



Intesa Sanpaolo Resolution Plan Section 1: Public Section

December 27, 2013

Section 1 – Public Section

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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**”) jointly adopted a final rule pursuant to Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Federal 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 bank holding company or foreign banking organizations 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 on an annual basis a plan for the rapid and orderly resolution in the event of material distress or failure of the covered company’s U.S. operations. Intesa Sanpaolo S.p.A. (on a consolidated basis, “**Intesa Sanpaolo**” and, on an unconsolidated basis, the “**Bank**”) had 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 (the “**Resolution Plan**”) for its U.S. operations with the FRB and the FDIC by December 31, 2013.

As of December 31, 2012, Intesa Sanpaolo was one of the largest banking groups in Italy, and one of the largest banking groups in Europe. Intesa Sanpaolo has an international network specialized in providing support to corporate customers in 29 countries, in particular Europe, the Middle East, and North Africa, and in other areas where Italian businesses are most active, including the United States, China and India. As of December 31, 2012, it had 19.2 million customers and 6,841 branches worldwide. The focus of Intesa Sanpaolo’s international activities, however, is on Italy and the rest of Europe.

Intesa Sanpaolo’s U.S. operations consist of activities of the Corporate and Investment Banking Division, together with funding activities.

Intesa Sanpaolo is providing the information required by the 165(d) Rule, 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;
- 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 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 very 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 a ME as an entity that is significant to the activities of a 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.

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 (the “NYDFS”) 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.
- **Banca IMI Securities Corp. (“IMI Securities”)**, a registered broker-dealer under the Securities Exchange Act of 1934 and a registered introducing broker under the Commodity Exchange Act. 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 is organized into three primary sub-businesses: Corporate Banking; Treasury; and Proprietary Trading. It also provides U.S. dollar (“USD”) clearing services to the Bank, other Intesa Sanpaolo entities and third parties.

- 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 (“MM”) and FX activity in support of the funding needs of ISPNY as well as for managing the fixed income liquidity portfolio of ISPNY.
- The Proprietary Trading sub-business is a legacy business which is responsible for investing in collateralized debt obligations (“CDOs”), both in cash and synthetic formats, as well as credit derivatives.

1.I.B.2. Broker-Dealer

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

- The Intermediation sub-business has the primary mandate to act in an agency and riskless principal capacity to provide market access and risk management solutions to Intesa Sanpaolo and its clients via equity and debt markets, fixed income sales and distribution activities as well as securities lending services.
- The Capital Investments sub-business invests excess capital in liquid, investment grade corporate and sovereign securities for capital management purposes and to enhance the liquidity position of 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, 2012 is presented below. Figures are in millions of Euros and have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Exhibit 1-1: Intesa Sanpaolo Consolidated Balance Sheet as of December 31, 2012

Assets	In Millions (€)
Financial assets held for trading	63,546
<i>of which: Insurance Companies</i>	1,125
Financial assets designated at fair value through profit and loss (“P&L”)	36,887
<i>of which: Insurance Companies</i>	35,748
Financial assets available for sale	97,209
<i>of which: Insurance Companies</i>	43,527
Investments held to maturity	2,148
Due from banks	36,533
Loans to customers	376,625
Investments in associates and companies subject to joint control	2,706
Property, equipment and intangible assets	20,249
Tax assets	12,563
Non-current assets held for sale and discontinued operations	25
Other assets	24,981
Total Assets	673,472
Liabilities and Shareholders' Equity	In Millions (€)
Due to banks	73,352
Due to customers and securities issued	377,358
<i>of which: Insurance Companies</i>	68
Financial liabilities held for trading	52,195
<i>of which: Insurance Companies</i>	79
Financial liabilities designated at fair value through P&L	27,047
<i>of which: Insurance Companies</i>	27,038
Tax liabilities	3,494

Liabilities and Shareholders' Equity	In Millions (€)
Liabilities associated with non-current assets held for sale and discontinued operations	–
Other liabilities	30,617
Technical reserves	54,660
Allowances for specific purpose	4,550
Share capital	8,546
Reserves	40,861
Valuation reserves	–1,399
Minority interests	586
Net income (loss)	1,605
Total Liabilities and Shareholders' Equity	673,472

Intesa Sanpaolo's U.S. operations (on an unconsolidated basis) represent less than 2% of Intesa Sanpaolo's total assets as of December 31, 2012.

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;
- overall internal capital covering Pillar 2 risks, for ICAAP purposes.

As of December 31, 2012, the total risk-based capital ratio of Intesa Sanpaolo was 13.6%. As of the same date, the core Tier 1 risk-based capital ratio was 11.2% and the Tier 1 risk-based capital ratio was 12.1%.

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 and IMI Securities are largely funded through deposits and securities loaned, respectively.

Intesa Sanpaolo’s comprehensive funding and liquidity management structure is managed through the use of various corporate bodies, internal governance structures and functions, from the level of Intesa Sanpaolo’s Supervisory Board and Managing Board downwards.

For further information about Intesa Sanpaolo’s financial condition and results of operations at and for the year ended December 31, 2012, please refer to the 2012 Intesa Sanpaolo Group Report on Operations and Consolidated Financial Statements (“**Annual Report 2012**”).¹

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 foreign exchange (“**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 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 (“ CHIPS ”)
The Bank	SWIFT
ISPNY	Fedwire
ISPNY	FedACH
IMI Securities	The Bank of New York Mellon (“ BONY ”)
IMI Securities	Depository Trust Clearing Corporation (“ DTCC ”)
IMI Securities	National Securities Clearing Corporation (“ NSCC ”)
IMI Securities	Clearstream

¹ Intesa Sanpaolo Annual Report 2012, *available at* <http://www.group.intesasanpaolo.com/script/sir0/si09/contentData/view/content-ref?id=CNT-04-0000001197C1>.

1.1.F. Foreign Operations

As described above, Intesa Sanpaolo 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 in 29 countries, in particular Europe, the Middle East, and North Africa, and in other areas where Italian businesses are most active, including the United States, China and India. As of December 31, 2012, it had over 96,000 employees. Intesa Sanpaolo's activities are divided into five business units: Banca dei Territori (Territorial Bank) Division, Corporate and Investment Banking Division, International Subsidiary Banks Division, Eurizon Capital and Banca Fideuram.

Exhibit 1-3: Intesa Sanpaolo Structure²

AMERICA

Direct Branches	Representative Offices
George Town	Santiago
New York	São Paulo

ASIA

Direct Branches	Representative Offices
Dubai	Abu Dhabi
Hong Kong	Beijing
Shanghai	Beirut
Singapore	Ho Chi Minh City
Tokyo	Mumbai
	Seoul
	Tehran ⁽³⁾

EUROPE

Direct Branches	Representative Offices
Amsterdam	Athens
Dornbirn ⁽¹⁾	Brussels ⁽²⁾
Frankfurt	Istanbul
Innsbruck ⁽¹⁾	Moscow
London	Stockholm
Madrid	Warsaw
Paris	



Country	Subsidiaries	Branches
Albania	Intesa Sanpaolo Bank Albania	31
Bosnia and Herzegovina	Intesa Sanpaolo Banka Bosna i Hercegovina	54
Croatia	Privredna Banka Zagreb	211
Czech Republic	VUB Banka	1
Hungary	CIB Bank	108
Ireland	Intesa Sanpaolo Bank Ireland	1
Luxembourg	Banca Fideuram	1
	Société Européenne de Banque (SEB)	1
Romania	Intesa Sanpaolo Bank Romania	86
Russian Federation	Banca Intesa	76
Serbia	Banca Intesa Beograd	199
Slovakia	VUB Banka	241
Slovenia	Banka Koper	54
Switzerland	Intesa Sanpaolo Private Bank (Suisse)	1
Ukraine	Pravex-Bank	259
United Kingdom	Banca IMI	1

AFRICA

Representative Offices	Country	Subsidiaries	Branches
Cairo	Egypt	Bank of Alexandria	200
Casablanca			
Tunis			

Figures as at 31 December 2012

Figures as of December 31, 2012

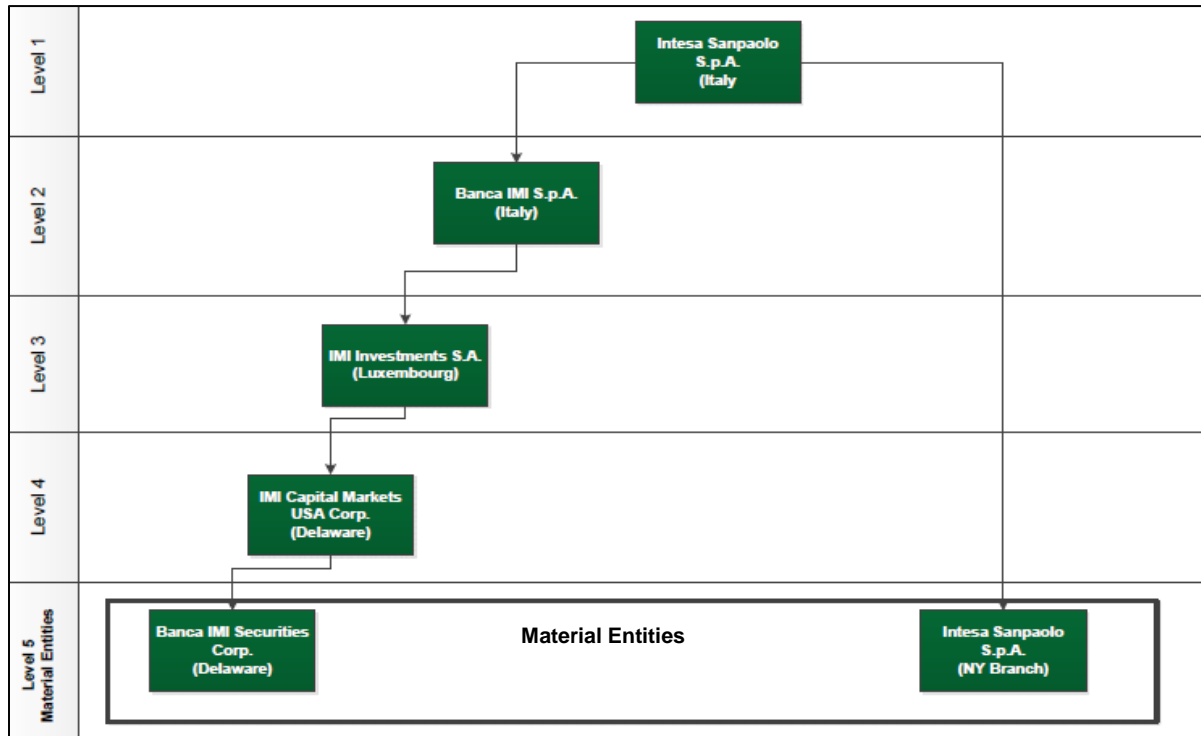
(1) Branches of Italian subsidiary Banca di Trento 3 Bolzano

(2) International Regulatory and Antitrust Affairs and Intesa Sanpaolo Eurodesk

(3) Suspended business

² Reflects direct subsidiaries of Intesa Sanpaolo only.

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



For further information regarding Intesa Sanpaolo’s global operations, please refer to Annual Report 2012.

1.1.G. Material Supervisory Authorities

Intesa Sanpaolo is regulated by 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 (“NYDFS”)	New York
Federal Reserve Bank of New York (“NY Fed”)	New York
Bank of Italy	Italy

Exhibit 1-6: Material Supervisory Authorities for IMI Securities

Supervisory Authority	Jurisdiction
Financial Industry Regulatory Authority Inc. (“ FINRA ”)	United States
Securities and Exchange Commission (“ SEC ”)	United States
National Futures Association (“ NFA ”)	United States
Commodities and Futures Trading Commission (“ CFTC ”)	United States

1.I.H. Principal Officers

The tables below list the principal executive officers of Intesa Sanpaolo’s MEs as of December 31, 2012.

Exhibit 1-7: Senior Management – ISPNY

Name	Title
Massimiliano Cattozzi	EVP, General Manager
Antonio DiMaggio	FVP, Head of Emerging Markets and Trade Finance
Michael Smith	VP, Chief Auditor
Alessandro Vitale	FVP, Head of Project and Industry Specialized Lending
Franck Fleury	FVP, Head of Risk Management
Sergio Maggioni	FVP, Head of Corporate Banking
Barbara Bassi	FVP, Head of Loan Syndications
David Cellante	VP, Chief Compliance Officer
Stefano Marras	FVP, Head of Accounting and Operations
Francesco Di Mario	FVP, Head of Credit
Serena Palumbo	VP, In-house Counsel
Paolo Caielli	FVP, Head of Human Resources
Rosanna Pezzo	FVP, Treasurer
Angelo Brizi	FVP, Head of Structured Credit Products

Exhibit 1-8: Board of Directors – IMI Securities

Name	Title
Massimiliano Cattozzi	Chairman and Interim Chief Executive Officer (“ CEO ”) of IMI Securities
Salvatore Poma	Board Member
Paolo Sparano	Secretary (non-voting)

Exhibit 1-9: Officers – IMI Securities

Name	Title
Massimiliano Cattozzi	Interim CEO
Melanie Ryan	Chief Compliance Officer
Gerard Novello	Chief of Operations
Vincent Di Bella	Chief Financial Officer (“CFO”)
John Duffin	Chief Administrative Officer
Rich Gahrman	Chief of Technology

1.I.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 the establishment of a U.S. Resolution Plan Committee within ISPNY, chaired by ISPNY’s General Manager. The U.S. Resolution Plan Committee provides overall project guidance, review and local approval of key milestones related to the preparation of the Resolution Plan. ISPNY and IMI Securities management is responsible for drafting and finalizing resolution planning documentation, as well as for preparing reports and status updates for the U.S. Resolution Plan Committee. External advisors and legal counsel provide guidance on regulatory requirements and developments.

The U.S. Resolution Plan is approved by a delegatee of the Intesa Sanpaolo Managing Board (*Consiglio di Gestione*) following its review and vetting at a local level by the U.S. Resolution Plan Committee and at the level of Intesa Sanpaolo’s Head Office by the Capital Management and Recovery Plan Department, 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 (“BAU”) procedures. The U.S. Resolution Plan Committee is staffed with full-time personnel to manage the resolution planning process going forward, including the annual submission and submissions required within 45 days of a material event.

1.I.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 (“IP”) 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 very 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 LE, 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. The liquidation of ISPNY is expected to require no more than six months.
- 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. The liquidation of IMI Securities is expected to require no more than six months.

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.