

LIQUID ASSETS

As at 30 September 2019, the Intesa Sanpaolo Group had 197 billion euro of liquid assets, of which 122 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 116 billion euro, of which 111 billion euro qualifying as HQLAs.

In the third quarter of 2019, the Group's refinancing operations with the ECB amounted to an average of 60.5 billion euro (an average of 60.5 billion euro in Q1 2019 and Q2 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 30 September 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:	122	111
- Cash and deposits with Central Banks	36	36
- Eligible assets, of which:	86	75
- Italian government bonds	33	48
- Other government bonds	39	17
- Other securities qualifying as level 1 assets	6	5
- Securities qualifying as level 2A assets	5	4
- Securities qualifying as level 2B assets	3	1
Eligible assets not qualifying as HQLAs, of which:	75	5
- Securities	11	5
- Self securitisations	56	0
- Credit claims	8	0
Total	197	116

(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 third 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	60.5	60.5	60.5
Total	60.5	60.5	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 against a partial repayment for 29 billion euro of 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), with a net reduction of 12 billion euro in its total funding under TLTROs, which decreased from around 61 billion euro to around 49 billion euro.