

## **Disclosure Statements**

**INTESA SANPAOLO S.p.A.  
Hong Kong Branch**

**30 June 2020**

**INTESA SANPAOLO S.p.A.**  
**Hong Kong Branch**

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**INTESA SANPAOLO S.p.A.**  
**Hong Kong Branch**

**PROFIT AND LOSS ACCOUNT**

Period ended 30 June 2020

|  | 30 June<br>2020<br>Note     | 30 June<br>2019<br>HK\$'000 |
|--|-----------------------------|-----------------------------|
| <b>NET INTEREST INCOME</b>   |                             |                             |
| Interest income  | 515,831                     | 657,014                     |
| Interest expenses  | <u>(338,486)</u>            | <u>(541,811)</u>            |
|  | 177,345                     | 115,203                     |
| <b>OTHER OPERATING INCOME</b>  |                             |                             |
| Gains less losses arising from trading in foreign currencies                   | 69,303                      | 63,236                      |
| Gains less losses on securities held for trading purposes                      | 143,905                     | 117,372                     |
| Gains less losses from other trading activities                                | (188,126)                   | (93,617)                    |
| Net fees and commission income   | 1 <u>31,937</u>             | <u>65,534</u>               |
| <b>TOTAL INCOME</b>  | <b>234,364</b>              | <b>267,728</b>              |
| <b>OPERATING EXPENSES</b>  |                             |                             |
| Staff expenses   | (46,805)                    | (38,534)                    |
| Rental expenses  | (16,625)                    | (15,552)                    |
| Other expenses   | <u>(10,570)</u>             | <u>(12,137)</u>             |
|  | (74,000)                    | (66,223)                    |
| <b>IMPAIRMENT LOSSES AND PROVISIONS FOR<br/>IMPAIRED LOANS AND RECEIVABLES</b> |                             |                             |
|  | <u>(64,104)</u>             | <u>(128,260)</u>            |
| <b>PROFIT BEFORE TAXATION</b>  | <b>96,260</b>               | <b>73,245</b>               |
| <b>TAX EXPENSE</b>   | <b>(562)</b>                | <b>(4,686)</b>              |
| <b>EXTRAORDINARY PROFIT NET OF TAX</b>   | <u><b>27</b></u>            | <u><b>12</b></u>            |
| <b>PROFIT AFTER TAXATION</b>   | <u><u><b>95,725</b></u></u> | <u><u><b>68,571</b></u></u> |

**INTESA SANPAOLO S.p.A.**  
**Hong Kong Branch**

**BALANCE SHEET**

30 June 2020

|   | Notes | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|---|-------|-----------------------------|---------------------------------|
| <b>ASSETS</b>   |       |                             |                                 |
| Cash and balances with banks                            |       | 212,005                     | 403,974                         |
| Due from Exchange Fund                                  |       | 43,337                      | 6,805                           |
| Amount due from overseas offices of the institution     |       | 17,738,906                  | 20,315,340                      |
| Trade bills   |       | -                           | 119,581                         |
| Securities held for trading purposes                    |       | 9,816,978                   | 10,194,071                      |
| Loans and receivables                                   | 2     | 21,684,792                  | 23,958,023                      |
| Property, plant and equipment and investment properties |       | 66,914                      | 17,011                          |
| Total assets  |       | <u>49,562,932</u>           | <u>55,014,805</u>               |
| <b>LIABILITIES</b>                                      |       |                             |                                 |
| Deposits and balances from banks                        |       | 4,065,376                   | 3,929,644                       |
| Due to Exchange Fund                                    |       | -                           | -                               |
| Deposits from customers                                 | 3     | 2,587,345                   | 2,257,378                       |
| Amount due to overseas offices of the institution       |       | 39,966,246                  | 46,824,135                      |
| Sale and repurchase agreement                           |       | -                           | -                               |
| Other liabilities                                       |       | 2,943,965                   | 2,003,648                       |
| Total liabilities                                       |       | <u>49,562,932</u>           | <u>55,014,805</u>               |

**INTESA SANPAOLO S.p.A.**  
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ADDITIONAL INFORMATION

30 June 2020

1. NET FEES AND COMMISSION INCOME

|                                | 30 June<br>2020<br>HK\$'000 | 30 June<br>2019<br>HK\$'000 |
|--------------------------------|-----------------------------|-----------------------------|
| Commission income, gross       | 37,942                      | 71,832                      |
| Commission expenses, gross     | (6,005)                     | (6,298)                     |
| Net fees and commission income | <u>31,937</u>               | <u>65,534</u>               |

2. LOANS AND RECEIVABLES

|                                     | Notes     | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|-------------------------------------|-----------|-----------------------------|---------------------------------|
| (i) Loans and advances to customers | 5         | 18,833,247                  | 21,621,716                      |
| Provisions for impaired loans       |           |                             |                                 |
| - Collective provisions             | 2 (iv), 4 | (48,135)                    | (85,868)                        |
| - Specific provisions               | 4         | <u>(781,064)</u>            | <u>(692,336)</u>                |
|                                     |           | 18,004,048                  | 20,843,512                      |
| (ii) Loans and advances to banks    |           | 291,769                     | 281,675                         |
| Provisions for impaired loans       |           |                             |                                 |
| - Collective provisions             | 4         | <u>(130)</u>                | <u>(80)</u>                     |
|                                     |           | 291,639                     | 281,595                         |
| (iii) Other accounts                |           | 3,398,581                   | 2,834,474                       |
| Provisions for impaired loans       |           |                             |                                 |
| - Collective provisions             | 4         | <u>(9,476)</u>              | <u>(1,558)</u>                  |
|                                     |           | 3,389,105                   | 2,832,916                       |
|                                     |           | <u>21,684,792</u>           | <u>23,958,023</u>               |

**INTESA SANPAOLO S.p.A.**  
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ADDITIONAL INFORMATION

30 June 2020

2. LOANS AND RECEIVABLES (continued)

(iv) With the implementation of IFRS 9 since 1 January 2018, the collective provisions for impaired loans and advance was calculated and recorded by the Branch.

(v) Impaired loans and advances :

|  | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|--|-----------------------------|---------------------------------|
| Impaired loans and advances to customers                   | 1,077,979                   | 509,305                         |
| Specific Provisions  | 485,967                     | 430,640                         |
| Percentage of such advances to total advances to customers | <u>5.72%</u>                | <u>2.36%</u>                    |

As of 30 June 2020 and 31 December 2019, there were collaterals of HK\$71,409,442 and HK\$239,141,401 for impaired loans and advances to customers respectively.

(vi) There was no impaired loans and advances to banks as of 30 June 2020 and 31 December 2019.

3. DEPOSITS FROM CUSTOMERS

|                                      | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|--------------------------------------|-----------------------------|---------------------------------|
| Demand deposits and current accounts | 2,316,186                   | 1,934,073                       |
| Time, call and notice deposits       | <u>271,159</u>              | <u>323,305</u>                  |
|                                      | <u>2,587,345</u>            | <u>2,257,378</u>                |

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ADDITIONAL INFORMATION

30 June 2020

4. PROVISIONS FOR IMPAIRED LOANS AND ADVANCES

**30 June 2020**

|  | Collective<br>HK\$'000 | Specific<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------------|----------------------|-------------------|
| As of 31 December 2019                 | 87,507                 | 692,336              | 779,843           |
| Charge for the period                  | 23,664                 | 91,931               | 115,595           |
| Amounts recoveries                     | -                      | -                    | -                 |
| Amounts released                       | (51,491)               | -                    | (51,491)          |
| Amounts written-off                    | -                      | -                    | -                 |
| Exchange differences                   | (1,940)                | (3,202)              | (5,142)           |
| As of 30 June 2020                     | <u>57,740</u>          | <u>781,065</u>       | <u>838,805</u>    |
| Provisions against:                    |                        |                      |                   |
| Advances to banks                      | 130                    | -                    | 130               |
| Advances to customers                  | 48,135                 | 485,967              | 534,102           |
| Trade bills                            | -                      | -                    | -                 |
| Contingent liabilities and commitments | 9,475                  | -                    | 9,475             |
| Accrued interest                       | -                      | 295,098              | 295,098           |
|  | <u>57,740</u>          | <u>781,065</u>       | <u>838,805</u>    |

**31 December 2019**

|  | Collective<br>HK\$'000 | Specific<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------------|----------------------|-------------------|
| As of 31 December 2018                 | 70,426                 | 648,534              | 718,960           |
| Charge for the period                  | 46,129                 | 466,538              | 512,667           |
| Amounts recoveries                     | -                      | -                    | -                 |
| Amounts released                       | (28,596)               | (157,870)            | (186,466)         |
| Amounts written-off                    | -                      | (261,118)            | (261,118)         |
| Exchange differences                   | (453)                  | (3,748)              | (4,201)           |
| As of 31 December 2019                 | <u>87,506</u>          | <u>692,336</u>       | <u>779,842</u>    |
| Provisions against:                    |                        |                      |                   |
| Advances to banks                      | 80                     | -                    | 80                |
| Advances to customers                  | 85,868                 | 430,640              | 516,508           |
| Trade bills                            | 34                     | -                    | 34                |
| Contingent liabilities and commitments | 1,524                  | -                    | 1,524             |
| Accrued interest                       | -                      | 261,696              | 261,696           |
|  | <u>87,506</u>          | <u>692,336</u>       | <u>779,842</u>    |

**INTESA SANPAOLO S.p.A.**  
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ADDITIONAL INFORMATION

30 June 2020

5. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

(i) Sectoral analysis of gross advances to customers

The information concerning gross amount of loans and advances to customers by industry sectors has been classified according to the business activity of the borrowers or usage of the loans.

|  | 30 June 2020      |                        | 31 December 2019  |                        |
|--|-------------------|------------------------|-------------------|------------------------|
|  | Loan<br>HK\$'000  | Collateral<br>HK\$'000 | Loan<br>HK\$'000  | Collateral<br>HK\$'000 |
| Loans and advances for use<br>in Hong Kong               |                   |                        |                   |                        |
| Industrial, Commercial and financial:                    |                   |                        |                   |                        |
| Wholesale and retail trade                               | 287,392           | -                      | 136,648           | -                      |
| Manufacturing  | 630,180           | -                      | 442,951           | -                      |
| Transport and transport equipment                        | 1,549             | -                      | 1,530             | -                      |
| Information Technology                                   | 201,059           | -                      | 201,060           | -                      |
| Trade finance  | 695,504           | 8,265                  | 731,248           | 8,223                  |
| Loans and advances<br>for use outside Hong Kong          | <u>17,017,563</u> | <u>162,722</u>         | <u>20,108,279</u> | <u>334,084</u>         |
| Total gross amount of loans and<br>advances to customers | <u>18,833,247</u> | <u>170,987</u>         | <u>21,621,716</u> | <u>342,307</u>         |



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5. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS (continued)

(ii) Geographical analysis of loans and advances to customers

The analysis of loans and advances to customers by geographical segment is classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances are guaranteed by a party in a country which is different from that of the customers. The loans and advances to customers by major geographical segment are as follows:

**30 June 2020**

| Countries     | Gross amount of<br>loans and advances<br>to customers<br>HK\$'000 | Overdue<br>loans and advances<br>to customers<br>HK\$'000 | Impaired<br>loans and advances<br>to customers<br>HK\$'000 |
|---------------|---|---|--|
| Australia     | 3,215,890   | -   | -  |
| China         | 2,367,071   | 258,334   | 258,334  |
| Cayman Island | 2,178,597   | -   | -  |
| India         | 1,896,854   | 314,810   | 314,810  |
| Others        | 9,174,835   | 500,062   | 504,835  |
|               | <u>18,833,247</u>   | <u>1,073,206</u>  | <u>1,077,979</u>   |

**31 December 2019**

| Countries     | Gross amount of<br>loans and advances<br>to customers<br>HK\$'000 | Overdue<br>loans and advances<br>to customers<br>HK\$'000 | Impaired<br>loans and advances<br>to customers<br>HK\$'000 |
|---------------|---|---|--|
| Australia     | 3,477,842   | -   | -  |
| Cayman Island | 2,419,656   | -   | -  |
| China         | 2,137,646   | 25,960  | -  |
| India         | 1,008,492   | 306,429   | 306,429  |
| Others        | 12,578,080  | 504,494   | 202,876  |
|               | <u>21,621,716</u>   | <u>836,883</u>  | <u>509,305</u>   |

The overdue and impaired loans and advances to customers are attributed to the exposures in Brazil, Hong Kong, China, India and Panama (31 December 2019 : Brazil, Hong Kong and Panama).

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ADDITIONAL INFORMATION

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6. ANALYSIS OF OVERDUE AND RESCHEDULED ADVANCES

(i) Overdue loans and advances to customers

|                                       | 30 June 2020       |  | 31 December 2019   |  |
|---------------------------------------|--------------------|--|--------------------|--|
|                                       | Amount<br>HK\$'000 | % of total<br>advances to<br>customers | Amount<br>HK\$'000 | % of total<br>advances to<br>customers |
| Gross advances overdue for:           |                    |  |                    |  |
| 3 months or less but<br>over 1 months | -                  | -                                      | 306,429            | 1.42%                                  |
| 6 months or less but<br>over 3 months | -                  | -                                      | -                  | -                                      |
| 1 year or less but over<br>6 months   | 573,144            | 3.04%                                  | -                  | -                                      |
| Over 1 year                           | <u>500,062</u>     | <u>2.66%</u>                           | <u>504,494</u>     | <u>2.33%</u>                           |
| Total overdue advances                | <u>1,073,206</u>   | <u>5.70%</u>                           | <u>810,923</u>     | <u>3.75%</u>                           |

- (ii) There was no rescheduled loan as of 30 June 2020 and 31 December 2019.
- (iii) There were no overdue or rescheduled advances to banks and other assets (trade bills and debt securities) as of 30 June 2020 and 31 December 2019.
- (iv) There were collaterals of HK\$71,409,442 and HK\$239,141,401 in respect of the overdue loans and advances, consisted mainly of the equity shares of the borrower as of 30 June 2020 and 31 December 2019 respectively.
- (v) There were no repossessed assets held as of 30 June 2020 and 31 December 2019.
- (vi) There were HK\$485,967,156 and HK\$430,640,078 specific provisions for overdue loans and advances as of 30 June 2020 and 31 December 2019 respectively.

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ADDITIONAL INFORMATION

30 June 2020

7. NON-BANK MAINLAND EXPOSURES

30 June 2020

| Types of Counterparties  | On-balance sheet exposure HK\$'m | Off-balance sheet exposure HK\$'m | Total HK\$'m  |
|--|----------------------------------|-----------------------------------|---------------|
| 1. Central government, central government-owned entities and their subsidiaries and JVs  | 421                              | -                                 | 421           |
| 2. Local governments, local government-owned entities and their subsidiaries and JVs   | 548                              | -                                 | 548           |
| 3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs                            | 4,272                            | -                                 | 4,272         |
| 4. Other entities of central government not reported in item 1 above   | 426                              | -                                 | 426           |
| 5. Other entities of local governments not reported in item 2 above  | -                                | -                                 | -             |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 240                              | 3,196                             | 3,436         |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures                        | 1,126                            | -                                 | 1,126         |
| <b>Total</b>   | <b>7,033</b>                     | <b>3,196</b>                      | <b>10,229</b> |
| <b>Total assets after provision</b>  | <b>49,563</b>                    |                                   |               |
| <b>On-balance sheet exposures as percentage of total assets</b>  | <b>14.19%</b>                    |                                   |               |

31 December 2019

| Types of Counterparties  | On-balance sheet exposure HK\$'m | Off-balance sheet exposure HK\$'m | Total HK\$'m  |
|--|----------------------------------|-----------------------------------|---------------|
| 1. Central government, central government-owned entities and their subsidiaries and JVs  | 1,634                            | -                                 | 1,634         |
| 2. Local governments, local government-owned entities and their subsidiaries and JVs   | 429                              | 122                               | 551           |
| 3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs                            | 4,396                            | -                                 | 4,396         |
| 4. Other entities of central government not reported in item 1 above   | 429                              | -                                 | 429           |
| 5. Other entities of local governments not reported in item 2 above  | -                                | -                                 | -             |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 158                              | 3,306                             | 3,464         |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures                        | 1,131                            | -                                 | 1,131         |
| <b>Total</b>   | <b>8,177</b>                     | <b>3,428</b>                      | <b>11,605</b> |
| <b>Total assets after provision</b>  | <b>55,015</b>                    |                                   |               |
| <b>On-balance sheet exposures as percentage of total assets</b>  | <b>14.86%</b>                    |                                   |               |

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ADDITIONAL INFORMATION

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8. INTERNATIONAL CLAIMS

International claims are disclosed by country or geographical segment based on the physical location of the counterparty in which not less than 10% of total international claims (including Hong Kong) after taking into account the transfer of risks. In general, such transfer of risk takes place if the claims are guaranteed by party in a country, which is different from that of the counterparty, or if the claims are on an overseas branch of a bank whose head office is located in another country.

**As at 30 June 2020**

|                                | <u>Banks</u> | <u>Official sector</u> | <u>Non-bank private sector</u>           |                                | <u>Total</u> |
|--------------------------------|--------------|------------------------|--|--------------------------------|--------------|
|                                | HK\$m        | HK\$m                  | Non-bank financial institutions<br>HK\$m | Non-financial private<br>HK\$m | HK\$m        |
| 1. Developed countries         | 21,510       | 1,195                  | 1,703                                    | 7,199                          | 31,607       |
| of which                       |              |                        |  |                                |              |
| - Italy                        | 18,473       | -                      | -  | 1,025                          | 19,498       |
| 2. Offshore centres            | 80           | -                      | -  | 5,611                          | 5,691        |
| 3. Developing Asia and Pacific | 520          | -                      | 426                                      | 5,379                          | 6,325        |

**As at 31 December 2019**

|                                | <u>Banks</u> | <u>Official sector</u> | <u>Non-bank private sector</u>           |                                | <u>Total</u> |
|--------------------------------|--------------|------------------------|--|--------------------------------|--------------|
|                                | HK\$m        | HK\$m                  | Non-bank financial institutions<br>HK\$m | Non-financial private<br>HK\$m | HK\$m        |
| 1. Developed countries         | 25,587       | 1,580                  | 1,820                                    | 8,816                          | 37,803       |
| of which                       |              |                        |  |                                |              |
| - Italy                        | 20,869       | -                      | -  | 1,120                          | 21,989       |
| 2. Offshore centres            | 86           | -                      | 430                                      | 6,659                          | 7,175        |
| 3. Developing Asia and Pacific | 497          | 39                     | 428                                      | 5,508                          | 6,472        |

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9. FOREIGN CURRENCY EXPOSURES

The foreign currency exposures are prepared in accordance with the HKMA banking return of "Foreign Currency Position" completion instructions. Foreign currencies, which constitutes not less than 10% of the total net position in all foreign currencies of the Branch, are disclosed as follows:

**30 June 2020**

|                             | USD<br>HK\$m | EUR<br>HK\$m | JPY<br>HK\$m | AUD<br>HK\$m | Others<br>HK\$m | Total<br>HK\$m |
|-----------------------------|--------------|--------------|--------------|--------------|-----------------|----------------|
| Spot assets                 | 25,034       | 7,065        | 8,166        | 5,792        | 1,391           | 47,448         |
| Spot liabilities            | (29,921)     | (6,658)      | (5,638)      | (2,889)      | (1,117)         | (46,223)       |
| Forward purchases           | 9,816        | 2,172        | 1,275        | 1,297        | 990             | 15,550         |
| Forward sales               | (4,854)      | (2,577)      | (3,762)      | (4,159)      | (1,271)         | (16,623)       |
| Net long / (short) position | <u>75</u>    | <u>2</u>     | <u>41</u>    | <u>41</u>    | <u>(7)</u>      | <u>152</u>     |
| Net structural position     | <u>-</u>     | <u>-</u>     | <u>-</u>     | <u>-</u>     | <u>-</u>        | <u>-</u>       |

**31 December 2019**

|                             | USD<br>HK\$m | EUR<br>HK\$m | JPY<br>HK\$m | AUD<br>HK\$m | Others<br>HK\$m | Total<br>HK\$m |
|-----------------------------|--------------|--------------|--------------|--------------|-----------------|----------------|
| Spot assets                 | 25,215       | 7,764        | 12,640       | 5,930        | 2,646           | 54,195         |
| Spot liabilities            | (33,145)     | (7,631)      | (6,057)      | (4,534)      | (1,845)         | (53,212)       |
| Forward purchases           | 15,182       | 3,302        | 2,126        | 1,918        | 953             | 23,481         |
| Forward sales               | (7,231)      | (3,426)      | (8,701)      | (3,336)      | (1,764)         | (24,458)       |
| Net long / (short) position | <u>21</u>    | <u>9</u>     | <u>8</u>     | <u>(22)</u>  | <u>(10)</u>     | <u>6</u>       |
| Net structural position     | <u>-</u>     | <u>-</u>     | <u>-</u>     | <u>-</u>     | <u>-</u>        | <u>-</u>       |

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ADDITIONAL INFORMATION

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10. OFF-BALANCE SHEET EXPOSURES

(i) Contingent Liabilities and commitments

The following is a summary of the contractual or notional amounts of each material class of contingent liability and commitment outstanding:

|   | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|---|-----------------------------|---------------------------------|
| Direct credit substitutes                           | 620,756                     | 1,371,620                       |
| Transaction-related contingencies                   | -                           | -                               |
| Trade-related contingencies                         | 365,275                     | 434,279                         |
| Note issuance and revolving underwriting facilities | -                           | -                               |
| Other commitments                                   | 11,431,630                  | 16,507,263                      |
| Others - Forward forward deposits placed            | <u>44,441</u>               | <u>932,548</u>                  |
|   | <u>12,462,102</u>           | <u>19,245,710</u>               |

(ii) Derivatives

The following is a summary of the total contractual or notional amount of derivative transactions:

|  | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|--|-----------------------------|---------------------------------|
| Exchange rate-related derivative contracts (exclude forward<br>foreign exchange contracts arising<br>from swap deposit arrangements) | 40,198,340                  | 26,975,883                      |
| Interest rate derivative contracts   | 123,979,716                 | 137,472,674                     |
| Others   | <u>-</u>                    | <u>-</u>                        |
|  | <u>164,178,056</u>          | <u>164,448,557</u>              |

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10. OFF-BALANCE SHEET EXPOSURES (continued)

(ii) Derivatives (continued)

The total fair value of the above off-balance sheet derivative transactions which have been taken into account the effects of bilateral netting arrangement are as follows:

|                                    | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|------------------------------------|-----------------------------|---------------------------------|
| Exchange rate-related contracts    | 50,896                      | (16,337)                        |
| Valid bilateral netting agreement  | -                           | -                               |
|                                    | <u>50,896</u>               | <u>(16,337)</u>                 |
| Interest rate derivative contracts | (40,163)                    | (10,993)                        |
| Valid bilateral netting agreement  | -                           | -                               |
|                                    | <u>(40,163)</u>             | <u>(10,993)</u>                 |
| Others                             | -                           | -                               |
|                                    | <u>10,733</u>               | <u>(27,330)</u>                 |

The notional amounts of the off-balance sheet instruments indicate the volume of transactions outstanding at the balance sheet date and do not represent amounts at risk.

11. LIQUIDITY RATIOS

|  | For the period<br>from 1 April 2020<br>to 30 June 2020 | For the period<br>from 1 January 2020<br>to 31 March 2020 | For the period<br>from 1 January 2019<br>to 30 June 2019 |
|--|--|---|--|
| Average Liquidity Maintenance Ratio<br>("LMR") | <u>58.64%</u>  | <u>44.21%</u>   | <u>42.31%</u>  |

The average LMR is calculated based on the arithmetic mean of each calendar month's average LMR calculated during the reporting period in accordance with the Banking (Liquidity) Rules and complies with the minimum requirement of 25% as stipulated by the Hong Kong Monetary Authority (HKMA).

**INTESA SANPAOLO S.p.A.**  
**Hong Kong Branch**

ADDITIONAL INFORMATION

30 June 2020

12. DISCLOSURE ON REMUNERATION

According to the Supervisory Policy Manual (“SPM”) CG-5 “Guideline on a Sound Remuneration System” issued by HKMA, the Branch, as an overseas-incorporated Authorized Institution is not required to make separate disclosures in respect of the remuneration system applicable to their Hong Kong operations. The disclosures made by Head Office in the Annual Report also cover information as set out in the said Guideline, where appropriate. The relevant Annual Report can be viewed in the Investor Relations section of the Intesa Sanpaolo website: [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com).



**INTESA SANPAOLO S.p.A.**  
**BANK INFORMATION (CONSOLIDATED BASIS)**

30 June 2020

The following information is based on the consolidated financial statements of Intesa Sanpaolo S.p.A. as of 30 June 2020, 31 December 2019 and 30 June 2019

( i ) Capital adequacy ratio and shareholders' funds

|                        | 30 June<br>2020 | 31 December<br>2019 |
|------------------------|-----------------|---------------------|
| Capital adequacy ratio | <u>19.20%</u>   | <u>17.70%</u>       |

The capital adequacy ratio is computed in accordance with the Basel Capital Accord taking into consideration of an allowance for market risk.

|   | 30 June<br>2020<br>EUR'm | 31 December<br>2019<br>EUR'm |
|---|--------------------------|------------------------------|
| Aggregate amount of shareholders' funds | <u>58,582</u>            | <u>55,968</u>                |

( ii ) Other financial information

|                          | 30 June<br>2020<br>EUR'm | 31 December<br>2019<br>EUR'm |
|--------------------------|--------------------------|------------------------------|
| Total assets             | 858,648                  | 816,102                      |
| Total liabilities        | 800,066                  | 760,134                      |
| Total loans and advances | 497,653                  | 467,815                      |
| Total customer deposits  | <u>601,709</u>           | <u>591,350</u>               |

|                        | Period ended<br>30 June<br>2020<br>EUR'm | Period ended<br>30 June<br>2019<br>EUR'm |
|------------------------|--|--|
| Profit before taxation | <u>2,091</u>                             | <u>3,097</u>                             |

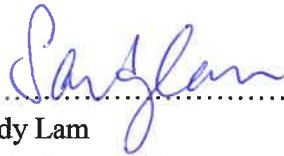
The financial information of Intesa Sanpaolo S.p.A. have been prepared in accordance with International Financial Reporting Standards and the comparative information have been restated to conform with the current period's presentation.

## CHIEF EXECUTIVE'S DECLARATION

This is to certify that the information disclosed above complies with the Banking (Disclosure) rules and the disclosure standards set out in the Supervisory Policy Manual - "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority and is not false or misleading.



.....  
Alessandro Vitale  
Chief Executive



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Sandy Lam  
Head of Accounting

30 September 2020