

LIQUID ASSETS

As at 31 December 2019, the Intesa Sanpaolo Group had 190 billion euro of liquid assets, of which 107 billion euro qualifying as High-Quality Liquid Assets (HQLAs) in compliance with Basel 3 requirements. Liquid assets included cash and deposits with Central Banks, unencumbered eligible assets available with Central Banks excluding eligible assets received as collateral, as well as encumbered eligible assets used as collateral both with Central Banks and with other counterparties.

As at the same date, unencumbered liquid assets, including eligible assets received as collateral, excluding encumbered eligible assets used as collateral, and post haircut amounted to 118 billion euro, of which 96 billion euro qualifying as HQLAs.

In the fourth quarter of 2019, the Group's refinancing operations with the ECB amounted to an average of 58.9 billion euro (an average of 60.5 billion euro in each of the first three quarters of 2019 and 61.9 billion euro in 2018) and consisted entirely of the TLTRO with a four-year maturity.

Liquid assets⁽¹⁾ and unencumbered liquid assets⁽²⁾ as at 31 December 2019

Management data, not subject to auditing review (billions of euro)

	Liquid assets ⁽¹⁾	Unencumbered liquid assets ⁽²⁾
High-Quality Liquid Assets (HQLAs), of which:	107	96
- Cash and deposits with Central Banks	22	22
- Eligible assets, of which:	85	74
- Italian government bonds	31	49
- Other government bonds	39	14
- Other securities qualifying as level 1 assets	6	5
- Securities qualifying as level 2A assets	6	5
- Securities qualifying as level 2B assets	3	1
Eligible assets not qualifying as HQLAs, of which:	83	22
- Securities	11	9
- Self securitisations	64	13
- Credit claims	8	0
Total	190	118

(1) Cash and deposits with Central Banks, unencumbered eligible assets available with Central Banks, excluding eligible assets received as collateral, and encumbered eligible assets used as collateral

(2) Cash and deposits with Central Banks, unencumbered eligible assets available with Central Banks, including eligible assets received as collateral, excluding encumbered eligible assets used as collateral, and post haircut

Refinancing operations with the ECB in the fourth quarter of 2019

Management data, not subject to auditing review (billions of euro)

	Average amount	Minimum amount	Maximum amount
One-week duration	0	0	0
Four-year duration	58.9	48.5	60.5
Total	58.9	48.5	60.5

On 24 June 2016, the Group borrowed around 36 billion euro, out of a maximum allowance of around 57 billion euro, under the first of the four TLTROs II launched by the ECB, repaying in full the take-up of 27.6 billion euro it borrowed under the TLTRO I, with a net increase of its total funding under TLTROs of around eight billion euro. On 22 September 2016, the Group borrowed around five billion euro under the second TLTRO II. On 15 December 2016, the Group borrowed around 3.5 billion euro under the third TLTRO II. On 23 March 2017, the Group borrowed 12 billion euro under the fourth and final TLTRO II bringing its total funding to around 57 billion euro – the maximum borrowing allowance under the TLTROs II. As at the end of June 2017, the Group's refinancing operations with the ECB included the components deriving from the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, which comprised around 7.1 billion euro borrowed under TLTROs II. These components were reduced by around 2.5 billion euro in Q2 2018 due to the mandatory early repayment of the amount exceeding the maximum allowance recalculated on the basis of the new figures reported following the corporate reorganisations.

On 18 December 2019, the Group borrowed 17 billion euro, out of a maximum allowance of around 54 billion euro, under the second of the seven TLTROs III scheduled by the ECB and partially repaid - 29 billion euro - the amount taken under the TLTROs II (20.5 billion in respect of the first TLTRO II, 5 billion in respect of the second and 3.5 billion in respect of the third). This has led to a net reduction of 12 billion euro in the Group's total funding under TLTROs, from around 61 billion euro to around 49 billion euro.

On 18 March 2020, the Group borrowed a countervalue of around 4.8 billion euro under the first of the 11 weekly US dollar refinancing operations made available by the ECB, with maturity 11 June 2020.

On 19 March 2020, the Group borrowed around 18 billion euro under the third TLTRO III and partially repaid - around 12.5 billion euro - the amount taken under the TLTROs II. This has led to an increase in the Group's total funding under TLTROs from around 49 billion euro to around 53.9 billion euro.

On 24 March 2020, the Group borrowed 7 billion euro under the second of the 13 weekly LTROs made available by the ECB, with maturity 24 June 2020.

On 25 March 2020, the Group borrowed a countervalue of around 2.7 billion euro under the second weekly US dollar refinancing operation made available by the ECB, with maturity 18 June 2020.

Total refinancing operations with the ECB, therefore, amounted to around 68.4 billion euro, consisting of around 53.9 billion euro under TLTROs, 7 billion euro under LTROs and around 7.5 billion euro of countervalue under US dollar refinancing operations.