

LIQUID ASSETS

As at 30 September 2020, the Intesa Sanpaolo Group had 235 billion euro of liquid assets (excluding the contribution of 48 billion euro of UBI Banca), of which 137 billion euro qualifying as High-Quality Liquid Assets (HQLAs) in compliance with Basel 3 requirements (28 billion euro for UBI Banca). 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 150 billion euro (excluding the contribution of 32 billion euro of UBI Banca), of which 136 billion euro qualifying as HQLAs (26 billion euro for UBI Banca).

As at 30 September 2020, the Group's refinancing operations with the ECB amounted to around 70.9 billion euro (excluding the contribution of 12 billion euro of UBI Banca), consisting entirely of TLTROs III.

Liquid assets⁽¹⁾ and unencumbered liquid assets⁽²⁾ as at 30 September 2020

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

	Excluding UBI Banca		Including UBI Banca	
	Liquid assets ⁽¹⁾	Unencumbered liquid assets ⁽²⁾	Liquid assets ⁽¹⁾	Unencumbered liquid assets ⁽²⁾
High-Quality Liquid Assets (HQLAs), of which:	137	136	166	162
- <i>Cash and deposits with Central Banks</i>	41	41	53	53
- Eligible assets, of which:	96	95	113	109
- <i>Italian government bonds</i>	39	49	50	59
- <i>Other government bonds</i>	43	35	48	39
- <i>Other securities qualifying as level 1 assets</i>	6	6	7	6
- <i>Securities qualifying as level 2A assets</i>	5	4	5	4
- <i>Securities qualifying as level 2B assets</i>	3	1	3	1
Eligible assets not qualifying as HQLAs, of which:	98	14	117	20
- <i>Securities</i>	10	8	11	9
- <i>Self securitisations</i>	75	6	85	11
- <i>Credit claims</i>	13	0	21	0
Total	235	150	283	182

(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

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 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 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.

On 11 June 2020, the first weekly US dollar refinancing operations made available by the ECB, in which the Group participated, expired without being renewed.

On 18 June 2020, the Group borrowed around 35.8 billion euro under the fourth of the TLTROs III launched by the ECB. This led to the total of the TLTROs III in which the Group participated to around 70.9 billion euro, under a maximum allowance which, following the measures issued by the ECB in March 2020, was increased to around 90.2 billion euro. On the same date, the second weekly US dollar refinancing operation made available by the ECB, in which the Group participated, expired, without being renewed.

On 24 June 2020, the TLTROs II outstanding and the second weekly LTRO refinancing operation, in which the Group participated, expired, the latter without being renewed.

On 5 August 2020, Intesa Sanpaolo acquired control of UBI Banca, whose figures were incorporated into the Group's consolidated financial statements as at 30 September 2020, including refinancing operations with the ECB amounting to 12 billion euro, consisting entirely of TLTROs III, under a maximum allowance of around 25 billion euro.