



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

ISP CB Pubblico S.r.l.

**Financial statements as at and for the year
ended 31 December 2017**

(with independent auditors' report thereon)

KPMG S.p.A.

7 March 2018



KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ISP CB Pubblico S.r.l. (the "company"), which comprise the statement of financial position as at 31 December 2017, the income statement, 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 Pubblico S.r.l. as at 31 December 2017 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 ISP CB Pubblico S.r.l. 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 Pubblico S.r.l. does not extend to such data.

Responsibilities of the directors and board of statutory auditors (“Collegio Sindacale”) of ISP CB Pubblico S.r.l. 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, in accordance with 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, in accordance with 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 directors of ISP CB Pubblico S.r.l. are responsible for the preparation of the company's directors' report at 31 December 2017 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 2017 and its compliance with the applicable law and to express a statement on any material misstatements.

In our opinion, the directors' report is consistent with the financial statements of ISP CB Pubblico S.r.l. at 31 December 2017 and has been prepared in compliance with the applicable law.



ISP CB Pubblico S.r.l.
Independent auditors' report
31 December 2017

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

Milan, 7 March 2018

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 Pubblico S.r.l.

2017 Annual Report

INTESA  SANPAOLO

ISP CB Pubblico S.r.l.

ISP CB Pubblico S.r.l.

Registered office: Via Monte di Pietà 8 - 20121 Milan - Quota capital €120,000 - Company registration no., tax code and VAT no. 05936150969 – ABI code 16831 data processing code 335075 - 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	Carlo Bellavite Pellegrini
Director	Andrea Calamanti
Director	Vanessa Gemmo

Board of statutory auditors

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

Independent auditors	KPMG S.p.A.
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Calling of quotaholders' meeting

2017 annual report

Directors' report

General information

ISP CB Pubblico 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.

For information on operations, reference should be made to section H - Qualitative information.

The vehicle does not have employees and its loan portfolio has been managed by the securitisation servicer, BISS S.p.A., now Intesa Sanpaolo S.p.A., since 20 May 2009, as provided for by the regulations issued by Banca d'Italia. Similarly, Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services.

Performance

On 27 January 2017, series 10 issue was partially cancelled and redeemed in advance for a nominal amount of €500 million. Its current residual nominal amount is €1.2 billion.

The second series issued on 28 April 2010 for €2 billion expired and was redeemed on 2 April 2017.

On 17 May 2017, Intesa Sanpaolo S.p.A. issued the thirteenth series of covered bonds for €1.650 billion, maturing on 6 October 2024, at a floating six-month Euribor plus a spread to be used for transactions in the Eurosystem. The bonds, listed on the Luxembourg stock exchange, were rated A1 by Moody's. The first coupon payment date was 6 October 2017.

On the payment date of 31 March 2017, cash flows from the collection of the loans for the period from 1 August 2016 to 31 January 2017 were received. On 2 October 2017, cash flows from the collection of the loans for the period from 1 February 2017 to 31 July 2017 were received. Cash flows from the collection of the loans for the period from 1 August 2017 to 31 January 2018 will be received on 3 April 2018.

Fifteenth payment date (31 March 2017)

On 31 March 2017, the vehicle settled the cash flows relating to collections on the portfolio from 1 August 2016 to 31 January 2017.

Funds distributable by the vehicle amounted to €348.4 million, including €119.6 million as interest collected on the portfolio, €125 thousand as interest on the current accounts and €60.7 million on swaps, €1.7 million as the interest accumulation amount, €16.4 million as the Cb swap accumulation amount and €149.9 million as the reserve amount.

Third parties that provided services to the vehicle were paid €1.8 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €201 thousand.

The vehicle also paid €119.5 million to the swap counterparty.

It paid Intesa Sanpaolo S.p.A. interest on the subordinated loan of €23.5 million and premium interest under the subordinated loan of €94.5 million.

It set aside €472 thousand as the interest accumulation amount, €18.2 million for the CB swap accumulation amount and €90.2 million for the reserve amount.

It used principal available funds of €750 million to partially repay the subordinated loan.

Sixteenth payment date (2 October 2017)

On 2 October 2017, cash flows from the collection of the portfolio for the period from 1 February 2017 to 31 July

2017 were received.

Funds distributable by the vehicle amounted to €255.6 million, including €76.4 million as interest collected on the portfolio, €126 thousand as interest on the current accounts and €70.2 million on swaps, €472 thousand as the interest accumulation amount, €18.2 million as the Cb swap accumulation amount and €90.2 million as the reserve amount.

Third parties that provided services to the vehicle were paid €1.6 million.

The reimbursement of corporate costs and advances to organise the transaction amounted to €86 thousand.

The vehicle also paid €76.4 million to the swap counterparty.

It paid Intesa Sanpaolo S.p.A. interest on the subordinated loan of €22 million and premium interest under the subordinated loan of €28.5 million.

It set aside €49 thousand as the interest accumulation amount, €12.5 million for the CB swap accumulation amount and €114.5 million for the reserve amount.

Related party transactions

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

Pursuant to the relevant contractual terms, the vehicle recognised €2,873,731 for servicing services, €12,000 for the receivable account bank services, €61,000 for administrative services, €10,000 for cash management services and €119,670 for account bank services. All these services were provided by Intesa Sanpaolo S.p.A. through its administrative and tax, corporate affairs and equity investments departments and through its local bank division. The vehicle recognised service fees of €610 for the activities required by the EMIR regulation performed by Intesa Sanpaolo Group Services S.c.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 of €980 for the year.

Key events of the year

Acknowledging the expiry of all statutory auditors' term of office, during their meeting of 20 March 2017, the quotaholders appointed the new statutory auditors in office for 2017, 2018 and 2019 and, hence, until the date of the quotaholders' meeting approving the financial statements as at and for the year ending 31 December 2019, as follows:

Nicola Bruni,
Eugenio Braja,
Giuseppe Dalla Costa.

They appointed Nicola Bruni as chairperson of the board of statutory auditors.

Events after the reporting date

On 30 January 2018, series 11 issue was partially cancelled and redeemed in advance for a nominal amount of €600 million. Its current residual nominal amount is €500 million.

Outlook

The vehicle's operations should continue regularly and collections will be in line with the portfolios' performance.

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 2017 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 €980 for the year be allocated as follows:

- to the legal reserve	€	49
- to the extraordinary reserve	€	931

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

Quota capital	€	120,000
Legal reserve (included in "Reserves")	€	2,390
Extraordinary reserve (included in "Reserves")	€	45,372
Total equity	€	167,762

Milan, 19 February 2018

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Report of the board of statutory auditors

Report of the independent auditors

Financial statements

Statement of financial position

	Assets	31/12/2017	31/12/2016
10.	Cash and cash equivalents	-	-
20.	Financial assets held for trading	-	-
30.	Financial assets at fair value	-	-
40.	Available-for-sale financial assets	-	-
50.	Held-to-maturity investments	-	-
60.	Loans and receivables	221,932	234,311
70.	Hedging derivatives	-	-
80.	Macro-hedging adjustments to financial assets (+/-)	-	-
90.	Equity investments	-	-
100.	Property, equipment and investment property	-	-
110.	Intangible assets	-	-
120.	Tax assets:		
	a) current	1,843	4,450
	b) deferred	-	157
	of which as per Law no. 214/2011		
130.	Non-current assets held for sale and disposal groups	-	-
140.	Other assets	515	-
	TOTAL ASSETS	224,290	238,918

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Statement of financial position

	Liabilities and equity	31/12/2017	31/12/2016
10.	Financial liabilities	-	-
20.	Securities issued	-	-
30.	Financial liabilities held for trading	-	-
40.	Financial liabilities at fair value	-	-
50.	Hedging derivatives	-	-
60.	Macro-hedging adjustments to financial liabilities (+/-)	-	-
70.	Tax liabilities:		
	a) current	2,105	2,640
	b) deferred	-	-
80.	Liabilities associated with discontinued operations	-	-
90.	Other liabilities	54,423	69,496
100.	Post-employment benefits	-	-
110.	Provisions for risks and charges:		
	a) pension and similar obligations	-	-
	b) other provisions	-	-
120.	Quota capital	120,000	120,000
130.	Treasury quotas (-)	-	-
140.	Equity instruments	-	-
150.	Quota premium	-	-
160.	Reserves	46,782	40,468
170.	Valuation reserves		
180.	Profit for the year	980	6,314
	TOTAL LIABILITIES AND EQUITY	224,290	238,918

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Income statement

Income statement		2017	2016
10.	Interest and similar income	69	68
20.	Interest and similar expense	-	-
	NET INTEREST INCOME	69	68
30.	Fee and commission income	-	-
40.	Fee and commission expense	-	-
	NET FEE AND COMMISSION INCOME (EXPENSE)	-	-
50.	Dividends and similar income	-	-
60.	Net trading income (expense)	-	-
70.	Net hedging income (expense)	-	-
80.	Net gains (losses) on financial assets and liabilities at fair value	-	-
90.	Gain/loss from sales or repurchases of:		
	a) financial assets	-	-
	b) financial liabilities	-	-
	TOTAL INCOME	69	68
100.	Net impairment losses/reversals of impairment losses on:		
	a) financial assets	-	-
	b) other financial transactions	-	-
110.	Administrative expenses:		
	a) personnel expense	-40,348	-42,127
	b) other administrative expenses	-83,868	-79,393
120.	Depreciation and net impairment losses/reversals of impairment losses on property, equipment and investment property	-	-
130.	Amortisation and net impairment losses/reversals of impairment losses on intangible assets	-	-
140.	Fair value gains (losses) on property, equipment and investment property and intangible assets	-	-
150.	Net accruals to provisions for risks and charges	-	-
160.	Other net operating income	124,793	129,766
	OPERATING PROFIT	646	8,314
170.	Gains (losses) on equity investments	-	-
180.	Gains (losses) on sales of investments	-	-
	PRE-TAX PROFIT FROM CONTINUING OPERATIONS	646	8,314
190.	Income taxes	334	-2,000
	POST-TAX PROFIT FROM CONTINUING OPERATIONS	980	6,314
200.	Post-tax profit (loss) from discontinued operations	-	-
	PROFIT FOR THE YEAR	980	6,314

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Statement of comprehensive income

	2017	2016
10. Profit for the year	980	6,314
Other comprehensive income, net of income taxes, not reclassified to profit or loss		
20. Property, equipment and investment property	-	-
30. Intangible assets	-	-
40. Defined benefit plans	-	-
50. Non-current assets held for sale	-	-
60. Portion of valuation reserves of equity-accounted investees	-	-
Other comprehensive income, net of income taxes, reclassified to profit or loss		
70. Hedges of investments in foreign operations	-	-
80. Exchange rate differences	-	-
90. Cash flow hedges	-	-
100. Available-for-sale financial assets	-	-
110. Non-current assets held for sale	-	-
120. Portion of valuation reserves of equity-accounted investees	-	-
130. Total other comprehensive income, net of income taxes	-	-
140. Comprehensive income (captions 10+130)	980	6,314

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Statement of changes in equity

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					
BALANCE AT 1.1.2017	120,000			40,468					6,314	166,782
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves				6,314					-6,314	-
Dividends and other distributions										-
CHANGES OF THE YEAR										
Changes in reserves										-
Equity transactions										-
Issue of new quotas										-
Other changes	-								-	-
Comprehensive income									980	980
EQUITY AT 31.12.2017	120,000	-	-	46,782	-	-	-	-	980	167,762

31 December 2016

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1.1.2016	120,000			31,055					9,413	160,468
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves				9,413					-9,413	-
Dividends and other distributions										-
CHANGES OF THE YEAR										
Changes in reserves										-
Equity transactions										-
Issue of new quotas										-
Other changes										-
Comprehensive income									6,314	6,314
EQUITY AT 31.12.2016	120,000	-	-	40,468	-	-	-	-	6,314	166,782

on behalf of the BOARD OF DIRECTORS
 Chairperson
 Carlo Bellavite Pellegrini
 (signed on the original)

Statement of cash flows

	2017	2016
A. OPERATING ACTIVITIES		
1. Operations	980	6,314
- interest income collected	69	68
- interest expense paid	-	-
- dividends and similar income	-	-
- net fee and commission income (expense)	-	-
- personnel expense	-40,348	-42,127
- other costs	-83,868	-79,393
- other revenue	124,793	129,766
- taxes and duties	334	-2,000
- costs/revenue related to disposal groups net of the tax effect	-	-
2. Cash flows generated by/used for financial assets	2,249	-1,907
- financial assets held for trading	-	-
- financial assets at fair value	-	-
- available-for-sale financial assets	-	-
- loans and receivables with banks	-	-
- loans and receivables with financial institutions	-	-
- loans and receivables with customers	-	-
- other assets	2,249	-1,907
3. Cash flows generated by/used for financial liabilities	-15,608	24,800
- due to banks	-	-
- due to financial institutions	-	-
- due to customers	-	-
- securities issued	-	-
- financial liabilities held for trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	-15,608	24,800
Net cash flows generated by/used for operating activities	-12,379	29,207
B. INVESTING ACTIVITIES		
1. Cash flows generated by:	-	-
- sales of equity investments	-	-
- dividends from equity investments	-	-
- sales/reimbursements of held-to-maturity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash flows used to acquire:	-	-
- equity investments	-	-
- held-to-maturity investments	-	-
- property, equipment and investment property	-	-
- intangible assets	-	-
- business units	-	-
Net cash flows generated by/used in investing activities	-	-
C. FINANCING ACTIVITIES		
- issue/repurchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
Net cash flows generated by/used in investing activities	-	-
NET CASH FLOWS FOR THE YEAR	-12,379	29,207
RECONCILIATION		
Opening cash and cash equivalents	234,311	205,104
Net cash flows for the year	-12,379	29,207
Closing cash and cash equivalents	221,932	234,311

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Notes to the financial statements

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 2017 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 EC regulation 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 securitisation 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.

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 intermediaries other than banking intermediaries" issued by Banca d'Italia on 9 December 2016.

The accounting policies applied to prepare these financial statements are consistent with those used for the 2016 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 legally-required 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 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, while IFRS 15 introduces a five-step model to recognise revenue from contracts with customers. At present, neither standards apply to the vehicle's financial statements

A.2 – ACCOUNTING POLICIES

This section sets out the accounting policies applied to prepare the financial statements at 31 December 2017. 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.

They are recognised at fair value and subsequently measured at amortised cost.

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 the contractual rights to their cash flows expire or when they are transferred.

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

Other assets are treated similarly.

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.

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: division by fair value level

	31/12/2017				31/12/2016			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Held-to-maturity investments	-	-	-	-	-	-	-	-
2. Loans and receivables	221,932	-	221,932	-	234,311	-	234,311	-
3. Property, equipment and investment property held for investment	-	-	-	-	-	-	-	-
4. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	221,932	-	221,932	-	234,311	-	234,311	-
Financial liabilities								
2. Securities issued	-	-	-	-	-	-	-	-
3. Liabilities associated with discontinued operations	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

CA=Carrying amount
L1= Level 1
L2= Level 2
L3= Level 3

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 €221,932, classified as level 2 of the fair value hierarchy.

Considering the technical format 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 6 – Loans and receivables – Caption 60

6.1 Loans and receivables with banks

□	31/12/2017			31/12/2016				
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Deposits and current accounts:								
- held with Intesa Sanpaolo S.p.A.	221,932	221,932		234,311	234,311			
2. Financing								
3. 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	-	-		-	-			
Total	221,932	221,932		234,311	234,311			

Section 12 – Tax assets and liabilities

12.1 Caption 120 "Tax assets: current and deferred"

Current tax assets: breakdown	31/12/2017	31/12/2016
Withholdings on bank interest	18	18
IRES payments on account and assets	1,825	3,306
VAT payments on account	-	1,126
Total	1,843	4,450

Deferred tax assets: breakdown	31/12/2017	31/12/2016
IRES deferred tax assets	-	157
Total	-	157

12.2 Caption 70 "Tax liabilities: current and deferred"

Current tax liabilities: breakdown	31/12/2017	31/12/2016
Withholdings to be paid	2,063	437
Tax liabilities for direct taxes	42	2,203
Total	2,105	2,640

12.3 Changes in deferred tax assets (recognised in profit or loss)

	31/12/2017	31/12/2016
1. Opening balance	157	470
2. Increases	-	42
2.1 Deferred tax assets recognised in the year		
(a) related to previous years	-	42
(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	-	-
3. Decreases	157	355
3.1 Deferred tax assets derecognised in the year		
(a) reversals	157	355
(b) impairment losses due to non-recoverability	-	-
(c) due to changes in accounting policies	-	-
(d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases:	-	-
(a) conversion into tax assets, including as per Law no. 214/2011	-	-
(b) other	-	-
4. Closing balance	-	157

There are no deferred tax assets arising on carryforward tax losses.

Section 14 – Other assets

14.1 Caption 140 "Other assets"

	31/12/2017	31/12/2016
Other:		
- receivables from the securitised assets	515	-
Total	515	-

LIABILITIES

Section 7 – Tax liabilities – Caption 70

Reference should be made to section 12 of the Assets for information about tax liabilities.

Section 9 - Other liabilities - Caption 90

9.1 Caption 90 "Other liabilities"

	31/12/2017	31/12/2016
Statutory auditors' fees	16,616	17,509
Suppliers and beneficiaries	37,779	51,957
Securitised assets for interest	28	30
Total	54,423	69,496

Section 12 - Equity - Caption 120

12.1 Caption 120 "Quota capital"

	31/12/2017	31/12/2016
1. Quota capital		
1.1 Ordinary quotas	-	-
1.2 Quotas	120,000	120,000
Total	120,000	120,000

12.5 Other information - Composition and changes in caption 160 "Reserves"

	Legal reserve	Retained earnings	Other Extraordinary	Total
A. Opening balance	2,025	-	38,443	40,468
B. Increases				
B.1 Allocation of profits	316	-	5,998	6,314
B.2 Other increases	-	-	-	-
C. Decreases				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
- for dividend distribution	-	-	-	-
- for conversion into capital	-	-	-	-
C.2 Other decreases	-	-	-	-
D Closing balance	2,341	-	44,441	46,782

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	2017	2016
1. Financial assets held for trading	-	-	-	-	-
2. Financial assets at fair value	-	-	-	-	-
3. Available-for-sale financial assets	-	-	-	-	-
4. Held-to-maturity investments	-	-	-	-	-
5. Loans and receivables					
5.1 Loans and receivables with banks:					
- Intesa Sanpaolo S.p.A.	-	-	69	69	68
5.2 Loans and receivables with financial institutio	-	-	-	-	-
5.3 Loans and receivables with customers	-	-	-	-	-
6. Other assets	-	-	-	-	-
7. Hedging derivatives	-	-	-	-	-
	Total	-	-	69	68

Section 9 - Administrative expenses - caption 110

9.1 Caption 110.a "Personnel expense"

□	2017	2016
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) post-employment 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 costs	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	40,348	42,127
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	40,348	42,127

9.2 Average number of employees by category

The vehicle does not have any employees.

9.3 Caption 110.b "Other administrative expenses"

□	2017	2016
Consultancy	6,286	5,157
Audit fees	71,595	66,897
Notary fees	2,108	1,718
Other taxes and duties	525	436
Reimbursement of costs incurred by company bodies	3,269	4,769
Other	85	416
Total	83,868	79,393

Section 14 - Other net operating income - Caption 160

14.1 Caption 160 "Other net operating income"

	2017	2016
□		
Contractually provided-for income	124,793	129,766
Total	124,793	129,766

Section 17 – Income taxes – Caption 190

17.1 Caption 190 "Income taxes"

	2017	2016
1. Current taxes	42	2,203
2. Change in current taxes from previous years	-533	-517
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	157	314
5. Change in deferred tax liabilities	-	-
Tax expense for the year	-334	2,000

17.2 Reconciliation between the theoretical and effective tax expense for the year

	31/12/2017
Pre-tax profit from continuing operations	646
Theoretical taxable profit	646
	Income taxes
Income taxes - theoretical tax expense	178
Increases	137
Higher effective tax rate and higher tax base for IRAP purposes	-
Non-deductible costs	137
Other	-
Decreases	-649
Untaxed gains on equity investments	-
Other - prior year	-649
Total changes	-512
Effective tax expense	-334

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.

□	31/12/2017	31/12/2016
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 commitments to disburse funds		
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	8,875,395,915	9,731,472,175
Total	8,875,395,915	9,731,472,175

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..

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 intermediaries other than banking intermediaries" issued by Banca d'Italia on 9 December 2016.

All the captions match the figures in the accounting records and IT system of Intesa Sanpaolo S.p.A. (which took over from BIIS S.p.A. with the partial spin-off deed of 21 November 2012), which is the servicer.

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.

Securitised assets – Securities

They are recognised at their nominal amount, which is the same as their redemption amount.

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 loan

It is recognised at its 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

Thirteen derivative contracts were agreed to protect the vehicle. They are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

Summary of the securitised assets

		31/12/2017	31/12/2016
Securitisèd assets		6,382,046,332	7,193,993,214
Loans and receivables		3,798,385,588	4,423,502,287
Securities		2,196,292,160	2,365,998,737
Other assets		387,368,584	404,492,190
- accrued interest income on loans	17,796,286		20,511,407
- accrued interest income on securities	19,129,433		17,862,757
- accrued interest income on IRS	74,034,570		120,303,117
- accrued interest income on subordinated loan adjustment	273,701,098		245,294,852
- tax and other assets	2,707,197		520,057
Utilisation of cash deriving from the management of the securitised assets		2,493,349,583	2,537,478,961
Cash and cash equivalents		2,493,349,583	2,537,478,961
Loans received		8,561,578,739	9,311,578,739
Other liabilities		313,817,176	419,893,436
Liabilities for services		1,393,034	1,545,846
Accrued interest expense on subordinated loan		197,566,260	271,119,917
Accrued interest expense on IRS		114,780,436	147,150,227
Other deferred income and accrued expense		77,446	77,446

		2017	2016
Fees and commissions borne by the transaction		3,192,669	3,574,393
For servicing	2,873,731		3,246,867
For other services	318,938		327,526
Other expense		297,903,479	379,425,308
Interest expense on subordinated loan	95,806,141		116,720,484
Interest expense on IRS	201,197,542		262,452,317
Expected losses on loans	-		-
Other expense	899,796		252,507
Interest generated by the securitised assets		177,004,596	201,516,313
Other revenue		124,091,552	181,483,388
Interest income	122,439,358		178,765,402
Other revenue	1,652,194		2,717,986

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

QUALITATIVE INFORMATION

Description of the Issue Programme and its performance

On 20 May 2009, the vehicle signed a "master sale agreement" (most recently revised on 19 April 2013) 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.

Banca Intesa Infrastrutture e Sviluppo S.p.A. (BIIS S.p.A.), now ISP S.p.A. (following the partial spin-off to the latter on 1 December 2012 with the notary deed no. 1.655, folder 564 of 21 November 2012 of Studio Notarile Morone), sold the vehicle the first loan portfolio on 20 May 2009, effective from 1 May 2009, for a total amount of approximately €3.8 billion (the carrying amount of the loans at 1 May 2009).

The portfolio complies with the block criteria as per Law no. 130/99 and was identified using the objective criteria published in the Italian Official Journal on 16 June 2009.

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

Against the sale of these assets, BIIS S.p.A. granted the vehicle subordinated loans to allow it to finance the acquisition of the loans. These loans partly reflect the financial profile of the bonds issued by Intesa Sanpaolo S.p.A. and allow BIIS S.p.A. to maintain an excess spread, equal to the difference between the return on the portfolio and 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 loans at the last redemption date or the extended redemption date of the covered bonds, 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.

BIIS S.p.A. sold the vehicle a second portfolio consisting of loans and securities on 30 March 2010, effective from 1 April 2010, for a total amount of approximately €2.5 billion (carrying amount of the loans and securities).

The portfolio complies with the block criteria as per Law no. 130/99 and was identified using the objective criteria published in the Italian Official Journal on 15 April 2010.

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

Against the sale of these assets, BIIS 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.

BIIS S.p.A. sold the vehicle a third portfolio consisting of loans on 28 October 2010, effective from 1 November 2010, for a total amount of approximately €1.7 billion (carrying amount of the loans).

The portfolio complied with the block criteria as per Law no. 130/99 and was identified using the objective criteria published in the Italian Official Journal on 20 November 2010.

The consideration paid for the assets was determined using their carrying amounts in the originator's financial statements as required by law, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date. Reconta Ernst & Young S.p.A. performed an appraisal of some of the assets that did not have a carrying amount at 31 December 2009.

Against the sale of these assets, BIIS 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.

BIIS S.p.A. sold the vehicle a fourth portfolio consisting of securities on 16 March 2011 for a total amount of approximately €2.9 billion (carrying amount of the securities).

The portfolio complied with the objective criteria published in the Italian Official Journal on 24 March 2011.

The consideration paid for the assets was determined using their carrying amounts in the originator's financial

statements as required by law, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date. Reconta Ernst & Young S.p.A. performed an appraisal of the carrying amounts at 31 December 2010 as the originator's financial statements had not been approved at the date the fourth portfolio was sold and when the covered bonds were issued.

Against the sale of these assets, BIIS 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.

On 24 May 2011, the board of directors authorised an increase in the Programme to €20 billion.

BIIS S.p.A. sold the vehicle a fifth portfolio consisting of loans on 1 June 2011 for a total amount of approximately €2.6 billion (carrying amount of the loans).

The portfolio complies with the block criteria as per Law no. 130/99 and was identified using the objective criteria published in the Italian Official Journal on 4 June 2011.

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

Against the sale of these assets, BIIS 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.

On 21 December 2011, the vehicle returned a portfolio of performing loans of approximately €449 million to BIIS S.p.A.. This re-acquisition by the originator was necessary as the loans no longer met the requirements for inclusion in the cover pool of loans from non-Italian public sector bodies due to Italy's downgrading.

BIIS S.p.A. sold the vehicle a sixth portfolio consisting of securities on 1 March 2012 for approximately €286.8 billion (carrying amount of the securities).

The portfolio complied with the objective criteria published in the Italian Official Journal on 10 March 2012.

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

The vehicle funded the acquisition using the principal available funds.

On 25 June 2012, the vehicle returned a portfolio comprising two loans to BIIS S.p.A. (these loans had past due payments which were partly defaulting) and two defaulting securities, as per the Programme documentation, for a total approximate €41.3 million.

On 24 September 2012, the vehicle returned the Generalitat de Catalunya 4.75% 2018 bonds with an outstanding payable of €25 million to BIIS S.p.A.. It had paid €27,501,961.24 to purchase these bonds.

On 19 April 2013, BIIS S.p.A. sold the vehicle a seventh portfolio consisting of zero coupon Italian treasury bonds maturing on 30 September 2014 for a total amount of approximately €1,031 billion (carrying amount of the bond).

The portfolio complied with the objective criteria published in the Italian Official Journal on 19 April 2013.

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

The vehicle paid for the portfolio using the principal available funds on 30 September 2013.

Pursuant to article 7-bis.1 of Law no. 130/99 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first demand autonomous, unconditional and irrevocable guarantee to the bondholders with limited resort to the cover pool assets (the covered bonds guarantee). If the issuer defaults (i.e., non-payment 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 the related terms and conditions.

Italian law requires that the validity of the guarantee be checked over the bonds' term. Accordingly, the calculation agent, Securitisation Services S.p.A., performs tests of the portfolio to check whether the nominal amount, present value and interest flows (considering the hedging swap and transaction costs) of the portfolio allow the vehicle, if necessary, to pay the interest and principle of the issued bonds. Mazars S.p.A. checks the tests' accuracy as the asset monitor, which has to be an audit company as per the supervisory instructions. 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..

As set out in the "General information" section, on 21 November 2012, BIIS S.p.A. and Intesa Sanpaolo S.p.A. signed a partial spin-off deed whereby the operations of BIIS S.p.A. were transferred to Intesa Sanpaolo S.p.A.. The latter took over all BIIS S.p.A.'s legal relationships on 1 December 2012, including those for the Programme. As a result of this spin-off, Intesa Sanpaolo S.p.A. took on the roles previously held by BIIS S.p.A. (seller, servicer, swap counterparty, lender of the subordinated loan and receivables collection account bank).

The transaction's financial structure provides for the six-monthly payment of the transaction costs, i.e., at the payment dates of 31 March and 30 September of each year.

Information about the cash flows and payments of 2017 is set out below.

Fifteenth payment date (31 March 2017)

On 31 March 2017, the vehicle made the payments as per the Prospectus for the collections received from 1 August 2016 to 31 January 2017 (shown in the following table):

	(€'000)
Collections on securitised assets from 1 August 2016 to 31 January 2017 (interest)	119,568
Non-performing loans	716

Funds distributable by the vehicle amounted to €348.4 million, including €119.6 million as interest collected on the portfolio, €125 thousand as interest on the current accounts and €60.7 million on swaps, €1.7 million as the interest accumulation amount, €16.4 million as the CB swap accumulation amount and €149.9 million as the reserve amount.

The vehicle paid its service providers €1.8 million. Reimbursement of corporate costs amounted to €201 thousand. It also paid €119.5 million to the swap counterparty. It paid Intesa Sanpaolo S.p.A. interest of €23.5 million on the subordinated loan and an additional return of €94.5 million, again on the subordinated loan.

It set aside €472 thousand as the interest accumulation amount, €18.2 million for the CB swap accumulation amount and €90.2 million for the reserve amount.

It used principal available funds of €750 million to partially repay the subordinated loan.

Detailed information on the cash flows from the loans and to pay the service providers is set out in the annex.

Sixteenth payment date (2 October 2017)

On 2 October 2017, the vehicle made the payments as per the Prospectus for the collections received from 1 February 2017 to 31 July 2017 (shown in the following table):

(€'000)

Collections on securitised assets from 1 February 2017 to 31 July 2017 (interest)	76,419
Non-performing loans	0

Funds distributable by the vehicle amounted to €255.6 million, including €76.4 million as interest collected on the portfolio, €126 thousand as interest on the current accounts and €70.2 million on swaps, €472 million as the interest accumulation amount, €18.2 million as the CB swap accumulation amount and €90.2 million as the reserve amount.

The vehicle paid its service providers €1.6 million. Reimbursement of corporate costs amounted to €86 thousand. It also paid €76.4 million to the swap counterparty. It paid Intesa Sanpaolo S.p.A. interest of €22 million on the subordinated loan and an additional return of €28.5 million, again on the subordinated loan.

It set aside €49 thousand as the interest accumulation amount, €12.5 million for the CB swap accumulation amount and €114.5 million for the reserve amount.

Detailed information on the cash flows from the loans and to pay the service providers is set out in the annex.

Parties involved

Up until 30 November 2012 when it was replaced by Intesa Sanpaolo S.p.A. (as per the spin-off deed of 21 November 2012), BIIS S.p.A. collected and managed the securitised loans on behalf of the vehicle. Intesa Sanpaolo S.p.A. is also the servicer as per Law no. 130/99 and it may sub-delegate activities to third parties. It provides IT infrastructure, including via Intesa Sanpaolo Group Services S.c.p.a., and performs the back office activities for collection of the securitised assets, as per the Group's regulations. As servicer, Intesa Sanpaolo S.p.A. 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 (including book keeping, tax returns and corporate activities).

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

Amounts collected by Intesa Sanpaolo S.p.A. as servicer on the vehicle's behalf are paid into accounts held by it as it also acts as account bank and cash manager. Intesa Sanpaolo S.p.A. manages the funds during the time they are deposited in the current account before being used to make the payments on the dates set by the vehicle.

It receives a fee in line with market conditions for these services.

Intesa Sanpaolo S.p.A. selected Deutsche Bank as the paying agent for the covered bonds. Finanziaria Internazionale Securitisation Group S.p.A. (now FISG S.r.l.) is the bondholder representative and Securitisation Services S.p.A. is the calculation agent. The Luxembourg listing agent is currently Deutsche Bank Luxembourg S.A..

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.

Banca IMI S.p.A. assisted Intesa Sanpaolo S.p.A. to structure the securitisation as arranger of the first issue.

As already noted, Mazars S.p.A. is the asset monitor.

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 Pubblico S.r.l., as guarantor of the bonds, has issued the covered bond guarantee to the bondholders, are set out below.

Moody's Investor Service rated the bonds AAA after analysing the portfolio, the legal documentation and the transaction's structure.

The first issue on 24 July 2009 was for €3 billion. The bonds paid six-monthly coupons at a floating six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year starting from 6 April 2010. The bonds paid interest for the first period of roughly nine months using the nine-month Euribor of 2 July 2009 as a base (1.404%). The bonds had a term of just over two years and were to be redeemed in a bullet payment on 6 October 2011. The redemption date could be extended by one year to 6 October 2012. They were rated AAA by Moody's. These bonds matured and were fully redeemed on 6 October 2011.

The second issue of 28 April 2010 was for €2 billion and was fully placed on the market. The bonds had a seven-year term (bullet payment on 28 April 2017), which could have been extended by one year to 28 April 2018. The bonds paid an annual coupon at a fixed rate of 3.25%. The payment date was 28 April of each year starting from 28 April 2011. The bonds were rated AAA by Moody's. The issue was subject to the Exchange Offer in the period from July to September 2012, as described in more detail below: €1,863,250,000 was acquired by Intesa Sanpaolo S.p.A. as collateral to be placed with the Eurosystem, while €136,750,000 remained on the market. The bonds matured on 28 April 2017.

The third issue of 27 January 2011 was for €1.5 billion and was fully placed on the market. The bonds have a ten-year term (bullet payment on 27 January 2021), which may be extended by one year to 27 January 2022. The bonds pay an annual coupon at a fixed rate of 5.00%. The payment date is 27 January of each year starting from 27 January 2012. The bonds were rated AAA by Moody's. The issue was subject to the Exchange Offer in the period from July to September 2012, as described in more detail below: €1,353,028,000 was acquired by Intesa Sanpaolo S.p.A. as collateral to be placed with the Eurosystem, while €146,972,000 remained on the market.

The fourth issue of 30 March 2011 of €2.4 billion was fully subscribed by Banca IMI S.p.A. and then sold to BIIS S.p.A.. The bonds had a two-year term (bullet payment on 6 April 2013), which could have been extended by one year to 6 April 2014. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 6 October 2011. The bonds were rated Triple A by Moody's. They matured and were fully redeemed on 6 April 2013.

The fifth issue of 29 July 2011 of €2 billion was fully subscribed by Banca IMI S.p.A. and then sold to BIIS S.p.A.. The bonds had a two-year term (bullet payment on 6 October 2013), which could have been extended by one year to 6 October 2014. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 6 April 2012. The bonds were rated Triple A by Moody's. They were redeemed in advance on 2 October 2013.

The sixth issue of 1 December 2011 of €2.4 billion was fully subscribed by Banca IMI S.p.A. and then sold to BISS S.p.A.. The bonds have a two-year term (bullet payment on 7 April 2014), which may be extended by one year to 7 April 2015. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year, starting from 6 April 2012. The bonds were rated Aa3 by Moody's. The bonds were partially redeemed (€1 billion) on 24 March 2014, with the remainder (€1.4 billion) redeemed on 3 April 2014.

On 5 June 2012 and as resolved by its management board, Intesa Sanpaolo S.p.A., as issuer, approved an exchange offer, enabling the holders of the only two series of covered bonds still on the market (series 2 and 3) to exchange their bonds for new covered bonds issued as part of the Programme guaranteed by ISP CB Ipotecario S.r.l..

The first stage of the exchange offer took place on 16 July 2012 with two new issues as part of the Programme guaranteed by ISP CB Ipotecario S.r.l. with the same characteristics:

- (a) ISIN IT0004839251, the tenth issue of the ISP CB Ipotecario Programme, €1,813,150,000, replacing the covered bonds of €2,000,000,000 (ISIN IT0004603434) of the ISP CB Pubblico Programme, bearing a fixed interest rate of 3.25% and maturing on 28 April 2017.
- (b) ISIN IT0004839046, the eleventh issue of the ISP CB Ipotecario Programme, €1,341,823,000, replacing the covered bonds of €1,500,000,000 (ISIN IT0004679368) of the ISP CB Pubblico Programme, bearing a fixed interest rate of 5.00% and maturing on 27 January 2021.

Intesa Sanpaolo S.p.A. concurrently acquired the portion of the two covered bond series guaranteed by ISP CB Pubblico S.r.l., object of the exchange offer, and included them in its eligible assets with the Eurosystem.

The exchange offer was closed on 25 September 2012 and following an additional request from the investors, a second tranche was issued integrating the two initial issues of the Programme guaranteed by ISP CB Ipotecario by €50,100,000 for the tenth series and €11,205,000 for the eleventh series, with the subsequent re-acquisition by Intesa Sanpaolo S.p.A. of identical amounts of the Programme issues guaranteed by ISP CB Pubblico.

The seventh issue of 29 April 2013 of €2 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds had a two and a half-year term (bullet payment on 6 October 2015), which could have been extended by one year to 6 October 2016. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 7 October 2013. The bonds were rated A3 by Moody's. The bonds were fully redeemed in advance on 2 October 2015.

The eighth issue of 14 October 2013 of €2.2 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds had a two and a half-year term (bullet payment on 6 April 2016), which could have been extended by one year to 6 April 2017. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 7 April 2014. The bonds were rated A3 by Moody's. The bonds were fully redeemed in advance on 4 April 2016.

The ninth issue of 24 March 2014 of €1 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds had an approximate two-year term (bullet payment on 6 April 2016), which could have been extended by one year to 6 April 2017. The bonds paid a six-monthly coupon at a floating six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 6 April 2014. The bonds were rated A2 by Moody's. The bonds were fully redeemed in advance on 27 January 2016.

The tenth issue of 23 October 2015 of €1.7 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds have an approximate seven-year term (bullet payment on 6 October 2022), which may be extended by one year to 6 April 2023. The bonds pay a six-monthly coupon at a floating six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year, starting from 6 April 2016. The bonds were rated A1 by Moody's. The nominal amount of the bonds was reduced by €500 million on 27 January 2017 and is now equal to €1.2 billion.

The eleventh issue of 22 April 2016 of €1.1 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds have an approximate two-year term (bullet payment on 6 October 2018), which may be extended by one year to 6 October 2019. The bonds pay a six-monthly coupon at a floating six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year, starting from 6 October 2016. The bonds were rated A1 by Moody's.

On 30 January 2018, €600 million of the nominal amount of the bonds was partially redeemed in advance and their new nominal amount is €500 million.

The twelfth issue of 22 April 2016 of €1.275 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds have an approximate seven-year term (bullet payment on 6 October 2023), which may be extended by one year to 6 October 2024. The bonds pay a six-monthly coupon at a floating six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year, starting from 6 October 2016. The bonds were rated A1 by Moody's.

The thirteenth issue of 17 April 2017 of €1.650 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds have an approximate seven-year term (bullet payment on 6 October 2024), which may be extended by one year to 6 October 2025. The bonds pay a six-monthly coupon at a floating six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year, starting from 6 October 2017. The bonds were rated A1 by Moody's.

Moody's has revised the ratings of all the covered bond issues guaranteed by ISP CB Pubblico S.r.l. as follows: on 6 October 2011 from AAA to Aa1, on 29 November 2011 from Aa1 to Aa3, on 13 June 2012 from Aa3 to A1, on 13 July 2012 from A1 to A2, on 7 August 2012 from A2 to A3; on 21 February 2014, they were upgraded to A2 and finally on 23 June 2015 they were again upgraded to A1.

Related financial transactions

The vehicle agreed 13 swaps with the derivatives counterparty (initially BII S.p.A. and, subsequently, Intesa Sanpaolo S.p.A. after the spin-off of 21 November 2012), including 12 total balance guaranteed swaps and one fixed/floating IRS. The 12 total balance guaranteed swaps hedge the fixed and floating rate assets.

The fixed/floating rate IRS hedges the vehicle against interest rate risk should the issuer default.

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 and authorised investments) are agreed with the rating agency.

QUANTITATIVE INFORMATION

Cash flows from securitised assets

Loans

Carrying amount

	1 May 2009	Changes in previous years	Changes in current year	31 December 2017
a) Opening balance	3,790,358,323			
b) Increases		7,948,491,669	125,590,233	
b.1 interest		1,537,863,701	121,801,223	
b.2 default/legal interest		1,222,965	16,541	
b.3 acquisitions		6,393,128,233	-	
b.4 other increases		16,276,770	3,772,469	
c) Decreases		7,315,347,705	750,706,932	
c.1 collections		6,566,844,010	724,985,620	
c.2 sales		487,573,424	-	
c.3 other decreases in loans		260,930,271	25,721,312	
Closing balance				3,798,385,588

Securities

Carrying amount

	1 April 2010	Changes in previous years	Changes in current year	31 December 2017
a) Opening balance	446,261,021			
b) Increases		4,772,305,018	55,783,744	
b.1 interest on securities		488,044,483	55,188,904	
b.3 acquisitions		4,240,599,184	-	
b.2 other increases		43,661,351	594,840	
c) Decreases		2,852,567,302	225,490,321	
c.1 collections on securities		2,734,550,600	217,844,072	
c.2 sales		29,813,618	-	
c.3 other decreases		88,203,084	7,646,249	
Closing balance				2,196,292,160

Past due loans

Carrying amount

	1 May 2009	Changes in previous years	Changes in current year	31 December 2017
a) Opening balance	-			
b) Increases		496,907,919	72,451,714	
b.1 interest accrued		105,662,412	6,475,838	
b.2 default/legal interest accrued		1,222,965	16,541	
b.3 legal and other costs		-	-	
b.4 principal		390,022,542	65,959,335	
c) Decreases		410,072,988	86,851,472	
c.1 collections		409,949,516	86,849,401	
c.2 other decreases		123,472	2,071	
Closing balance				72,435,173

They mainly consist of past due performing loans. Therefore, the vehicle expects they will be collected in the near future.

Past due securities

Carrying amount

	1 May 2009	Changes in previous years	Changes in current year	31 December 2017
a) Opening balance	-			
b) Increases		3,169,416	961,887	
b.1 interest accrued		1,013,446	301,405	
b.2 default/legal interest accrued		-	-	
b.3 legal and other costs		-	-	
b.4 principal		2,155,970	660,482	
c) Decreases		2,610,726	558,690	
c.1 collections		2,610,726	558,690	
c.2 other decreases		-	-	
Closing balance				961,887

They mainly consist of past due performing loans. Therefore, the vehicle expects they will be collected in the near future.

Cash flows

Collection (from 1 January to 31 December 2017)

					Amount
loans					724,985,620
securities					217,844,072
Total					942,829,692
Other cash inflows related to:					
interest on swaps collected					164,179,487
interest on current accounts					256,233
Cash outflows related to:					
management fees					3,584,081
repayment of subordinated loans					750,000,000
interest on subordinated loan					168,515,562
interest on swaps paid					229,295,147

Collections are forecast to be in line with the portfolio's performance in 2018.

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	8,540,157	558,013,715	1,182,938,930	1,976,457,613	72,435,173
1.2 securities	-	26,928,402	129,913,402	2,038,488,469	961,887
Total	8,540,157	584,942,117	1,312,852,332	4,014,946,082	73,397,060
2. Financial liabilities					
2.2. financing	-	-	-	8,561,578,739	-
Total	-	-	-	8,561,578,739	-

Breakdown by geographical location

Securitised loans

Country	Currency	Amount
Italy	€	3,798,385,588
Total		3,798,385,588

Securitised securities

Country	Currency	Amount
France	€	98,244,852
Spain	€	25,544,682
Italy	€	2,072,502,626
Total		2,196,292,160

Risk concentration

Breakdown of loan portfolio by amount

Bracket	No. of transactions	Amount
0 - €25,000	1	6,059
€25,000 - €75,000	2	121,225
€75,000 - €250,000	4	828,233
more than €250,000	392	3,797,430,071
Total	399	3,798,385,588

Breakdown of securities portfolio by amount

Bracket	No. of transactions	Amount
0 - €25,000	-	-
€25,000 - €75,000	2	271,938
€75,000 - €250,000	73	13,172,965
more than €250,000	556	2,182,847,257
Total	631	2,196,292,160

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

No. of transactions	Amount
1	91,350,000
1	96,397,874
1	97,357,443
1	97,750,000
1	111,337,707
1	138,355,229
1	153,750,000
1	178,548,401
8	964,846,654

Indication of each security that individually exceeds 2% of the total amount of securities in the portfolio

No. of transactions	Amount
1	50,000,000
1	86,745,285
1	107,193,000
1	119,620,822
4	363,559,107

Section 3 – Risks and related hedging policies

3.4 Liquidity risk

	On demand	From more than 1 to 7 days	From more than 7 days to 15 days	From more than 15 days to 1 month	From more than 1 month to 3 months	From more than 3 months to 6 months	From more than 6 months to 1 year	From more than 1 year to 3 years	From more than 3 years to 5 years	More than 5 years	open term
On-statement of financial position assets											
A.1 Government bonds											
A.2 Other debt instruments											
A.3 Financing	221,932										
A.4 Other assets	515										
On-statement of financial position liabilities											
B.1 Due to:											
- Banks											
- Financial institutions											
- Customers											
B.1 Debt instruments											
B.1 Other liabilities	54,423										
Off-statement of financial position transactions											
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 commitments to disburse funds											
- Long positions											
- Short positions											
C.5 Financial guarantees issued											

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., non-payment 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 BIIS S.p.A. (subsequently spun off to Intesa Sanpaolo S.p.A.) which granted ISP CB Pubblico S.r.l. a subordinated loan which it used to fully finance the acquisition.

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 (€2,341) and the extraordinary reserve (€44,441).

□	31/12/2017	31/12/2016
1. Quota capital	120,000	120,000
2. Quota premium	-	-
3. Reserves	46,782	40,468
- income-related	46,782	40,468
a) legal	2,341	2,025
b) statutory	-	-
c) treasury quotas	-	-
d) other	44,441	38,443
- other	-	-
4. (Treasury quotas)	-	-
5. Valuation reserves	-	-
- Available-for-sale financial assets	-	-
- Property, equipment and investment property	-	-
- Intangible assets	-	-
- Hedges of investments in foreign operations	-	-
- Cash flow hedges	-	-
- Exchange rate differences	-	-
- Non-current assets held for sale and disposal groups	-	-
- 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	980	6,314
Total	167,762	166,782

Section 5 – Breakdown of comprehensive income

	Gross amount	Income tax	Net amount
10. Profit for the year	646	334	980
Other comprehensive income not reclassified to profit or loss			
20. Property, equipment and investment property			
30. Intangible assets	-	-	-
40. Defined benefit plans	-	-	-
50. Non-current assets held for sale	-	-	-
60. Portion of valuation reserves of equity-accounted investees	-	-	-
Other comprehensive income reclassified to profit or loss			
70. Hedges of investments in foreign operations:			
a) fair value gains (losses)	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	-	-	-
80. Exchange rate differences:			
a) fair value gains (losses)	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	-	-	-
90. Cash flow hedges:			
a) fair value gains (losses)	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	-	-	-
100. Available-for-sale financial assets:			
a) fair value gains (losses)	-	-	-
b) reclassification to profit or loss			
- impairment losses	-	-	-
- gains/losses on sales	-	-	-
c) other changes	-	-	-
110. Non-current assets held for sale:			
a) fair value gains (losses)	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	-	-	-
120. 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	-	-	-
130. Total other comprehensive income	-	-	-
140. Comprehensive income (captions 10+110)	646	334	980

Section 6 - Related party transactions

6.1 Directors and statutory auditors' fees

2017	Directors and statutory auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	24,361
- Statutory auditors	15,987
Total	40,348

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

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

6.3 Related party transactions

Information about the vehicle's related party transactions is summarised in the following table:

Assets and liabilities at 31/12/2017	Loans and receivables with banks	Other liabilities
- Directors and statutory auditors	-	16,616
- Parent: Intesa Sanpaolo S.p.A.	221,932	-
Total	221,932	16,616

Income and expense for 2017	Interest and similar income	Fee and commission expense	Personnel expense	Other admin. expenses
- Directors and statutory auditors	-	-	40,348	3,269
- Parent: Intesa Sanpaolo S.p.A.	69	-	-	-
Total	69	-	40,348	3,269

Section 7 – Other information

7.1 Other

- Equity at 31 December 2017

□	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	2,341	B	-	-	-
- Extraordinary reserve	44,441	A,B,C	44,441	-	-
PROFIT FOR THE YEAR	980		-	-	-
TOTAL	167,762		44,441	-	-
NON-DISTRIBUTABLE PORTION	-		-	-	-
REMAINING DISTRIBUTABLE PORTION	-		44,441	-	-

(*) A= for capital increases; B= to cover losses; C= for dividends

- Fees paid to the independent auditors, net of VAT and expenses.

Service	Service provider	Fees
Audit	KPMG S.p.A.	50,669
Other non-audit services	KPMG S.p.A.	89,082

- Parent that prepares consolidated financial statements

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

Milan, 19 February 2018

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini
(signed on the original)

Annexes

Key figures of the parent, Intesa Sanpaolo S.p.A., at 31 December 2016

	2016	2015	Variation	
				%
Income statement(millions of Euros)				
Net interest income	2,836	2,790	46	1.6
Net fee and commission income	2,807	2,930	-123	-4.2
Net trading income	133	319	-186	-58.3
Net operating income	7,607	8,947	-1,340	-15.0
Operating costs	-4,385	-4,361	24	0.6
Operating profit	3,222	4,586	-1,364	-29.7
Net impairment losses on loans and receivab	-1,960	-1,208	752	62.3
Profit for the year	1,760	2,880	-1,120	-38.9
Statement of financial position (millions of Euros)				
Loans and receivables with customers	200,549	195,479	5,070	2.6
Direct funding from customers	232,188	229,824	2,364	1.0
Indirect funding from customers	182,946	181,890	1,056	0.6
including: funds managed	116,010	112,016	3,994	3.6
Total assets	447,692	429,237	18,455	4.3
Equity	43,487	43,131	356	0.8
Operating structure				
Employees (no.)	33,341	33,070	271	
including: Italy	32,698	32,402	296	
Abroad	643	668	-25	
Bank branches (no.)	2,273	2,131	142	
including: Italy	2,163	1,979	184	
Abroad	110	152	-42	

Figures restated on a consistent basis