpaolo relies on both internal and external systems in order to support its business operations. The types of MIS reports used are listed below:

- Risk reporting includes reports prepared to manage, monitor, control and analyze credit, market, operational and liquidity risks for Intesa Sanpaolo's MEs and CBLs.
- Accounting, financial and regulatory reporting includes internal actual and forecasted daily and monthly financial performance management reports and analyses provided to business heads and senior management of ISPNY and IMI Securities, as well as to provide regulators with requested and required information on a regular basis.

### **1.I.K. Description of Resolution Strategy**

As described above, Intesa Sanpaolo has a limited footprint in the United States and has no COs whose failure or discontinuance would pose a threat to the financial stability of the United States. Intesa Sanpaolo does not control any U.S. insured depository institution. Intesa Sanpaolo has designated two MEs – ISPNY and IMI Securities.

For purposes of this Resolution Plan, Intesa Sanpaolo has adopted a “worst case” resolution strategy under which, even if Intesa Sanpaolo's resolution proceedings in Italy result in the continuation of Intesa Sanpaolo or the transfer of its business to another legal entity, its U.S. operations are not continued and each of its MEs is wound down pursuant to its applicable resolution regime.

- For ISPNY, a New York branch of a foreign bank, liquidation would proceed under the New York State Banking Law under the control of the Superintendent of the New York State Department of Financial Services. In liquidating ISPNY, the Superintendent would also wind down the Wholesale Bank CBL associated with ISPNY.
- For IMI Securities, a broker-dealer, liquidation would proceed under the Securities Investor Protection Act of 1970 under the control of the Securities Investor Protection Corporation Trustee. In liquidating IMI Securities, the appointed trustee would also wind down the Broker-Dealer CBL associated with IMI Securities.

Because of the limited presence of Intesa Sanpaolo in the United States and the respective resolution regimes of each of its MEs, the discontinuation of these MEs would be expected to proceed in an orderly fashion and would not have an adverse effect on the financial stability of the United States. As noted above, there have been no material changes to Intesa Sanpaolo's strategy for the rapid and orderly resolution of its U.S. operations since the previous submission of its Resolution Plan to the FRB and FDIC.