



(Translation from the Italian original which remains the definitive version)

# ISP CB Ipotecario S.r.l.

**Financial statements as at and for the year  
ended 31 December 2018**

(with independent auditors' report thereon)

KPMG S.p.A.

12 March 2019



KPMG S.p.A.  
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## Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the quotaholders of  
ISP CB Ipotecario S.r.l.*

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of ISP CB Ipotecario S.r.l. (the "company"), which comprise the statement of financial position as at 31 December 2018, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of ISP CB Ipotecario S.r.l. as at 31 December 2018 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of matter*

We draw attention to the disclosures provided by the directors in the notes to the financial statements, where they state that the company's sole business object is the acquisition of loans and securities which it funds through third party financing as part of transactions to issue covered bonds in accordance with Law no. 130 of 30 April 1999. As described by the directors, the company has disclosed the acquired financial assets and securities and other transactions carried out as part of the above-mentioned transactions in the notes to the financial statements in accordance with the



provisions of Law no. 130 of 30 April 1999, under which the loans and securities relating to each transaction constitute segregated assets from those of the company and those relating to other transactions for all intents and purposes. Our opinion is not qualified in this respect.

### **Other matters**

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of ISP CB Ipotecario S.r.l. does not extend to such data.

### **Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on other legal and regulatory requirements**

### ***Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10***

The company's directors are responsible for the preparation of a directors' report at 31 December 2018 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the company's financial statements at 31 December 2018 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report is consistent with the company's financial statements at 31 December 2018 and has been prepared in compliance with the applicable law.



**ISP CB Ipotecario S.r.l.**  
*Independent auditors' report*  
31 December 2018

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 12 March 2019

KPMG S.p.A.

(signed on the original)

Paolo Andreasi  
Director of Audit

(Translation from the Italian original which remains the definitive version)

# ISP CB Ipotecario S.r.l.

2018 Annual Report

INTESA  SANPAOLO

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# ISP CB Ipotecario S.r.l.

## **ISP CB Ipotecario S.r.l.**

Registered office: Via Monte di Pietà 8 - 20121 Milan - Quota capital €120,000 - Company registration no. and tax code 05936180966 - ABI code 16830 data processing code 335067 - Member of the Intesa Sanpaolo VAT Group no. 11991500015 - Management and coordination: Intesa Sanpaolo S.p.A. - Member of the Intesa Sanpaolo Group, included in the register of banking groups.

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# Company bodies

## Board of directors

Chairperson	Paola Fandella
Director	Roberta Crespi
Director	Mario Masini

## Board of statutory auditors

Chairperson	Nicola Bruni
Standing statutory auditor	Eugenio Mario Braja
Standing statutory auditor	Giuseppe Dalla Costa

<b>Independent auditors</b>	KPMG S.p.A.
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## Calling of quotaholders' meeting

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# **2018 Annual Report**

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## **Directors' report**

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## General information

ISP CB Ipotecario S.r.l. was incorporated on 14 November 2007 and its sole business object is the acquisition against payment of loans and securities (including those issued as part of securitisations) from banks as part of one or more transactions to issue covered bonds pursuant to article 7-bis of Law no. 130 of 30 April 1999 and related implementing measures.

Its registered office is in Via Monte di Pietà 8, Milan.

Reference should be made to section H - Qualitative information for information on operations.

The vehicle does not have employees and its portfolio has been managed by the servicer (Intesa Sanpaolo S.p.A.) since 29 July 2010. Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services.

## Performance

With respect to the board of directors' resolution of 23 May 2017, the vehicle acquired the eleventh portfolio of residential mortgage loans (secured by mortgages on buildings) from Intesa Sanpaolo S.p.A., without recourse, for €2,490,991,997.82. The transaction took place on 31 May 2018 effective from 28 May 2018. The vehicle paid the related consideration with a subordinated loan of €850,000,000.00 granted by Intesa Sanpaolo S.p.A.. The other €1,640,991,997.82 was paid by the vehicle on the guarantor payment date of 12 July 2018 using its available funds. The portfolio was temporarily without hedging derivatives. Restructuring of all the existing fixed and floating rate swaps after the guarantor payment date of 12 July 2018 included the new portfolio acquired in May.

The twenty-third series of covered bonds was issued on 16 September 2018 by Intesa Sanpaolo S.p.A. and amounted to €2 billion, maturing on 12 October 2030, at a floating three-month Euribor plus 0.29%. The bonds pay three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

On 13 June 2018, Intesa Sanpaolo S.p.A. issued the twenty-fourth series of covered bonds for €1 billion, maturing on 14 June 2025, at a fixed rate of 1.125%. These bonds pay an annual coupon on 14 July of each year. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

Following the new restructuring of swaps on 16 July 2018, the vehicle has four asset swaps and 14 liability swaps on the fixed-rate securities. The swaps all hedge interest rate risk.

The bonds of the fifteenth series were redeemed on 24 September 2018.

On 16 October 2018, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €3,521,315.10 paid by Intesa Sanpaolo S.p.A..

Given the current difficult situation, the vehicle monitors collection trends to ensure regular payments to the various parties as per the relevant contracts.

Despite the increase in outstanding amounts, which is reflected in the loan repayment indicators, payments of the additional interest amount<sup>1</sup> due to the grantor of the subordinated loan were made on time. As this loan is subordinated, the lender is subject to the risk of not being repaid the principal and/or the interest.

There were four payment dates in 2018. The first (12 January 2018) referred to cash flows from 1 September 2017 to 30 November 2017, the second (12 April 2018) referred to cash flows from 1 December 2017 to 28

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<sup>1</sup>The additional interest amount is paid on each guarantor payment date if the vehicle has the necessary funds after paying all the other creditors of the payment priority order. If it is unable to pay the additional interest amount in whole or in part due to the lack of funds on a specific payment date, the vehicle may pay the amounts due at the next payment dates.

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February 2018, the third (12 July 2018) referred to cash flows from 1 March 2018 to 31 May 2018 and the fourth (12 October 2018) referred to cash flows from 1 June 2018 to 31 August 2018. On 14 January 2019, the vehicle settled the cash flows from 1 September 2018 to 30 November 2018.

#### **Twenty-ninth payment date (12 January 2018)**

On 12 January 2018, payments were made for collections from 1 September 2017 to 30 November 2017. Funds distributable by the vehicle as interest amounted to €498.2 million, including €117.4 million as collections on the loans portfolio, €76 thousand as interest collected on the current accounts and investments, €142 million on swaps and €238.7 million as the reserve fund required amount.

Third parties that provided services to the vehicle were paid €4.2 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €75 thousand. Moreover, the vehicle paid €115.6 million as the asset swap on the cover pool and €35 million as the liability swap on the issued notional amount.

The vehicle accrued €234.1 million as the reserve fund required amount and Euro 4.7 million was returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.

It paid both interest on the subordinated loan of €29.4 million and the additional interest amount of €75.2 million to Intesa Sanpaolo S.p.A..

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€900 million) using the principal available funds.

#### **Thirtieth payment date (12 April 2018)**

On 12 April 2018, payments were made for collections from 1 December 2017 to 28 February 2018.

Funds distributable by the vehicle as interest amounted to €601.3 million, including €114.1 million as collections on the loans portfolio, €80 thousand as interest collected on the current accounts and investments, €253.1 million on swaps and €234 million as the reserve fund required amount.

Third parties that provided services to the vehicle were paid €4.1 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €152 thousand. Moreover, the vehicle paid €112 million as the asset swap on the cover pool and €34.3 million as the liability swap on the issued notional amount.

The vehicle accrued €229.7 million as the reserve fund required amount and €4.3 million was returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.

It paid both interest on the subordinated loan of €27.6 million and the additional interest amount of €189.1 million to Intesa Sanpaolo S.p.A..

#### **Thirty-first payment date (12 July 2018)**

On 12 July 2018, payments were made for collections from 1 March 2018 to 31 May 2018.

Funds distributable by the vehicle as interest amounted to €424.1 million, including €108.7 million as collections on the loans portfolio, €84 thousand as interest collected on the current accounts and investments, €85.6 million on swaps and €229.7 million as the reserve fund required amount.

Third parties that provided services to the vehicle were paid €4.5 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €133 thousand. Moreover, the vehicle paid €106.5 million as the asset swap on the cover pool and €34.7 million as the liability swap on the issued notional amount.

The vehicle accrued €224.9 million as the reserve fund required amount and €4.8 million was returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.

It paid both interest on the subordinated loan of €28.3 million and the additional interest amount of €20.3 million to Intesa Sanpaolo S.p.A..

It also paid the balance of €1,640,991,997.82 of the consideration for the sale of 29 May 2018 using the principal available funds.

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### **Thirty-second payment date (12 October 2018)**

On 12 October 2018, payments were made for collections from 1 June 2018 to 31 August 2018.

Funds distributable by the vehicle as interest amounted to €491.8 million, including €118.2 million as collections on the loans portfolio, €76 thousand as interest collected on the current accounts and investments, €141.6 million on swaps and €231.9 million as the reserve fund required amount.

Third parties that provided services to the vehicle were paid €4 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €68 thousand.

Moreover, the vehicle paid €115.5 million as the asset swap on the cover pool and €34.6 million as the liability swap on the issued notional amount.

€231.9 million was accrued as the reserve fund required amount.

It paid both interest on the subordinated loan of €29.3 million and the additional interest amount of €76.4 million to Intesa Sanpaolo S.p.A..

### **Related party transactions**

As required by article 2497 and following articles of the Italian Civil Code, it is noted that the vehicle has current accounts with Intesa Sanpaolo S.p.A., which currently bear agreed interest rates.

Pursuant to the relevant contractual terms, the vehicle recognised €14,879,738 for servicing and monitoring services, €61,000 for administrative services, €10,000 for cash management services and €32,000 for account bank services. All these services were provided by Intesa Sanpaolo S.p.A. through its administrative and tax, corporate affairs and consultancy departments and through its local bank division.

The vehicle recognised service fees of €610 for the activities required by the EMIR performed by Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A.).

The notes to the financial statements provide more information about the vehicle's cash transactions and commitments with the other group companies.

### **Profit for the year**

The vehicle made a profit for the year of €1,625.

### **Key events of the year**

Nothing to report.

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## Events after the reporting date

### Thirty-third payment date (14 January 2019)

On 14 January 2019, payments were made for collections from 1 September 2018 to 30 November 2018. Funds distributable by the vehicle as interest amounted to €480.9 million, including €113.6 million as collections on the loans portfolio, €70 thousand as interest collected on the current accounts and investments, €138.3 million on swaps and €228.9 million as the reserve fund required amount.

Third parties that provided services to the vehicle were paid €4.5 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €96 thousand.

Moreover, the vehicle paid €111.1 million as the asset swap on the cover pool and €35.5 million as the liability swap on the issued notional amount.

€228.9 million was accrued as the reserve fund required amount.

It paid both interest on the subordinated loan of €30 million and the additional interest amount of €70.8 million to Intesa Sanpaolo S.p.A..

## Outlook

The directors are confident that the vehicle will continue to operate in the future; accordingly, the 2018 financial statements were drawn up on a going concern basis. Moreover, the directors confirm they did not identify any aspects of its financial position or performance that could cast doubts on its ability to continue as a going concern. The portfolio's performance is expected to match its outlook.

## Other information

The vehicle does not carry out R&D activities. It does not hold nor has it ever held shares or quotas of its parents.

## Proposal to the quotaholders to approve the financial statements and the allocation of the profit for the year

We present the financial statements as at and for the year ended 31 December 2018 for your approval. They comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, notes thereto with the related annexes and this directors' report.

We propose the profit of €1,625 for the year be allocated as follows:

- to the legal reserve	€	81
- to the extraordinary reserve	€	1,544



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Should the above be approved, the vehicle's equity will be as follows:

Quota capital	€	120,000
Legal reserve (included in "Reserves")	€	2,561
Extraordinary reserve (included in "Reserves")	€	48,675
<b>Total equity</b>	<b>€</b>	<b>171,236</b>

Milan, 21 February 2019

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

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## **Report of the board of statutory auditors**

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## **Report of the independent auditors**

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## **Financial statements**

## Statement of financial position

	Assets	31/12/2018	31/12/2017
10.	Cash and cash equivalents	-	-
20.	Financial assets at FVTPL	-	-
	a) financial assets held for trading	-	-
	b) financial assets at fair value	-	-
	c) other financial assets mandatorily measured at fair value	-	-
30.	Financial assets at FVOCI	-	-
40.	Financial assets at amortised cost	-	-
	a) loans and receivables with banks	254,205	222,646
	b) loans and receivables with financial companies	-	-
	c) loans and receivables with customers	-	-
50.	Hedging derivatives	-	-
60.	Macro-hedging adjustments to financial assets (+/-)	-	-
70.	Equity investments	-	-
80.	Property, equipment and investment property	-	-
90.	Intangible assets	-	-
	of which:		
	- goodwill	-	-
100.	Tax assets:		
	a) current	56	42
	b) deferred	9,966	13,480
110.	Non-current assets held for sale and disposal groups	-	-
120.	Other assets	72,641	53,254
	<b>TOTAL ASSETS</b>	<b>336,868</b>	<b>289,422</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

## Statement of financial position

	Liabilities and equity	31/12/2018	31/12/2017
10.	Financial liabilities at amortised cost		
	a) financial liabilities	-	-
	b) securities issued	-	-
20.	Financial liabilities held for trading	-	-
30.	Financial liabilities at fair value	-	-
40.	Hedging derivatives	-	-
50.	Macro-hedging adjustments to financial liabilities (+/-)	-	-
60.	Tax liabilities:		
	a) current	2,751	53
	b) deferred	-	-
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	162,881	119,758
90.	Post-employment benefits	-	-
100.	Provisions for risks and charges:		
	a) commitments and guarantees given	-	-
	b) pension and similar obligations	-	-
	c) other provisions	-	-
110.	Quota capital	120,000	120,000
120.	Treasury quotas (-)	-	-
130.	Equity instruments	-	-
140.	Quota premium	-	-
150.	Reserves	49,611	48,599
160.	Valuation reserves	-	-
170.	Profit for the year	1,625	1,012
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>336,868</b>	<b>289,422</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

## Income statement

	2018	2017
10. Interest and similar income	55	55
of which: interest income calculated using the effective interest method	55	55
20. Interest and similar expense	-	-
<b>30. NET INTEREST INCOME</b>	<b>55</b>	<b>55</b>
40. Fee and commission income	-	-
50. Fee and commission expense	-160	-
<b>60. NET FEE AND COMMISSION INCOME (EXPENSE)</b>	<b>-160</b>	<b>-</b>
70. Dividends and similar income	-	-
80. Net trading income (expense)	-	-
90. Net hedging income (expense)	-	-
100. Net profit (loss) on sale or repurchase of:		
a) financial assets at amortised cost	-	-
b) financial assets at FVOCI	-	-
c) financial liabilities	-	-
110. Net gains (losses) on financial assets and liabilities at FVTPL		
a) financial assets and liabilities at fair value	-	-
b) other financial assets mandatorily measured at fair value	-	-
<b>120. TOTAL INCOME (EXPENSE)</b>	<b>-105</b>	<b>55</b>
130. Net impairment losses/gains for credit risk on:		
a) financial assets at amortised cost	-	-
b) financial assets at FVOCI	-	-
140. Modification gains/losses	-	-
<b>150. NET FINANCIAL INCOME (EXPENSE)</b>	<b>-105</b>	<b>55</b>
160. Administrative expenses:		
a) personnel expense	-41,582	-39,867
b) other administrative expenses	-210,861	-209,010
170. Net accruals to provisions for risks and charges		
a) commitments and guarantees given	-	-
b) other net accruals	-	-
Depreciation and net impairment losses on property, equipment and investment property	-	-
180. Amortisation and net impairment losses on intangible assets	-	-
190. Other net operating income	258,644	250,835
<b>210. OPERATING COSTS</b>	<b>6,201</b>	<b>1,958</b>
220. Gains (losses) on equity investments	-	-
230. Fair value gains (losses) on property, equipment and investment property and intangible assets	-	-
240. Impairment losses on goodwill	-	-
250. Gains (losses) on sales of investments	-	-
<b>260. PRE-TAX PROFIT FROM CONTINUING OPERATIONS</b>	<b>6,096</b>	<b>2,013</b>
270. Income taxes	-4,471	-1,001
<b>280. POST-TAX PROFIT FROM CONTINUING OPERATIONS</b>	<b>1,625</b>	<b>1,012</b>
290. Post-tax profit (loss) from discontinued operations	-	-
<b>300. PROFIT FOR THE YEAR</b>	<b>1,625</b>	<b>1,012</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

## Statement of comprehensive income

	2018	2017
<b>10. Profit for the year</b>	1,625	1,012
<b>Other comprehensive income, net of tax, that will not be reclassified to profit or loss</b>		
20. Equity instruments at FVOCI	-	-
30. Financial liabilities at FVTPL (change in credit rating)	-	-
40. Hedges of equity instruments at FVOCI	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and disposal groups	-	-
90. Portion of valuation reserves of equity-accounted investees	-	-
<b>Other comprehensive income, net of tax, that will be reclassified to profit or loss</b>		
100. Hedges of investments in foreign operations	-	-
110. Exchange rate gains (losses)	-	-
120. Cash flow hedges	-	-
130. Hedging instruments (elements not designated)	-	-
140. Financial assets (other than equity instruments) at FVOCI	-	-
150. Non-current assets held for sale and disposal groups	-	-
160. Portion of valuation reserves of equity-accounted investees	-	-
<b>170. Total other comprehensive income</b>		
<b>180. Comprehensive income (captions 10+170)</b>	<b>1,625</b>	<b>1,012</b>

on behalf of the BOARD OF DIRECTORS  
 Chairperson  
 Paola Fandella



## Statement of changes in equity

### 31 December 2018

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	ordinary quotas	savings quotas		income-related	other					
<b>BALANCE AT 1/1/2018</b>	120,000			48,599					1,012	169,611
<b>ALLOCATION OF PRIOR YEAR PROFIT</b>										
Reserves				1,012					-1,012	-
Dividends and other distributions										-
<b>CHANGES OF THE YEAR</b>										
Changes in reserves										-
Equity transactions										-
Issue of new quotas									-	-
Other changes									-	-
Comprehensive income									1,625	1,625
<b>EQUITY AT 31/12/2018</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>49,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,625</b>	<b>171,236</b>

### 31 December 2017

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	ordinary quotas	savings quotas		income-related	other					
<b>BALANCE AT 1/1/2017</b>	120,000			45,979					2,620	168,599
<b>ALLOCATION OF PRIOR YEAR PROFIT</b>										
Reserves				2,620					-2,620	-
Dividends and other distributions										-
<b>CHANGES OF THE YEAR</b>										
Changes in reserves										-
Equity transactions										-
Issue of new quotas									-	-
Other changes									-	-
Comprehensive income									1,012	1,012
<b>EQUITY AT 31/12/2017</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>48,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,012</b>	<b>169,611</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

## Statement of cash flows

	2018	2017
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	1,625	1,012
- interest income collected	55	55
- interest expense paid	-	-
- dividends and similar income	-	-
- net fee and commission income (expense)	-160	-
- personnel expense	-41,582	-39,867
- other costs	-210,861	-209,010
- other revenue	258,644	250,835
- taxes and duties	-4,471	-1,001
- costs/revenue related to disposal groups net of the tax effect	-	-
<b>2. Cash flows generated by/used for financial assets</b>	(15,887)	3,063
- financial assets held for trading	-	-
- financial assets at fair value	-	-
- financial assets mandatorily measured at fair value	-	-
- financial assets at FVOCI	-	-
- financial assets at amortised cost	-	-
- other assets	-15,887	3,063
<b>3. Cash flows generated by/used for financial liabilities</b>	45,821	(42,344)
- financial liabilities at amortised cost	-	-
- financial liabilities held for trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	45,821	-42,344
<b>Net cash flows generated by/used for operating activities</b>	<b>31,559</b>	<b>-38,269</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flows generated by:</b>	0	0
- sales of equity investments	-	-
- dividends from equity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
<b>2. Cash flows used to acquire:</b>	0	0
- equity investments	-	-
- property, equipment and investment property	-	-
- intangible assets	-	-
- business units	-	-
<b>Net cash flows generated by/used in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. FINANCING ACTIVITIES</b>		
- issue/repurchase of treasury quotas	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
<b>Net cash flows generated by/used in investing activities</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOWS FOR THE YEAR</b>	<b>31,559</b>	<b>-38,269</b>
<b>RECONCILIATION</b>		
Opening cash and cash equivalents	222,646	260,915
Net cash flows for the year	31,559	-38,269
<b>Closing cash and cash equivalents</b>	<b>254,205</b>	<b>222,646</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

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## **Notes to the financial statements**

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## **PART A - ACCOUNTING POLICIES**

### **A.1 - GENERAL PART**

#### **SECTION 1 – Statement of compliance with the IFRS**

Pursuant to Legislative decree no. 38 of 28 February 2005, the vehicle has prepared its financial statements in accordance with the IFRS applicable at 31 December 2018 issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission as per Regulation (EC) no. 1606 of 19 July 2002.

#### **SECTION 2 – Basis of presentation**

As required by Banca d'Italia's instructions issued in compliance with the IFRS, these notes present disclosures about the vehicle's own assets and the securitised assets separately. This treatment also complies with Law no. 130/99, according to which the loans and receivables related to individual transactions are assets segregated to all intents and purposes from those of the vehicle and those relating to other transactions.

For completeness of disclosure purposes, it should be noted that the IFRS accounting treatment to be applied to financial assets and/or groups of financial assets and financial liabilities arising from "issuing covered bank bonds" transactions is currently being further examined by the bodies dealing with the interpretation of IFRS. The financial statements comprise a statement of financial position, an income statement, a statement of comprehensive income, statements of changes in equity, a statement of cash flows and these notes. They are accompanied by a directors' report which comments on the vehicle's performance, results, financial position and cash flows for the year.

As required by the current regulations, the vehicle has prepared the financial statements using the Euro as its functional currency and on a going concern basis.

The amounts in the financial statements, these notes and the directors' report are presented in Euros.

The financial statements have been prepared in line with the general guidance set out in IAS 1 and the standards endorsed by the European Commission presented in Part A.2 of these notes. They also comply with the general assumptions set out in the Framework for the preparation and presentation of financial statements issued by the IASB.

No departures from the IFRS have been made.

The financial statements and the tables in the notes include corresponding prior year figures.

Pursuant to the provisions of Legislative decree no. 38 of 28 February 2005, the company opted to prepare its financial statements in accordance with the IFRS, as it is included in the consolidation scope of Intesa Sanpaolo S.p.A..

The layouts used for the financial statements are those applicable to financial intermediaries, as per the guidance set out in "The IFRS financial statements of financial intermediaries other than banking intermediaries" issued by Banca d'Italia on 22 December 2017.

The accounting policies applied to prepare these financial statements are consistent with those used for the 2017 financial statements.

#### **SECTION 3 – Events after the reporting date**

Reference should be made to the "Events after the reporting date" and "Outlook" sections of the directors' report.

#### **SECTION 4 – Other aspects**

KPMG S.p.A. performs the statutory audit of the vehicle's financial statements.

IFRS 9 (Financial instruments) and IFRS 15 (Revenue from contracts with customers) came into force on 1 January 2018. These standards replaced IAS 39, which governed the recognition, classification and measurement of financial instruments and IAS 18, which covered revenue recognition, respectively.

Under IAS 8, when initial application of a standard or an interpretation has an effect on the current period or any prior period, or might have an effect on future periods, an entity shall disclose the title of the new standard, the nature of the change in accounting policy for the current period and each prior period presented and, to the extent practicable, the amount of the adjustment for each financial statement line item affected.

Furthermore, again under IAS 8, when an entity has not applied a new standard or a new interpretation that has been issued but is not yet effective, the entity shall disclose this fact and known or reasonably estimable

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information relevant to assessing the possible impact that application of the new standard or the new interpretation will have on the entity's financial statements in the period of initial application.

IFRS 9 introduced important changes in the classification and measurement of financial instruments and, in line with the other Intesa Sanpaolo group companies, the vehicle has applied this standard as of 1 January 2018.

The affected captions of the vehicle's financial statements are loans and receivables with banks to the extent of on-demand liquidity in current accounts.

Despite the major changes in the treatment of financial instruments compared to IAS 39, the impact on the vehicle's loans and receivables was not deemed significant given the modest counterparty risk and the on-demand nature of the specific instruments.

IFRS 15 introduces a five-step model to recognise revenue from contracts with customers. However, at present, considering the specific nature of securitisations, this standard does not apply to the vehicle's financial statements.

On 24 October 2018, the vehicle joined Intesa Sanpaolo's VAT group by signing the relevant form via the specific site made available by the tax authorities.

## **A.2 – ACCOUNTING POLICIES**

This section sets out the accounting policies applied to prepare the financial statements at 31 December 2018. The recognition, measurement and derecognition criteria are given for each asset and liability caption.

### **Loans and receivables/other assets**

Loans and receivables are initially recognised at their fair value and subsequently measured at amortised cost. This method does not apply to loans and receivables whose current nature makes the effect of discounting negligible.

These loans and receivables are measured at historical cost.

Loans and receivables without a defined term or that can be revoked are treated similarly.

They are tested for impairment at each reporting date to check whether there is objective evidence of an impairment loss due to events that have taken place since their initial recognition.

They are derecognised when they are settled.

The loans and receivables recognised in these financial statements are all current and, moreover, all relate to the current account held with Intesa Sanpaolo S.p.A..

The same criteria apply to the other assets mainly consisting of loans and receivables for the reimbursement of corporate costs.

### **Financial liabilities/other liabilities**

Financial and other liabilities are recognised at fair value, increased by any transaction costs/income.

They are subsequently measured at amortised cost using the effective interest method.

Current liabilities and other liabilities are an exception when the time value of money is negligible. They are maintained at their original amount and the related costs, if any, are taken to profit or loss on a straight line basis over the contractual term of the liability.

Financial and other liabilities are derecognised when they are settled.

The other liabilities recognised in these financial statements are all current and, moreover, relate to the vehicle's normal operations.

### **Tax assets and liabilities**

Current and deferred taxes are recognised using ruling rates.

Income taxes are recognised in profit or loss.

They are calculated using a prudent estimate of the current tax expense, deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are determined on temporary differences (without time limits) between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets are only recognised when their recovery is certain, depending on the vehicle's ability to continuously generate taxable profit.

Deferred tax liabilities are recognised.

Deferred tax assets and liabilities are recognised in the statement of financial position without offsetting as Tax assets and Tax liabilities, respectively.

## Revenue

Revenue is recognised when realised and when the service is rendered, in the case of services based on the existence of contractual agreements.

Interest is recognised on an accruals basis considering the contractual interest rate.

## Other information

The vehicle does not hold and has never held quotas or shares of its parents.

## A.3 – DISCLOSURE ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

In accordance with the disclosure required by IFRS 7, we note that no financial assets were reclassified between the various portfolios.

## A.4 – DISCLOSURE ON FAIR VALUE

### A.4.5.4 – Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: grouped by fair value level

	31/12/2018				31/12/2017			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Held-to-maturity investments	-	-	-	-	-	-	-	-
2. Loans and receivables	254,205	-	254,205	-	222,646	-	222,646	-
3. Investment property	-	-	-	-	-	-	-	-
4. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
<b>Total</b>	<b>254,205</b>	<b>-</b>	<b>254,205</b>	<b>-</b>	<b>222,646</b>	<b>-</b>	<b>222,646</b>	<b>-</b>
Financial liabilities								
2. Securities issued	-	-	-	-	-	-	-	-
3. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The vehicle has loans and receivables due from the parent, Intesa Sanpaolo S.p.A., comprised of cash and cash equivalents and amounts payable on demand amounting to €254,205, classified at level 2 of the fair value hierarchy.

Considering the technical nature of such financial assets and the counterparty's standing, the nominal amount of such loans and receivables is assumed to be the best estimate of their fair value.

## Part B – NOTES TO THE STATEMENT OF FINANCIAL POSITION

### ASSETS

#### Section 4 – Financial assets at amortised cost – Caption 40

##### 4.1 “Financial assets at amortised cost: breakdown of loans and receivables with banks”

	31/12/2018						31/12/2017					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stages	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3	First and second stages	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3
1. Deposits and current accounts:												
- held with Intesa Sanpaolo S.p.A.	254,205	-	-	-	254,205	-	222,646	-	-	-	222,646	-
2. Financing												
2.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
2.3 Factoring												
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other financing	-	-	-	-	-	-	-	-	-	-	-	-
3. Debt instruments												
- structured	-	-	-	-	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-	-	-	-	-
4. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>254,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,205</b>	<b>-</b>	<b>222,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,646</b>	<b>-</b>

L1= Level 1  
L2= Level 2  
L3= Level 3

#### Section 10 – Tax assets and liabilities – Asset caption 100 and liability caption 60

##### 10.1 Caption 100 “Tax assets: current and deferred”

Current tax assets: breakdown	31/12/2018	31/12/2017
Withholdings on bank interest	14	14
IRES payments on account and assets	42	28
<b>Total</b>	<b>56</b>	<b>42</b>

Deferred tax assets: breakdown	31/12/2018	31/12/2017
IRES deferred tax assets	9,966	13,480
<b>Total</b>	<b>9,966</b>	<b>13,480</b>

## 10.2 Caption 60 “Tax liabilities: current and deferred”

Current tax liabilities: breakdown	31/12/2018	31/12/2017
Direct tax liabilities	957	-
Withholdings to be paid	1,794	53
<b>Total</b>	<b>2,751</b>	<b>53</b>

## 10.3 Changes in deferred tax assets (recognised in profit or loss)

	2018	2017
<b>1. Opening balance</b>	<b>13,480</b>	<b>14,481</b>
<b>2. Increases</b>	-	-
2.1 Deferred tax assets recognised in the year		
(a) related to previous years	-	-
(b) due to changes in accounting policies	-	-
(c) reversals of impairment losses	-	-
(d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>3,514</b>	<b>1,001</b>
3.1 Deferred tax assets derecognised in the year		
(a) reversals	1,799	1,001
(b) impairment losses due to non-recoverability	-	-
(c) due to changes in accounting policies	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases:	-	-
(a) conversion into tax assets, including as per Law no. 214/2011	-	-
(b) other	1,715	-
<b>4. Closing balance</b>	<b>9,966</b>	<b>13,480</b>

Deferred tax assets arising on carryforward tax losses amount to €8,514.

## Section 12 – Other assets – Caption 120

### 12.1 Caption 120 “Other assets”

	31/12/2018	31/12/2017
Other:		
- receivables from the securitised assets	72,641	53,254
<b>Total</b>	<b>72,641</b>	<b>53,254</b>



## LIABILITIES

### Section 6 – Tax liabilities – Caption 60

Reference should be made to section 10 of the assets for information about tax liabilities.

### Section 8 - Other liabilities - Caption 80

#### 8.1 Caption 80 “Other liabilities”

	31/12/2018	31/12/2017
Statutory auditors' fees	8,372	17,187
Suppliers and beneficiaries	154,484	102,548
INAIL (social security institution)	1	-
Securitised assets for interest	24	23
<b>Total</b>	<b>162,881</b>	<b>119,758</b>

### Section 11 - Equity - Captions 110 and 150

#### 11.1 Caption 110 “Quota capital”

	31/12/2018	31/12/2017
1. Quota capital		
1.1 Ordinary quotas	-	-
1.2 Quotas	120,000	120,000
<b>Total</b>	<b>120,000</b>	<b>120,000</b>

#### 11.5 Other information - Composition and variations in caption 150 “Reserves”

	Legal reserve	Retained earnings	Other Extraordinary reserve	Total
<b>A. Opening balance</b>	<b>2,429</b>	<b>-</b>	<b>46,170</b>	<b>48,599</b>
<b>B. Increases</b>				
B.1 Allocation of profits	51	-	961	1,012
B.2 Other increases	-	-	-	-
<b>C. Decreases</b>				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
C.2 Other decreases	-	-	-	-
<b>D Closing balance</b>	<b>2,480</b>	<b>-</b>	<b>47,131</b>	<b>49,611</b>

## Part C – NOTES TO THE INCOME STATEMENT

### Section 1 - Interest - Caption 10

#### 1.1 Caption 10 “Interest and similar income”

	Debt instruments	Financing	Other transactions	2018	2017
<b>1. Financial assets at FVTPL:</b>					
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets at fair value	-	-	-	-	-
1.3. Financial assets mandatorily measured at fair value	-	-	-	-	-
<b>2. Financial assets at FVOCI</b>	-	-	-	-	-
<b>3. Financial assets at amortised cost:</b>					
3.1 Loans and receivables with banks Intesa Sanpaolo S.p.A.	-	-	55	55	55
3.2 Loans and receivables with financial companies	-	-	-	-	-
3.3 Loans and receivables with customers	-	-	-	-	-
<b>4. Hedging derivatives</b>	-	-	-	-	-
<b>5. Other assets</b>	-	-	-	-	-
<b>6. Financial liabilities</b>	-	-	-	-	-
<b>Total</b>	-	-	<b>55</b>	<b>55</b>	<b>55</b>

of which: interest income on impaired financial assets

## Section 2 - Fees and commissions - Caption 50

### 2.2 Caption 50 "Fee and commission expense"

	2018	2017
1. Guarantees received	-	-
2. Third party services	-	-
3. Collection and payment services	-	-
4. Other		
- bank fees and commissions:		
- Intesa Sanpaolo S.p.A.		-
- Credit Agricole-CIB S.p.A.	160	-
<b>Total</b>	<b>160</b>	<b>-</b>

## Section 10 - Administrative expenses - Caption 160

### 10.1 Caption 160.a "Personnel expense"

	2018	2017
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) termination benefits	-	-
d) pension costs	-	-
e) accrual for post-employment benefits	-	-
f) accrual for pension and similar provisions:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	41,582	39,867
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
<b>Total</b>	<b>41,582</b>	<b>39,867</b>

### 10.2 Average number of employees by category

The vehicle does not have any employees.

### 10.3 Caption 160.b "Other administrative expenses"

	2018	2017
Consultancy	6,286	6,286
Audit fees	198,518	197,183
Notary fees	1,797	1,953
Other taxes and duties	461	590
Expense reimbursement - Vehicle bodies	3,714	2,913
Other	85	85
<b>Total</b>	<b>210,861</b>	<b>209,010</b>

## Section 14 - Other net operating income - Caption 200

### 14.2 Caption 200 "Other net operating income"

	2018	2017
Contractually provided-for income	258,644	250,835
<b>Total</b>	<b>258,644</b>	<b>250,835</b>

## Section 19 – Income taxes – Caption 270

### 19.1 Caption 270 "Income taxes"

	2018	2017
1. Current taxes	957	-
2. Change in current taxes from previous years	-	-
3. Decrease in current taxes for the year	-	-
3. bis Decrease in current taxes for the year due to tax assets as per Law no. 214/2011	-	-
4. Change in deferred tax assets	3,514	1,001
5. Change in deferred tax liabilities	-	-
<b>Tax expense for the year</b>	<b>4,471</b>	<b>1,001</b>

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## 19.2 Reconciliation between the theoretical and effective tax expense for the year

	<b>2018</b>
Pre-tax profit from continuing operations	6,096
<b>Theoretical taxable profit</b>	<b>6,096</b>
	<b>Income taxes</b>
<b>Income taxes - theoretical tax expense</b>	<b>1,701</b>
<b>Increases</b>	<b>5,276</b>
Higher effective tax rate and higher tax base for IRAP purposes	-
Non-deductible costs	1,762
Other - prior year	3,514
<b>Decreases</b>	<b>-2,506</b>
Untaxed gains on equity investments	-
Other	-2,506
Other - prior year	-
<b>Total changes</b>	<b>2,770</b>
<b>Effective tax expense</b>	<b>4,471</b>

## Part D – OTHER DISCLOSURES

### Section 1 – Operations

#### D. GUARANTEES AND COMMITMENTS

At the reporting date, the vehicle has not given guarantees to third parties nor does it have commitments other than those specifically provided for and regulated by the contracts for the covered bond transactions and the segregated assets.

	31/12/2018	31/12/2017
1. First demand financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2. Other financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3. Commercial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
4. Irrevocable loan commitments		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third party commitments	-	-
7. Other irrevocable commitments	-	-
a) to issue guarantees	-	-
b) other	24,878,061,261	24,948,273,793
<b>Total</b>	<b>24,878,061,261</b>	<b>24,948,273,793</b>

The table shows all the securitised assets related to the segregated assets which all guarantee the Covered Bond Programme of Intesa Sanpaolo S.p.A..

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## **H. COVERED BONDS**

### **Basis of presentation and accounting policies used to prepare the Summary of the securitised assets**

The structure and layout used for the Summary are those applicable to financial intermediaries, as per the guidance set out in the “The IFRS financial statements of financial intermediaries other than banking intermediaries” issued by Banca d’Italia on 22 December 2017.

The accounting policies for the most significant captions are set out below.

### **Securitised assets – Loans and receivables**

Loans and receivables are recognised at their estimated realisable value.

### **Investment of liquidity – Loans and receivables with banks**

They are recognised at their nominal amount, which is the same as their estimated realisable value.

### **Subordinated loans**

They are recognised at their nominal amount.

### **Other assets – Other liabilities – Prepayments and accrued income, deferred income and accrued expenses**

They are recognised on an accruals basis in line with the revenue and expense for the year.

### **Interest, fees and commissions, income and expense**

Costs and revenue related to the securitised assets and the subordinated loan, interest, fees and commissions, income, other expense and revenue are all recognised on an accruals basis.

### **Derivatives**

Two swaps were agreed between the vehicle and Intesa Sanpaolo S.p.A.: an asset swap for the cover pool and a liability swap for the covered bond issues. As they are similar to the related hedged assets and liabilities, the swaps are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

## Summary of the securitised assets

	31/12/2018	31/12/2017
<b>Securitised assets</b>	<b>20,259,085,862</b>	<b>20,260,811,642</b>
Loans and receivables	19,971,514,920	19,968,536,234
Securities	-	-
Other assets	287,570,942	292,275,408
- accrued interest income on IRS	255,330,954	259,228,868
- accrued interest income on loans	32,237,057	33,008,644
- other prepayments and accrued income	1,388	1,291
- tax and other assets	1,543	36,605
<b>Utilisation of cash deriving from the management of the securitised assets</b>	<b>4,618,975,399</b>	<b>4,687,462,151</b>
Debt instruments	-	-
Cash and cash equivalents	4,618,975,399	4,687,462,151
<b>Loans received</b>	<b>22,975,818,750</b>	<b>23,025,875,000</b>
<b>Other liabilities</b>	<b>1,902,242,511</b>	<b>1,922,398,793</b>
Liabilities for services	28,121,264	26,281,658
Financial liabilities to Intesa	1,629,148,070	1,575,748,698
Additional return on subordinated loan	27,046,016	95,716,198
Accrued interest expense on IRS	217,927,161	224,652,239
	<b>2018</b>	<b>2017</b>
<b>Fees and commissions borne by the transaction</b>	<b>15,449,695</b>	<b>15,121,471</b>
For servicing	14,879,738	14,505,527
For other services	569,957	615,944
<b>Other expense</b>	<b>1,049,798,599</b>	<b>1,075,078,009</b>
Interest expense on subordinated loan	406,953,509	460,705,025
Interest expense on IRS	581,536,553	593,305,479
Expected losses on loans	53,590,425	15,207,233
Other expense	7,718,112	5,860,272
<b>Interest generated by the securitised assets</b>	<b>441,273,646</b>	<b>435,847,126</b>
<b>Other revenue</b>	<b>623,974,648</b>	<b>654,352,354</b>
Interest income	618,685,359	647,389,940
Other revenue	5,289,289	6,962,414

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella



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## QUALITATIVE INFORMATION

### Description of the Issue Programme and its performance

On 29 July 2010, the vehicle signed a “master sale agreement” covering the sale of an initial portfolio of loans and subsequent portfolios as part of a single covered bond programme for which it is the guarantor.

The initial sale of the Adriano Finance class A securities took place on 2 August 2010 and the vehicle paid €5,820,696,137.80 to the originator, including interest of €47,584,297.03 and principal of €5,773,111,840.77. The sales notice was published in the Italian Official Journal no. 92 of 5 August 2010.

The consideration for the acquired assets (class A securities issued as part of the Adriano Finance series 1 securitisation) was equal to the securities’ nominal amount, including the interest accrued at the sales date. As required by the sector regulations, the vehicle obtained a special attestation from the independent auditors Reconta Ernst & Young (now EY S.p.A.) on the compliance of the measurement criteria of the assets underlying the securities sold with the measurement criteria applied by Intesa Sanpaolo S.p.A. to prepare its most recent financial statements.

Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan to allow it to finance the acquisition of the relevant securities. This loan, which bears interest at 0.50%, allows the originator to collect any additional interest amount left after paying the transaction’s total cost (payment of costs and expenses of the vehicle and all the parties involved in the transaction). The vehicle will repay the subordinated loan after the covered bonds are redeemed (or at their extended redemption date), respecting the applicable priority order and funds available, although it is obliged to repay the loans early if the conditions set out in the related agreements materialise.

On 2 April 2012, the vehicle sold the Adriano Finance Class A securities to Intesa Sanpaolo S.p.A. for €4,313,073,929.39.

A portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 30 June 2011, effective from 27 June 2011, for a total amount of €2,318,996,535.31.

The sales notice was published in the Italian Official Journal no. 78 of 9 July 2011.

The consideration paid for the assets was determined using the carrying amounts in the originator’s financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale’s effective date.

On 11 July 2011, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loan.

A second portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 31 August 2011, effective from 29 August 2011, for a total amount of €4,966,586,761.98.

The sales notice was published in the Italian Official Journal no. 104 of 8 September 2011.

The consideration paid for the assets was determined using the carrying amounts in the originator’s financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale’s effective date.

On 9 September 2011, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

A third portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 30 November 2011, effective from 28 November 2011, for a total amount of €2,197,403,128.48.

The sales notice was published in the Italian Official Journal no. 142 of 10 December 2011.

The consideration paid for the assets was determined using the carrying amounts in the originator’s financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale’s effective date.

On 12 December 2011, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 23 May 2012, using the liquidity generated by the transaction, the vehicle also purchased one ordinary

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treasury bill (BOT) with a nominal amount of €912,000,000.00 and a maturity date of 14 January 2013 for which it paid €900,235,200.00. It paid for the BOT on the guarantor payment date of 12 July 2012.

A fourth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings) was sold to the vehicle on 31 October 2012, effective from 29 October 2012, for a total amount of €3,222,964,397.22.

The sales notice was published in the Italian Official Journal no. 130 of 6 November 2012.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 13 November 2012, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 31 January 2013, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans; these loans were returned to the originator for €39,320,270.96 paid by Intesa Sanpaolo S.p.A..

Due to a procedural anomaly in the loan management IT systems of Intesa Sanpaolo S.p.A., the loans benefited from the suspension of interest payments, which made it necessary to adjust downwards the consideration of the loans sold by Intesa Sanpaolo S.p.A. to the vehicle on 31 October 2012 by €1,765,826.96. This had no impact as the "IFRS accrued interest adjustment" component does not contribute to the test calculations provided for by the Covered Bond Issue Programme.

A fifth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings) was sold to the vehicle on 30 April 2013, effective from 22 April 2013, for a total amount of €4,093,511,498.10.

The sales notice was published in the Italian Official Journal no. 53 of 7 May 2013.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 16 May 2013, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €2,593,511,498.10 at the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The vehicle paid the outstanding €1,500,000,000 (for the revolving sale) to Intesa Sanpaolo S.p.A. at the payment date of 12 July 2013.

On 18 July 2013, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans; these loans were returned to the originator for €740,495,629.74 paid by Intesa Sanpaolo S.p.A.. On the same date, €2,691,297.23 was repaid for the previous sale of October 2012.

On 17 April 2014, the vehicle purchased a zero coupon treasury bond (CTZ) with a nominal amount of €1,000,000,000.00 and a maturity date of 31 December 2014 for which it paid €996,127,400.00. It paid for the bond on the guarantor payment date of 14 July 2014 using cash in its accounts.

A sixth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 May 2014, effective from 26 May 2014, for a total amount of €2,463,077,830.96.

The sales notice was published in the Italian Official Journal no. 67 of 7 June 2014.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 10 June 2014, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 28 October 2014, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €1,808,962.57 paid by Intesa Sanpaolo S.p.A..

A seventh portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and

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originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 April 2015, effective from 27 April 2015, for a total amount of €1,646,898,447.48.

The sales notice was published in the Italian Official Journal no. 53 of 9 May 2015.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 12 May 2015, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

An eighth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 October 2015, effective from 26 October 2015, for a total amount of €1,337,026,661.93.

The sales notice was published in the Italian Official Journal, Part 2, no. 129 of 7 November 2015.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 10 November 2015, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 18 December 2015, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €2,704,583.29 paid by Intesa Sanpaolo S.p.A., including €340,223.53 for the transaction of 30 April 2015 and €2,364,359.76 for the sale of 30 October 2015.

A ninth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2016, effective from 23 May 2016, for a total amount of €3,722,308,897.12.

The sales notice was published in the Italian Official Journal, Part 2, no. 68 of 9 June 2016.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 10 June 2016, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 27 October 2016, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €1,273,651.14 paid by Intesa Sanpaolo S.p.A..

On 7 March 2017, as part of the tests performed on the loans sold on 30 June 2011 and 30 October 2015, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €279,186.74 paid by Intesa Sanpaolo S.p.A..

A tenth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2017, effective from 29 May 2017, for a total amount of €5,258,966,710.15.

The portfolio was temporarily unhedged. Restructuring of all the existing swaps after the guarantor payment date of 12 July 2017 included the new portfolio acquired in May.

The sales notice was published in the Italian Official Journal, Part 2, no. 67 of 8 June 2017.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 9 June 2017, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €4,186,276,094.75 at the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The vehicle paid the remaining €1,072,690,615.40 to Intesa Sanpaolo S.p.A. at the payment date of 12 July 2017 using the available funds.

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On 16 November 2017, as part of the tests performed on the loans sold on 31 May 2017, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €2,222,123.67 paid by Intesa Sanpaolo S.p.A..

An eleventh portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2018, effective from 28 May 2018, for a total amount of €2,490,991,997.82.

The portfolio was temporarily without hedging derivatives. Restructuring of all the existing fixed and floating rate swaps after the guarantor payment date of 12 July 2018 included the new portfolio acquired in May.

The sales notice was published in the Italian Official Journal, Part 2, no. 66 of 9 June 2018.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 11 June 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €850,000,000.00 at the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The vehicle paid the remaining €1,640,991,997.82 to Intesa Sanpaolo S.p.A. at the payment date of 12 July 2018 using the available funds.

On 16 October 2018, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €3,521,315.10 paid by Intesa Sanpaolo S.p.A..

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted an irrevocable and unconditional guarantee to the bondholders with limited resort (the covered bonds guarantee). If the issuer defaults (i.e., Intesa Sanpaolo S.p.A.'s insolvency or non-payment by the Issuer of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The guarantee agreement was also signed by Intesa Sanpaolo S.p.A. as acknowledgement of its issue by the vehicle to the bondholders and of the related terms and conditions.

Italian law requires that the validity of the guarantee be checked over the bonds' term. Accordingly, the calculation agent performs tests of the portfolio to check whether the nominal amount, present value and interest flows (considering the hedging swap) of the portfolio allow the vehicle, if necessary, to pay the interest and principle of the issued bonds. Deloitte Consulting S.p.A. checks the tests' accuracy as the asset monitor. Management of the portfolio over the transaction term is regulated by a portfolio administration agreement signed, inter alia, by the vehicle and Intesa Sanpaolo S.p.A..

The transaction's financial structure provides for the three-monthly payment of the transaction costs, i.e., at the payment dates of 12 January, 12 April, 12 July and 12 October of each year.

Information about the cash flows and payments of 2018 is set out below.

### **Twenty-ninth payment date (12 January 2018)**

On 12 January 2018, payments were made for collections from 1 September 2017 to 30 November 2017.

Funds distributable by the vehicle as interest amounted to €498.2 million, including €117.4 million as collections on the loans portfolio, €76 thousand as interest collected on the current accounts and investments, €142 million on swaps and €238.7 million as the reserve fund required amount.

Third parties that provided services to the vehicle were paid €4.2 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €75 thousand. Moreover, the vehicle paid €115.6 million as the asset swap on the cover pool and €35 million as the liability swap on the issued notional amount.

The vehicle accrued €234.1 million as the reserve fund required amount and €4.7 million was returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.

It paid both interest on the subordinated loan of €29.4 million and the additional interest amount of €75.2 million to Intesa Sanpaolo S.p.A..

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In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€900 million) using the principal available funds.

#### **Thirtieth payment date (12 April 2018)**

On 12 April 2018, payments were made for collections from 1 December 2017 to 28 February 2018. Funds distributable by the vehicle as interest amounted to €601.3 million, including €114.1 million as collections on the loans portfolio, €80 thousand as interest collected on the current accounts and investments, €253.1 million on swaps and €234 million as the reserve fund required amount. Third parties that provided services to the vehicle were paid €4.1 million. The reimbursement of corporate costs and advances to organise the transaction amounted to €152 thousand. Moreover, the vehicle paid €112 million as the asset swap on the cover pool and €34.3 million as the liability swap on the issued notional amount. The vehicle accrued €229.7 million as the reserve fund required amount and €4.3 million was returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date. It paid both interest on the subordinated loan of €27.6 million and the additional interest amount of €189.1 million to Intesa Sanpaolo S.p.A..

#### **Thirty-first payment date (12 July 2018)**

On 12 July 2018, payments were made for collections from 1 March 2018 to 31 May 2018. Funds distributable by the vehicle as interest amounted to €424.1 million, including €108.7 million as collections on the loans portfolio, €84 thousand as interest collected on the current accounts and investments, €85.6 million on swaps and €229.7 million as the reserve fund required amount. Third parties that provided services to the vehicle were paid €4.5 million. The reimbursement of corporate costs and advances to organise the transaction amounted to €133 thousand. Moreover, the vehicle paid €106.5 million as the asset swap on the cover pool and €34.7 million as the liability swap on the issued notional amount. The vehicle accrued €224.9 million as the reserve fund required amount and €4.8 million was returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date. It paid both interest on the subordinated loan of €28.3 million and the additional interest amount of €20.3 million to Intesa Sanpaolo S.p.A.. It also paid the balance of €1,640,991,997.82 of the consideration for the sale of 29 May 2018 using the principal available funds.

#### **Thirty-second payment date (12 October 2018)**

On 12 October 2018, payments were made for collections from 1 June 2018 to 31 August 2018. Funds distributable by the vehicle as interest amounted to €491.8 million, including €118.2 million as collections on the loans portfolio, €76 thousand as interest collected on the current accounts and investments, €141.6 million on swaps and €231.9 million as the reserve fund required amount. Third parties that provided services to the vehicle were paid €4 million. The reimbursement of corporate costs and advances to organise the transaction amounted to €68 thousand. Moreover, the vehicle paid €115.5 million as the asset swap on the cover pool and €34.6 million as the liability swap on the issued notional amount. €231.9 million was accrued as the reserve fund required amount. It paid both interest on the subordinated loan of €29.3 million and the additional interest amount of €76.4 million to Intesa Sanpaolo S.p.A..

#### **Thirty-third payment date (14 January 2019)**

On 14 January 2019, payments were made for collections from 1 September 2018 to 30 November 2018. Funds distributable by the vehicle as interest amounted to €480.9 million, including €113.6 million as collections on the loans portfolio, €70 thousand as interest collected on the current accounts and investments, €138.3 million on swaps and €228.9 million as the reserve fund required amount. Third parties that provided services to the vehicle were paid €4.5 million. The reimbursement of corporate costs and advances to organise the transaction amounted to €96 thousand.

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Moreover, the vehicle paid €111.1 million as the asset swap on the cover pool and €35.5 million as the liability swap on the issued notional amount.  
€228.9 million was accrued as the reserve fund required amount.  
It paid both interest on the subordinated loan of €30 million and the additional interest amount of €70.8 million to Intesa Sanpaolo S.p.A..

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## Parties involved

Intesa Sanpaolo S.p.A. collects and manages the securitised loans on behalf of the vehicle. It acts as custodian bank and servicer as per Law no. 130/99 and may sub-delegate activities to third parties. Intesa Sanpaolo S.p.A. provides IT infrastructure, including via Intesa Sanpaolo Group Services (now Intesa Sanpaolo S.p.A.), and performs the back office activities for collections on the cover pool, as per the Group's regulations. As servicer, it is also responsible for ensuring that the transaction activities comply with the law and the Prospectus, as per article 2.6 of Law no. 130/99.

Intesa Sanpaolo S.p.A. and the vehicle signed an administrative services agreement whereby the former provides the vehicle with administrative, accounting and corporate services.

Amounts collected by Intesa Sanpaolo S.p.A. as servicer on the vehicle's behalf are paid into the accounts with Intesa Sanpaolo S.p.A., which also acts as account bank, cash manager, custodian bank and paying agent of the transaction. In addition, Intesa Sanpaolo S.p.A. manages the liquidity between the collection and payment dates established by the relevant agreements.

On 20 June 2012 and given its concerns that Moody's could downgrade the Programme bonds due to the loss of the minimum rating required for these roles, the vehicle's board of directors resolved to assign Crédit Agricole-CIB Milano the roles of account bank and paying agent (as well as cash manager, even though this role does not have rating limits). The vehicle has kept some accounts with Intesa Sanpaolo S.p.A. for administrative services and collection of the loan payments. In order to maintain the collection account with Intesa Sanpaolo S.p.A., it opened the collection collateral account with Crédit Agricole-CIB Milano and a swap collateral account to allow Intesa Sanpaolo S.p.A. to continue to be its swap counterparty.

The vehicle performed a weekly margining on the collateral account, necessary since Intesa Sanpaolo S.p.A.'s downgrading to P-2 A3 on 15 May 2012.

Intesa Sanpaolo S.p.A. and Crédit Agricole CIB receive a fee in line with market conditions for these services.

In September 2012, after some contractual amendments, Intesa Sanpaolo S.p.A. qualified again as an eligible counterparty for the above roles and the vehicle transferred its funds back to its original accounts from Crédit Agricole-CIB Milano. The margining on the swap collateral account is thus now performed on the Intesa Sanpaolo S.p.A. accounts while the vehicle closed its deposit with Crédit Agricole-CIB Milan securing the collections credited directly to the Intesa Sanpaolo S.p.A. accounts.

doBank S.p.A. (formerly Italfondario S.p.A.) (since December 2012) and Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A. and which took over from Intesa Sanpaolo S.p.A. on 1 October 2012 after the latter had contributed a business unit including the Loan Recovery Department) act as special servicers and are both entrusted with the recovery of non-performing loans after the sales date.

Following enactment of the EMIR, which imposes specific regulatory obligations on parties to OTC derivative contracts, in December 2013, Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A.) and, in February 2014, Intesa Sanpaolo S.p.A. were entrusted with the performance of certain of these mandatory activities as representatives of the vehicle (specifically, Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A.) is responsible for reconciling the portfolios and managing disputes while Intesa Sanpaolo S.p.A. is in charge of reporting).

Deutsche Bank is the paying agent for the covered bonds issued. KPMG Fides servizi di Amministrazione S.p.A. is the bondholders' representative.

Since 30 June 2016, EY S.p.A. has been the calculation agent after the non-proportionate demerger of the business unit from Ernst & Young Financial Business Advisors S.p.A. to Reconta Ernst & Young, S.p.A. which subsequently changed its name to EY S.p.A..

The Luxembourg listing agent is Deutsche Bank Luxembourg S.A., while Deloitte Consulting S.p.A. acts as asset monitor.

All the above parties signed the Intercreditor Agreement, acknowledging and accepting that all the vehicle's obligations, as per the transaction documents, are limited recourse obligations, conditioned by and limited to its available funds and that these funds can only be used by the vehicle in accordance with the payment priority order set out in the aforesaid Intercreditor Agreement up until full redemption of the covered bonds and satisfaction of all other creditors' claims.

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Banca IMI S.p.A. and Barclays Capital assisted Intesa Sanpaolo S.p.A. to structure the transaction as arrangers of the Programme.

## Issue characteristics

The main characteristics of the covered bonds issued by Intesa Sanpaolo S.p.A. (the issuer) as part of the Covered Bond Programme, for which ISP CB Ipotecario S.r.l., as guarantor of the bonds, has issued the covered bond guarantee to the bondholders, are set out below.

The first issue of Intesa Sanpaolo S.p.A. covered bonds, placed on the Eurosystem on 4 November 2010, amounted to €1 billion. They paid annual coupons at a fixed rate of 3% on 4 November of each year starting from 4 November 2011. The bonds had a five-year maturity and provided for a bullet payment at the legal due date of 4 November 2015, which could be extended by one year to 4 November 2016. The bonds were listed on the Luxembourg stock exchange and were rated AAA by Moody's. They were redeemed on 4 November 2015.

The second series of covered bonds was issued on 16 February 2011 for €2.5 billion and a maturity date of 16 August 2016. These bonds paid annual coupons at a fixed rate of 4.375% on 16 August of each year starting from 16 August 2012. They were listed on the Luxembourg stock exchange and rated AAA by Moody's. They have been redeemed.

Two series of registered covered bonds (private placement) were issued on 17 February 2011 and subscribed by Deutsche Bank Frankfurt.

The two registered series of €100 million at a fixed rate of 5.25% and a 15-year maturity and €300 million at a fixed rate of 5.375% and a 20-year maturity, respectively, pay annual coupons on 17 February of each year starting from 17 February 2012. They are rated AAA by Moody's but are not listed.

The fifth series of registered covered bonds (private placement) was issued on 16 September 2011 and subscribed by Deutsche Bank Frankfurt.

The registered series of €210 million at a fixed rate of 5.25% and maturing on 16 September 2027 pays an annual coupon on 16 September of each year starting from 16 September 2012. The bonds are rated AAA by Moody's but are not listed.

The sixth series of covered bonds was issued on 19 September 2011 and amounted to €2.3 billion, maturing on 14 October 2013, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aaa by Moody's. The bonds were redeemed in part on 13 July 2012 (€1.38 billion) with the remainder of €920 million redeemed on 24 September 2012.

The seventh series of covered bonds was issued on 26 September 2011 and amounted to €2.25 billion, maturing on 14 October 2013, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aaa by Moody's. The bonds were fully redeemed on 2 April 2012.

The eighth series of covered bonds was issued on 18 November 2011 and amounted to €1.6 billion, maturing on 12 January 2014, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aa1 by Moody's. The bonds were fully redeemed on 2 April 2012.

The ninth series of covered bonds was issued on 23 November 2011 and amounted to €2 billion, maturing on 12 January 2014, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aa1 by Moody's. The bonds were fully redeemed on 2 April 2012.



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After Moody's downgraded Intesa Sanpaolo S.p.A. again leading to the fears that it could lose the minimum rating necessary to maintain certain roles and that the rating agency could request a higher overcollateralisation level as part of the ISP CB Pubblico Programme, on 5 June 2012, Intesa Sanpaolo S.p.A.'s management board approved an exchange offer<sup>(1)</sup> for the only two series of covered bonds issued as part of this programme still on the market (series 2 and 3) in order to maintain the rating of the covered bonds issued as part of the programme (Aa3). It offered two new issues of covered bonds, series 10 and 11 for €1,863,250,000 and €1,353,028,000, respectively, as an exchange, with the same maturity date and coupon.

The covered bonds issued as part of the ISP CB Pubblico Programme to be exchanged (series 2 and 3) are currently nearly entirely held by Intesa Sanpaolo S.p.A. in its banking book while bonds for €136,750,000 of series 2 and €146,972,000 of series 3 are still on the market.

The tenth series of covered bonds was issued on 16 July 2012 and amounted to €1.8 billion, maturing on 28 April 2017, at a fixed rate of 3.25% offered to the institutional investors in exchange for the bonds issued as part of the ISP CB Pubblico Programme. The bonds paid annual coupons on 28 April. They were listed on the Luxembourg stock exchange and were rated Aa2 by Moody's. These bonds were redeemed on 28 April 2017.

The eleventh series of covered bonds was issued on 16 July 2012 and amounted to €1.3 billion, maturing on 27 January 2021, at a fixed rate of 5% offered to the institutional investors in exchange for the bonds issued as part of the ISP CB Pubblico Programme. The bonds pay annual coupons on 27 January. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

The twelfth series of covered bonds was issued on 25 September 2012 and amounted to €1 billion, maturing on 25 September 2019, at a fixed rate of 3.75%. The bonds pay annual coupons on 25 September. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

The thirteenth series of covered bonds was issued on 3 December 2012 and amounted to €1.25 billion, maturing on 5 December 2022, at a fixed rate of 3.625%. The bonds pay annual coupons on 5 December. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

The fourteenth series of covered bonds was issued on 24 January 2013 and amounted to €1 billion, maturing on 24 January 2025, at a fixed rate of 3.375%. The bonds pay annual coupons on 24 January. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

The fifteenth series of covered bonds was issued on 24 September 2013 and amounted to €750 million, maturing on 24 September 2018, at a fixed rate of 2.25%. The bonds pay annual coupons on 24 September. They were listed on the Luxembourg stock exchange and were rated A2 by Moody's. The bonds were redeemed on 24 September 2018.

The sixteenth series of covered bonds was issued on 10 February 2014 and amounted to €1.25 billion, maturing on 10 February 2026, at a fixed rate of 3.25%. The bonds pay annual coupons on 10 February. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

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<sup>(1)</sup> Intesa Sanpaolo S.p.A. offered the institutional investors holding ISP CB Pubblico S.r.l. covered bonds the option to exchange them with new bonds issued by it and covered by ISP CB Ipotecario S.r.l. with the same characteristics (Project Nemo).

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The seventeenth series of covered bonds was issued on 23 January 2015 and amounted to €1 billion, maturing on 20 January 2022, at a fixed rate of 0.625%. The bonds pay annual coupons on 20 January. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The eighteenth series of covered bonds was issued on 18 December 2015 and amounted to €1.25 billion, maturing on 18 December 2025, at a fixed rate of 1.375%. The bonds pay annual coupons on 18 December. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The nineteenth series of covered bonds was issued on 23 March 2016 and amounted to €1.25 billion, maturing on 23 March 2023, at a fixed rate of 0.625%. The bonds pay annual coupons on 23 March. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twentieth series of covered bonds was issued on 16 September 2016 and amounted to €1.25 billion, maturing on 12 October 2020, at a floating three-month Euribor plus 0.20%. The bonds pay three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

The twenty-first series of covered bonds was issued on 25 November 2016 and amounted to €2.2 billion, maturing on 12 October 2024, at a floating three-month Euribor plus 0.20%. The bonds pay three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

The twenty-second series of covered bonds was issued on 16 June 2017 and amounted to €1 billion, maturing on 16 June 2027, at a fixed rate of 1.125%. The bonds pay annual coupons on 16 June. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twenty-third series of covered bonds was issued on 16 February 2018 and amounted to €2 billion, maturing on 12 April 2030, at a floating three-month Euribor plus 0.29%. The bonds pay three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

The twenty-fourth series of covered bonds was issued on 13 July 2018 and amounted to €1 billion, maturing on 14 June 2025, at a fixed rate of 1.125%. These bonds pay an annual coupon on 14 July of each year. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

The covered bonds issued as part of the programme were downgraded. Specifically, on 6 October 2011, Moody's revised the rating of the bonds issued before that date from AAA to Aa1. On 23 February 2012, the bonds were downgraded again from Aa1 to Aa2 and then to A2 on 17 July 2012. On 21 January 2015, Moody's upgraded their rating from A2 to Aa2.

## Related financial transactions

Following the restructuring of swaps on 13 July 2017, the vehicle has four asset swaps on all the underlying pools and 13 liability swaps, one for each fixed rate covered bond series, with Intesa Sanpaolo S.p.A.. All the swaps are hedged against interest rate risk.

The swaps relate to the loans portfolios sold to the vehicle. The asset swaps allow it to convert the cash flows generated by the cover pool into steady quarterly cash flows (three-month Euribor plus a spread). The liability swaps are structured for each fixed rate covered bond series. Intesa Sanpaolo S.p.A. pays the vehicle fixed rate interest equal to the coupon due on the bonds, while in exchange, the vehicle pays a floating rate in line with the amount it receives for the above-mentioned swaps on the cover pool. On 15 May 2012, Intesa Sanpaolo S.p.A. lost its short-term P-1 rating assigned by Moody's making it necessary to set up a reserve fund acquired amount for the quarterly accrued coupon on the issued bonds. The amount, which had been included in the interest available fund up to the payment date of 14 January 2019, was funded by the issuer which credited €228.9 million to the vehicle's account as contractually provided for. This reserve is subject to recalculation and possible adjustment at each payment date.

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Following the new restructuring of swaps on 16 July 2018, the vehicle has four asset swaps and 14 liability swaps on the fixed-rate securities. The swaps all hedge interest rate risk.

### **The vehicle's operating powers**

The vehicle invests the available cash collected during each collection period until the next payment date via the cash manager. The investment characteristics (eligible investments) are agreed with the rating agency.

## QUANTITATIVE INFORMATION

### Cash flows from securitised assets

#### Loans and receivables

#### Carrying amount

	27 June 2011	Changes in previous years	Changes in current year	31 December 2018
<b>a) Opening balance</b>	<b>2,318,996,535</b>			
<b>b) Increases</b>		<b>31,576,723,354</b>	<b>2,946,693,756</b>	
b.1 interest		2,608,271,010	447,070,585	
b.2 accrued default/legal interest		11,634,266	468,461	
b.3 penalties for redemptions in advance and other		13,910,170	3,320,711	
b.4 acquisitions		28,908,744,332	2,490,991,998 (*)	
b.5 other increases		34,163,576	4,842,001	
<b>c) Decreases</b>		<b>13,927,183,655</b>	<b>2,943,715,070</b>	
c.1 collections		12,554,511,824	2,874,444,697	
c.2 sales		1,193,446,037	3,521,315	
c.3 other decreases in loans		179,225,794	65,749,058	
<b>Closing balance</b>				<b>19,971,514,920</b>

(\*) On 31 May 2018, €2,490,991,997.82 was sold by Intesa Sanpaolo S.p.A.

The items related to securitised loans and the interest income/expense generated by analytical and collective assessments, were accounted for based on the methods and information provided by the servicer (Intesa Sanpaolo S.p.A.).

## Past due loans

### Carrying amount

	2 August 2010	Changes in previous years	Changes in current year	31 December 2018
<b>a) Opening balance</b>	<b>1,503,699</b>			
<b>b) Increases</b>		<b>8,034,212,023</b>	<b>1,511,183,121</b>	
b.1 interest accrued		2,348,917,302	447,000,079	
b.2 accrued default/legal interest		11,628,630	468,461	
b.3 legal and other costs		13,239,906	3,320,711	
b.4 principal		5,658,210,363	1,060,368,842	
b.5 acquisitions		2,215,822	25,028	
<b>c) Decreases</b>		<b>7,410,309,258</b>	<b>1,757,681,756</b>	
c.1 collections		7,300,277,890	1,727,677,325	
c.2 sales		139,237	-	
c.3 other decreases		109,892,131	30,004,431	
<b>Closing balance</b>				<b>378,907,829</b>

Gross past due loans at 31 December 2018 as a percentage of the gross outstanding loans portfolio at the same date remained constant and in line with previous years.

This confirms how the flow and turnover of loans becoming past due during the year remained at ordinary levels without any critical situations.

## Cash flows

### Collections (from 1 January to 31 December 2018)

	Amount
Loans	2,874,444,697
Returns	3,521,315
<b>Total</b>	<b>2,877,966,012</b>
<b>Other cash inflows related to:</b>	
Net interest on current accounts	309,323
Intesa Sanpaolo S.p.A. collateral account	66,700,000
Derivatives for interest collected	622,273,948
<b>Cash outflows related to:</b>	
Management fees	17,007,219
Interest expense on subordinated loan	114,636,806
Derivatives for interest paid	588,261,631
Additional return on subordinated loan	361,043,137
Repayment of subordinated loan	900,000,000
Payment of 29 May 2018 consideration	1,640,991,998
Repayment of cash reserve to Intesa Sanpaolo S.p.A.	13,795,244

Reference should be made to the "Outlook" section for further information on collections.

## Status of guarantees and credit facilities

The vehicle does not have credit facilities.

## Breakdown by residual life

	up to 3 months	from 3 months to 1 year	from 1 to 5 years	after 5 years	past due
1. Securitised assets					
1.1 loans	259,413,405	971,769,751	4,957,998,566	13,403,425,369	378,907,829
1.2 securities	-	-	-	-	-
<b>Total</b>	<b>259,413,405</b>	<b>971,769,751</b>	<b>4,957,998,566</b>	<b>13,403,425,369</b>	<b>378,907,829</b>
2. Financial liabilities					
2.2 financing	-	-	-	22,975,818,750	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,975,818,750</b>	<b>-</b>

## Breakdown by geographical location

### Securitised loans

Country	Currency	Amount
Italy	€	19,971,514,920
<b>Total</b>		<b>19,971,514,920</b>

## Risk concentration

### Breakdown of loan portfolio by amount

Bracket	No. of transactions	Amount
0 - €25,000	32,734	445,939,037
€25,000 - €75,000	101,890	5,112,057,585
€75,000 - €250,000	109,035	12,841,801,913
more than €250,000	4,247	1,571,716,385
<b>Total</b>	<b>247,906</b>	<b>19,971,514,920</b>

### Indication of each loan that individually exceeds 2% of the total amount of loans in the portfolio

There are no loans that individually exceed 2% of the total amount of loans in the portfolio.





## Section 3 – Risks and related hedging policies

### 3.4 Liquidity risk

	On demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 3 years	3 - 5 years	After 5 years	Open term
<b>On-statement of financial position assets</b>											
A.1 Government bonds											
A.2 Other debt instruments											
A.3 Financing	254,205										
A.4 Other assets	72,641										
<b>On-statement of financial position liabilities</b>											
B.1 Due to:											
- Banks											
- Financial companies											
- Customers											
B.2 Debt instruments											
B.3 Other liabilities	162,881										
<b>Off-statement of financial position transactions</b>											
C.1 Financial derivatives with exchange of principal											
- Long positions											
- Short positions											
C.2 Financial derivatives without exchange of principal											
- Positive difference											
- Negative difference											
C.3 Financing to be received											
- Long positions											
- Short positions											
C.4 Irrevocable loan commitments											
- Long positions											
- Short positions											
C.5 Financial guarantees issued											
C.6 Financial guarantees received											

### Disclosure on risks

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first demand autonomous, irrevocable and unconditional guarantee to the bondholders with limited recourse to the cover pool assets (the covered bonds guarantee). If the Issuer defaults (i.e., insolvency of Intesa Sanpaolo S.p.A., non-payment by the Issuer of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The risk of partial or total non-collection of the cover pool assets included in the segregated assets has been transferred to the originator Intesa Sanpaolo S.p.A. which granted ISP CB Ipotecario S.r.l. subordinated loans which it used to fully finance the transaction.

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## **Section 4 – Equity**

### **4.1 Equity**

#### **4.1.1 Qualitative disclosure**

#### **4.1.2 Quantitative disclosure**

##### **4.1.2.1 Equity: breakdown**

The vehicle's equity consists of quota capital of €120,000, split into quotas, the legal reserve (€2,480) and the extraordinary reserve (€47,131).

	31/12/2018	31/12/2017
1. Quota capital	120,000	120,000
2. Quota premium	-	-
3. Reserves	49,611	48,599
- income-related	49,611	48,599
a) legal	2,480	2,429
b) statutory	-	-
c) treasury quotas	-	-
d) other	47,131	46,170
- other	-	-
4. (Treasury quotas)	-	-
5. Valuation reserves	-	-
- Equity instruments at FVOCI	-	-
- Hedges of equity instruments at FVOCI	-	-
- Financial assets (other than equity instruments) at FVOCI	-	-
- Property, equipment and investment property	-	-
- Intangible assets	-	-
- Hedges of investments in foreign operations	-	-
- Cash flow hedges	-	-
- Hedging instruments (elements not designated)	-	-
- Exchange rate gains (losses)	-	-
- Non-current assets held for sale and disposal groups	-	-
- Financial liabilities at FVTPL (change in credit rating)	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit plans	-	-
- Portion of valuation reserves of equity-accounted investees	-	-
6. Equity instruments	-	-
7. Profit for the year	1,625	1,012
<b>Total</b>	<b>171,236</b>	<b>169,611</b>

## Section 5 – Breakdown of comprehensive income

	2018	2017
<b>10. Profit for the year</b>	1,625	1,012
<b>Other comprehensive income, net of tax, that will not be reclassified to profit or loss</b>		
20. Equity instruments at FVOCI:		
a) fair value gains (losses)	-	-
b) transfers to other equity components	-	-
30. Financial liabilities at FVTPL (change in credit rating):		
a) fair value gains (losses)	-	-
b) transfers to other equity components	-	-
40. Hedges of equity instruments at FVOCI:		
a) fair value gains (losses) (hedged item)	-	-
b) fair value gains (losses) (hedging instrument)	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and disposal groups	-	-
90. Portion of valuation reserves of equity-accounted investees	-	-
100. Income taxes on other comprehensive income not reclassified to profit or loss	-	-
<b>Other comprehensive income, net of tax, that will be reclassified to profit or loss</b>		
110. Hedges of investments in foreign operations:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
120. Exchange rate gains (losses):		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
130. Cash flow hedges:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
of which: net positions		
140. Hedging instruments (elements not designated):		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
150. Financial assets (other than equity instruments) at FVOCI:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss		
- impairment losses	-	-
- gains/losses on sales	-	-
c) other changes	-	-
160. Non-current assets held for sale and disposal groups:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
170. Portion of valuation reserves of equity-accounted investees:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss		
- impairment losses	-	-
- gains/losses on sales	-	-
c) other changes	-	-
180. Income taxes on other comprehensive income not reclassified to profit or loss	-	-
<b>190. Total other comprehensive income</b>	-	-
<b>200. Comprehensive income (captions 10+190)</b>	<b>1,625</b>	<b>1,012</b>

## Section 6 - Related party transactions

### 6.1 Directors' and statutory auditors' fees

2018	Directors and statutory auditors
Fees and social security contributions	
- Directors:	
- paid to Intesa Sanpaolo S.p.A.	-
- other	23,311
- Statutory auditors	18,271
<b>Total</b>	<b>41,582</b>

### 6.2 Loans and guarantees given to/on behalf of directors and statutory auditors

No loans or guarantees have been given to/on behalf of directors or statutory auditors.

### 6.3 Related party transactions

Assets and liabilities at 31/12/2018	Loans and receivables with banks	Other liabilities
- Directors and statutory auditors	-	8,372
- Parent: Intesa Sanpaolo S.p.A.	254,205	-
<b>Total</b>	<b>254,205</b>	<b>8,372</b>

Income and expense for 2018	Interest and similar income	Fee and commission expense	Personnel expense	Other admin. expenses
- Directors and statutory auditors	-	-	41,582	3,714
- Parent: Intesa Sanpaolo S.p.A.	55	-	-	-
<b>Total</b>	<b>55</b>	<b>-</b>	<b>41,582</b>	<b>3,714</b>

## Section 7 – Other information

### 7.1 Other

- Equity at 31 December 2018.

	Amount	Possible use (*)	Available portion	Summary of use in past three years	
				to cover losses	for other reasons
QUOTA CAPITAL	120,000		-	-	-
RESERVES:					
- Legal reserve	2,480	B	-	-	-
- Extraordinary reserve	47,131	A,B,C	47,131		
PROFIT FOR THE YEAR	1,625				
<b>TOTAL</b>	<b>171,236</b>		<b>47,131</b>	<b>-</b>	<b>-</b>
NON-DISTRIBUTABLE PORTION	-		-	-	-
REMAINING DISTRIBUTABLE PORTION	-		47,131	-	-
(*) A= for capital increases; B= to cover losses; C= for dividends					

- Fees paid to the independent auditors KPMG S.p.A. and other network companies:

Service	Service provider	Fees
Audit	KPMG S.p.A.	138,100
Other non-audit services	KPMG S.p.A.	108,310

- Parent that prepares consolidated financial statements

Intesa Sanpaolo S.p.A. - Piazza San Carlo 156 - Turin

Milan, 21 February 2019

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Paola Fandella

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## **Annexes**

## Key figures of the parent, Intesa Sanpaolo S.p.A., at 31 December 2017

	2017	2016	Variation	
				%
Income statement (millions of Euros)				
Net interest income	2,986	2,890	96	3.3
Net fee and commission income	2,851	2,790	61	2.2
Net trading income	356	133	223	
Net operating income	8,219	7,664	555	7.2
Operating costs	-4,547	-4,470	77	1.7
Operating profit	3,672	3,194	478	15.0
Net impairment losses on loans and receivables	-1,819	-1,998	-179	-9.0
Net gains on disposal groups	-	1,090	-1,090	
Profit for the year	4,841	1,680	3,161	
Statement of financial position (millions of Euros)				
Loans and receivables with customers	232,693	200,586	1,874	0.9
Direct funding from customers	253,580	232,143	-10,237	-4.4
Indirect funding from customers	208,322	182,946	11,343	6.2
including: funds managed	124,363	116,010	7,550	6.5
Total assets	509,377	447,729	13,711	3.1
Equity	48,472	43,408	5,064	11.7
Operating structure				
Employees (no.)	39,887	33,341	6,546	
including: Italy	38,970	32,698	6,272	
Abroad	917	643	274	
Bank branches (no.)	2,840	2,273	567	
including: Italy	2,736	2,163	573	
Abroad	104	110	-6	

Figures restated on a like-for-like basis. The 2017 balances include the personnel of the acquirees Banca Popolare di Vicenza and Veneto Banca (6,053 employees in Italy). The related corresponding amounts have not been restated.