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

ISP OBG S.r.l.

Condensed interim financial statements as at and for the six months ended 30 June 2019

(with independent auditors' report thereof)

KPMG S.p.A.

31 July 2019

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

Report on review of condensed interim financial statements

To the board of directors of
ISP OBG S.r.l.

Introduction

We have reviewed the accompanying condensed interim financial statements of ISP OBG S.r.l. (the "company"), comprising the statement of financial position as at 30 June 2019, the income statement and statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The company's directors are responsible for the preparation of these condensed interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of ISP OBG S.r.l. as at and for the six months ended 30 June 2019 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Emphasis of matter

We draw attention to the section "General information" of the directors' report and part A.1, section 2 "Basis of preparation" of the notes to the condensed interim 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 condensed interim financial statements. This is in line with Law no. 130 of 30 April 1999, under which the loans relating to each transaction constitute segregated assets from those of the company and those relating to other transactions for all intents and purposes. Our conclusion is not qualified in this respect.

Other matters - Management and coordination

The company disclosed the key figures from the latest approved financial statements of the company that manages and coordinates it in the notes to its own condensed interim financial statements. Our conclusion on the condensed interim financial statements of ISP OBG S.r.l. does not extend to such data.

Verona, 31 July 2019

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit

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

ISP OBG S.r.l.

2019 Interim Report

INTESA SANPAOLO

ISP OBG S.r.l.

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Company bodies

Board of directors

Chairperson	Paola Fandella
Director	Vanessa Gemmo
Director	Mario Masini

Board of statutory auditors

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

Independent auditors

KPMG S.p.A.

Directors’ report

General information

ISP OBG 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.

The vehicle does not have employees and its portfolio has been managed by the servicer (Intesa Sanpaolo S.p.A.) since 31 May 2012. Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services.

Performance

Banca CR Firenze S.p.A. and Cassa di Risparmio in Bologna S.p.A. (originators of the Programme) merged into Intesa Sanpaolo S.p.A. on 5 February 2019. The merger took effect on 25 February 2019.

The board of directors authorised an increase in the Programme's maximum amount to €50 billion on 20 March 2019.

There were two payment dates in the first six months of 2019. The first (20 February 2019) referred to cash flows from 1 October 2018 to 31 December 2018 and the second (20 May 2019) referred to cash flows from 1 January 2019 to 31 March 2019. On 20 August 2019, the vehicle will settle the cash flows from 1 April 2019 to 30 June 2019.

The following covered bonds were issued during the period:

- the thirty-second series was issued on 20 February 2019 and amounted to €1,650 million, maturing on 20 February 2024, at a floating three-month Euribor plus 0.69%;
- the thirty-third series was issued on 20 February 2019 and amounted to €1,650 million, maturing on 20 May 2032, at a floating three-month Euribor plus 1.30%;
- the thirty-fourth series was issued on 24 June 2019 and amounted to €1,600 million, maturing on 20 February 2027, at a floating three-month Euribor plus 0.46%;
- the thirty-fifth series of covered bonds was issued on 24 June 2019 and amounted to €1,600 million, maturing on 20 February 2029, at a floating three-month Euribor plus 0.59%;
- the thirty-sixth series of covered bonds was issued on 24 June 2019 and amounted to €1,800 million, maturing on 20 February 2033, at a floating three-month Euribor plus 0.86%.

These bonds are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are also eligible for transactions in the Eurosystem. They pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year.

The thirtieth and fourteenth series were redeemed in advance on 14 February 2019 each with a residual nominal amount of €1,375 million. They were originally due on 20 February and 20 August 2019, respectively.

On 18 February 2019, as part of the tests performed on the loans sold in the fifteenth series, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator Intesa Sanpaolo S.p.A. for €1,206,166.28.

A sixteenth sale of loans was made to the vehicle on 23 May 2019, effective from 20 May 2019. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for €7,032,887,983.19 by Intesa Sanpaolo S.p.A..

On 31 May 2019, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A seventeenth sale of loans was made to the vehicle on 20 June 2019, effective from 17 June 2019. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for €2,755,617,611.70 by Intesa Sanpaolo S.p.A..

On 28 June 2019, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Reference should be made to part H - Qualitative information of the notes to the condensed interim financial statements for information on operations.

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 costs for the following services provided by Intesa Sanpaolo S.p.A. through its administrative and tax, corporate affairs and consultancy departments and through its local bank division: €10,954,713 for servicing services; €15,444 for receivable account bank services (including €2,722 related to Banca CR Firenze S.p.A. and €2,722 to Cassa di Risparmio in Bologna S.p.A.), €50,000 for administrative services; €5,000 for cash management services; €1,500 for account bank services, €6,000 for securities management services and €250 for service fees for the activities required by the EMIR.
The notes to the condensed interim financial statements provide more information about the vehicle's cash transactions and commitments with the other group companies.

Profit for the period

The vehicle ended the first half of 2019 in break-even as operating costs were recharged to the segregated assets as set out in the contracts.

Key events of the period

Acknowledging the expiry of all directors' term of office, during their meeting of 27 March 2019, the quotaholders appointed the new board of directors in office for 2019, 2020 and 2021 and, hence, until the date of the quotaholders' meeting approving the financial statements as at and for the year ending 31 December 2021, as follows:

Paola Fandella, also appointed chairperson of the board of directors;
Vanessa Gemmo;
Mario Masini.

Events after the reporting period

Nothing to report.

Outlook

The directors are confident that the vehicle will continue to operate in the future; accordingly, the condensed interim financial statements at 30 June 2019 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.

Milan, 23 July 2019

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Condensed interim financial statements at 30 June 2019

Financial statements

Statement of financial position

	Assets	30/06/2019	31/12/2018
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	219,420	271,875
	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	-	-
	- goodwill	-	-
100.	Tax assets:		
	a) current	110	1
	b) deferred	8,081	8,205
110.	Non-current assets held for sale and disposal groups	-	-
120.	Other assets	64,847	78,960
	TOTAL ASSETS	**292,458**	**359,041**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of financial position

	Liabilities and equity	30/06/2019	31/12/2018
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	-	561
	b) deferred	-	-
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	163,255	229,277
90.	Post-employment benefits	-	-
100.	Provisions for risks and charges:		
	a) commitments and guarantees given	-	-
	a) pension and similar obligations	-	-
	c) other provisions for risks and charges	-	-
110.	Quota capital	42,038	42,038
120.	Treasury quotas (-)	-	-
130.	Equity instruments	-	-
140.	Quota premium	-	-
150.	Reserves	87,165	85,489
160.	Valuation reserves	-	-
170.	Profit for the period/year	-	1,676
	TOTAL LIABILITIES AND EQUITY	**292,458**	**359,041**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Income statement

	Income statement items	First half 2019	First half 2018
10.	Interest and similar income	2	2
	of which: interest income calculated using the effective interest method	2	2
20.	Interest and similar expense	-	-
30.	**NET INTEREST INCOME**	**2**	**2**
40.	Fee and commission income	-	-
50.	Fee and commission expense	-	-
60.	**NET FEE AND COMMISSION INCOME (EXPENSE)**	**-**	**-**
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	-	-
120.	**TOTAL INCOME**	**2**	**2**
130.	Net impairment losses/gains for credit risk on:		
	a) financial assets at amortised cost	-	-
	b) financial assets at FVOCI		
140.	Modification gains/losses	-	-
150.	**NET FINANCIAL INCOME**	**2**	**2**
160.	Administrative expenses:		
	a) personnel expense	-16,522	-15,094
	b) other administrative expenses	-147,478	-159,297
170.	Net accruals to provisions for risks and charges		
	a) commitments and guarantees given	-	-
	b) other net accruals	-	-
180.	Depreciation and net impairment losses on property, equipment and investment property	-	-
190.	Amortisation and net impairment losses on intangible assets	-	-
200.	Other net operating income	164,233	176,112
210.	**OPERATING COSTS**	**233**	**1,721**
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	-	-
260.	**PRE-TAX PROFIT FROM CONTINUING OPERATIONS**	**235**	**1,723**
270.	Income taxes	-235	-1,556
280.	**POST-TAX PROFIT FROM CONTINUING OPERATIONS**	**-**	**167**
290.	Post-tax profit (loss) from discontinued operations	-	-
300.	**PROFIT FOR THE PERIOD**	**-**	**167**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of comprehensive income

		First half 2019	First half 2018
10.	**Profit for the period**	-	167
	Other comprehensive income, net of tax, that will not be reclassified to profit or loss		
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	-	-
	Other comprehensive income, net of tax, that will be reclassified to profit or loss		
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	-	-
170.	**Total other comprehensive income**	-	-
180.	**Comprehensive income (captions 10+170)**	-	**167**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of changes in equity

30 June 2019

	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 1/1/2019	42,038			85,489					1,676	129,203
ALLOCATION OF PRIOR YEAR PROFIT										-
Reserves				1,676					-1,676	-
Dividends and other distributions										-
CHANGES OF THE PERIOD										-
Changes in reserves										-
Equity transactions										-
Issue of new quotas										-
Other changes										-
Comprehensive income for the period									-	-
EQUITY AT 30/06/2019	**42,038**	**-**	**-**	**87,165**	**-**	**-**	**-**	**-**	**-**	**129,203**

30 June 2018

	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 1/1/2018	42,038			84,333					1,156	127,527
ALLOCATION OF PRIOR YEAR PROFIT										-
Reserves				1,156					-1,156	-
Dividends and other distributions										-
CHANGES OF THE PERIOD										
Changes in reserves										-
Equity transactions										
Issue of new quotas										-
Other changes	-									-
Comprehensive income for the period									167	167
EQUITY AT 30/06/2018	**42,038**	**-**	**-**	**85,489**	**-**	**-**	**-**	**-**	**167**	**127,694**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of cash flows

	First half 2019	First half 2018
A. OPERATING ACTIVITIES		
1. Operations	**-**	**167**
- interest income collected (+)	2	2
- interest expense paid (-)	-	-
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+)	-	-
- personnel expense (-)	-16,522	-15,094
- other costs (-)	-147,478	-159,297
- other revenue (+)	164,233	176,112
- taxes and duties (-)	-235	-1,556
- costs/revenue related to disposal groups net of the tax effect (+/-)	-	-
2. Cash flows generated by/used for financial assets	**14,128**	**-33,931**
- 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	14,128	-33,931
3. Cash flows generated by/used for financial liabilities	**-66,583**	**108,870**
- financial liabilities at amortised cost	-	-
- financial liabilities held for trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	-66,583	108,870
Net cash flows generated by/used in operating activities	**-52,455**	**75,106**
B. INVESTING ACTIVITIES		
1. Cash flows generated by:	-	-
- sales of equity investments	-	-
- dividends from equity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash flows used to acquire:	-	-
- equity 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 quotas	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
Net cash flows generated by/used in investing activities	**-**	**-**
NET CASH FLOWS FOR THE PERIOD	**-52,455**	**75,106**
RECONCILIATION		
Opening cash and cash equivalents	271,875	203,115
Net cash flows for the period	-52,455	75,106
Closing cash and cash equivalents	**219,420**	**278,221**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Notes to the condensed interim financial statements

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 – Statement of compliance with the IFRS

The vehicle has prepared its condensed interim financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable at 30 June 2019 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 and applicable at the reporting date.
Specifically, the condensed interim financial statements have been prepared in accordance with IAS 34 (Interim financial reporting).

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 condensed interim financial statements 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 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 period.
As required by the current regulations, the vehicle has prepared the condensed interim financial statements using the Euro as its functional currency and on a going concern basis.
The amounts in the condensed interim financial statements, these Notes and the directors' report are presented in Euros.
The condensed interim 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 condensed interim financial statements and the notes include the corresponding figures as at 31 December 2018 (statement of financial position) and for the six months ended 30 June 2018 (income statement and statement of comprehensive income). Some minor reclassifications were made to certain statement of financial position figures at 31 December 2018 for the purposes of comparability. Specifically, as described in more detail in these notes, such reclassifications were made to current tax liabilities and other liabilities.
Pursuant to the provisions of Legislative decree no. 38 of 28 February 2005, the vehicle opted to prepare its condensed interim 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 condensed interim 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 30 November 2018.
The accounting policies applied to prepare these condensed interim financial statements are consistent with those used for the 2018 annual financial statements.

SECTION 3 – Events after the reporting period

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

SECTION 4 – Other aspects

KPMG S.p.A. performs the review of the vehicle's condensed interim financial statements.

A.2 – ACCOUNTING POLICIES

This section sets out the accounting policies applied to prepare the condensed interim financial statements at 30 June 2019. 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 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.
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.
Despite the major changes in the treatment of financial instruments compared to IAS 39, the impact of the introduction of IFRS 9 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.
They are derecognised when the contractual rights to their cash flows expire or when they are transferred.
The loans and receivables recognised in these condensed interim 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 financial 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 condensed interim 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

	30/06/2019				31/12/2018			
	CA	**L1**	**L2**	**L3**	**CA**	**L1**	**L2**	**L3**
1. Financial assets at amortised cost	219,420	-	219,420	-	271,875	-	271,875	-
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	**219,420**	**-**	**219,420**	**-**	**271,875**	**-**	**271,875**	**-**
1. Financial liabilities at amortised cost	-	-	-	-	-	-	-	-
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

The vehicle has loans and receivables with the parent, Intesa Sanpaolo S.p.A., comprised of cash and cash equivalents and amounts payable on demand amounting to €219,420, classified at level 2 of the fair value hierarchy.
Considering the characteristics 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”

	30/06/2019						31/12/2018					
	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.	219,420	-	-	-	219,420	-	271,875	-	-	-	271,875	-
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												
3.1 structured	-	-	-	-	-	-	-	-	-	-	-	-
3.2 other	-	-	-	-	-	-	-	-	-	-	-	-
4. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	**219,420**	**-**	**-**	**-**	**219,420**	**-**	**271,875**	**-**	**-**	**-**	**271,875**	**-**
L1= Level 1												
L2= Level 2	-						-					
L3= Level 3												

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

10.1 Caption 100 “Tax assets: current and deferred”

Current tax assets: breakdown	30/06/2019	31/12/2018
Withholdings on bank interest	1	1
IRAP payments on account and assets	109	-
Total	**110**	**1**

10.2 Caption 60 “Tax liabilities: current and deferred”

Current and deferred tax liabilities: breakdown	30/06/2019	31/12/2018
- Current taxes	**-**	**561**
IRES	-	-
IRAP	-	561
Total	**-**	**561**

At 31 December 2018, €2,260 was reclassified from this caption to liability caption 80 “Other liabilities” in relation to withholdings to be paid.

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

	30/06/2019	31/12/2018
Opening balance	**8,205**	**11,551**
2. Increases	**-**	**408**
2.1 Deferred tax assets recognised in the period/year	-	408
(a) related to previous years	-	-
(c) due to changes in accounting policies	-	-
(c) reversals of impairment losses	-	-
(d) other	-	408
2.2 New taxes or increases in tax rates		
2.3 Other increases		
3. Decreases	**124**	**3,754**
3.1 Deferred tax assets derecognised in the period/year	124	2,284
(a) reversals	124	2,284
(b) impairment losses due to non-recoverability	-	-
(c) due to changes in accounting policies	-	-
(d) other	-	-
3.2 Decrease in tax rates	-	1,470
3.3 Other decreases	-	-
(a) conversion into tax assets, including as per Law no. 214/2011	-	-
(b) other	-	-
4. Closing balance	**8,081**	**8,205**

Deferred tax assets arising on carryforward tax losses amount to €3,079.

Section 12 – Other assets – Caption 120

12.1 Caption 120 “Other assets”

	30/06/2019	31/12/2018
Other:		
- receivables from the securitised assets	64,490	78,960
- prepayments	226	-
- others	131	-
Total	**64,847**	**78,960**

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”

	30/06/2019	31/12/2018
Directors' fees	6,380	-
Statutory auditors' fees	10,247	6,850
Suppliers and beneficiaries	146,143	222,422
IRPEF for self-employed workers	479	-
Securitised assets for interest	6	5
Total	**163,255**	**229,277**

At 31 December 2018, €2,260 was reclassified from liability caption 60.a) “Current tax liabilities” to this caption in relation to withholdings to be paid.

Section 11 – Equity – Captions 110 and 150

11.1 Caption 110 “Quota capital”

	30/06/2019	31/12/2018
1. Quota capital		
1.1 Ordinary quotas	-	-
1.2 Quotas	42,038	42,038
Total	**42,038**	**42,038**

11.5 Other information - Breakdown of and variations in caption 150 “Reserves”

	Legal reserve	Losses carried forward	Other extraordinary reserve	Total
A. Opening balance	**4,389**	**-**	**81,100**	**85,489**
B. Increases				
B.1 Allocation of profits	84	-	1,592	1,676
B.2 Other increases	-	-	-	-
Total increases	**84**	-	**1,592**	**1,676**
C. Decreases				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
- for dividend distribution	-	-	-	-
- for conversion into capital	-	-	-	-
C.2 Other decreases	-	-	-	-
D. Closing balance	**4,473**	**-**	**82,692**	**87,165**

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	First half 2019	First half 2018
1. Financial assets at FVTPL:					
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets at fair value	-	-	-	-	-
1.3. Financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets at FVOCI					
3. Financial assets at amortised cost:					
3.1 Loans and receivables with banks Intesa Sanpaolo S.p.A.	-	2	X	2	2
3.2 Loans and receivables with financial companies	-	-	X	-	-
3.3 Loans and receivables with customers	-	-	X	-	-
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	-	-	-
6. Financial liabilities	X	X	X	-	-
Total	**-**	**2**	**-**	**2**	**2**
of which: interest income on impaired financial assets					
of which: interest income on leases					

Section 10 - Administrative expenses - Caption 160

10.1 Caption 160.a “Personnel expense”

	First half 2019	First half 2018
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 benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	16,522	15,094
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	**16,522**	**15,094**

10.2 Average number of employees by category

The vehicle does not have any employees.

10.3 Caption 160.b “Other administrative expenses”

	First half 2019	First half 2018
Consultancy	3,026	3,143
Audit fees	140,400	150,186
Notary fees	1,606	3,932
Other taxes and duties	226	246
Expense reimbursement - Vehicle bodies	1,861	1,705
Other	359	85
Total	**147,478**	**159,297**

Section 14 - Other net operating income - Caption 200

14.2 Caption 200 “Other net operating income”

	First half 2019	First half 2018
Contractually provided-for income	164,233	176,112
Total	**164,233**	**176,112**

Section 19 – Income taxes – Caption 270

19.1 Caption 270 “Income taxes”

	First half 2019	First half 2018
1. Current taxes (-)	114	-
2. Change in current taxes from previous periods (+/-)	-4	-
3. Decrease in current taxes for the period (+)	-	-
3.bis Decrease in current taxes for the period due to tax assets as per Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	125	1,556
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the period (-) (-1+/-2+3+ 3 bis+/-4+/-5)	**235**	**1,556**

Current taxes for the period refer entirely to IRAP.

19.2 Reconciliation between the theoretical and effective tax expense for the period

	First half 2019
Pre-tax profit from continuing operations	235
Pre-tax profit (loss) from discontinued operations	-
Theoretical taxable profit	**235**

	Income taxes
Income taxes - theoretical tax expense	**-69**
Increases	**-451**
Higher effective tax rate and higher tax base for IRAP purposes	-
Non-deductible costs	-327
Other - prior period	-124
Decreases	**285**
Untaxed gains on equity investments	-
Non-taxable dividends	-
Income at reduced rate	-
Other	281
Other - prior period	4
Total changes	**-166**
Effective tax expense	**-235**

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.

	30/06/2019	31/12/2018
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	45,243,368,209	38,065,191,868
Total	**45,243,368,209**	**38,065,191,868**

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 financial intermediaries other than banking intermediaries" issued by Banca d'Italia on 30 November 2018.
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

Asset swaps were agreed to protect the vehicle from interest rate risk. They are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

Summary of the securitised assets

		30/06/2019			31/12/2018	
Securitised assets			**40,745,594,256**			**32,880,399,761**
Loans and receivables		40,265,751,507			32,446,761,477	
Securities					-	
Other assets		479,842,749			433,638,284	
- accrued interest income on IRS	20,399,647			28,508,425		
- accrued interest income on securities	-			-		
- accrued interest income on loans	58,534,532			48,472,247		
- other prepayments and accrued income	-			-		
- tax and other assets	400,908,570			356,657,612		
Utilisation of cash deriving from the management of securitised assets			**4,497,773,953**			**5,184,792,107**
Debt instruments						
Cash and cash equivalents		4,497,773,953			5,184,792,107	
Loans received			**45,081,677,691**			**37,791,412,489**
Other liabilities			**161,690,518**			**273,779,379**
Liabilities for services		108,140,784			190,309,757	
Additional return on subordinated loan		-			-	
Accrued interest expense on IRS		53,549,734			83,469,622	

	First half 2019		First half 2018	
Fees and commissions borne by the transaction		**11,644,747**		**10,903,657**
For servicing	10,954,713		10,187,761	
For other services	690,034		715,896	
Other expense		**465,448,363**		**482,772,274**
Interest expense on subordinated loan	304,634,104		106,282,348	
Interest expense on IRS	121,417,434		250,488,571	
Expected losses on loans	30,825,626		114,851,743	
Other expense	8,571,200		11,149,612	
Interest generated by the securitised assets		**326,522,731**		**272,916,790**
Other revenue		**150,570,379**		**220,759,141**
Interest income	145,008,786		216,354,030	
Other revenue	5,561,593		4,405,111	

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

QUALITATIVE INFORMATION

Description of the Issue Programme and its performance

On 31 May 2012, the vehicle signed a "master sale agreement" covering the sale of an initial portfolio of loans and subsequent portfolios as part of a single multi-originator Covered Bond Programme worth €30 billion for which it is the guarantor.
The Programme is collateralised by mortgage loans of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

The board of directors authorised an increase in the Programme's maximum amount to €40 billion on 24 September 2018.

The board of directors authorised an increase in the Programme's maximum amount to €50 billion on 20 March 2019.

Banca dell'Adriatico S.p.A. (an originator of the Programme) merged into Intesa Sanpaolo S.p.A. with deed no. 5264 file 2227 notarised by the notary public Morone on 4 May 2016. The merger took effect on 16 May 2016.

Cassa di Risparmio del Veneto S.p.A. (an originator of the Programme) merged into Intesa Sanpaolo S.p.A. with deed no. 7494 file 3614 notarised by the notary public Morone on 10 July 2018. The merger took effect on 23 July 2018.

Banco di Napoli S.p.A. (an originator of the Programme) merged into Intesa Sanpaolo S.p.A. with deed no. 7660 file 3703 notarised by the notary public Morone on 10 October 2018. The merger took effect on 26 November 2018.

Banca CR Firenze S.p.A. (an originator of the Programme) merged into Intesa Sanpaolo S.p.A. with deed no. 8075 file 3941 notarised by the notary public Morone on 5 February 2019. The merger took effect on 25 February 2019;

Cassa di Risparmio in Bologna S.p.A. (an originator of the Programme) merged into Intesa Sanpaolo S.p.A. with deed no. 8077 file 3943 notarised by the notary public Morone on 5 February 2019. The merger took effect on 25 February 2019.

A portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 31 May 2012, effective from 28 May 2012, for a total amount of €12,947,133,534.91 (including €7,893,559,068.40 by Intesa Sanpaolo S.p.A. and €5,053,574,466.51 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.)). The sales notice was published in the Italian Official Journal no. 70 of 16 June 2012.

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

On 21 June 2012, Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio. This loan, which bears interest at 0.50%, allows the originators to collect any additional interest amount left after all the transaction's costs (payment of costs and expenses of the vehicle and all the parties involved in the transaction) have been covered. The vehicle will repay the subordinated loans 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.
Subsequently, as part of the tests performed on these loans, the originators became aware of the existence

of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €29,854,257.99 and €8,443,431.17 paid by Intesa Sanpaolo and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), respectively.

At the first guarantor payment date of 20 November 2012, up to the amount of available funds, the vehicle repaid the subordinated loans to each originator, i.e., Intesa Sanpaolo S.p.A. (€50,337,664.92) and Banco di Napoli (now merged into Intesa Sanpaolo S.p.A.) (€8,609,167.39).

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 without recourse to the vehicle on 31 July 2012, effective from 30 July 2012, for €4,181,145,555.40 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal no. 91 of 4 August 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 8 August 2012, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Subsequently, as part of the tests performed on these loans, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator Intesa Sanpaolo S.p.A. for €18,723,888.03. Other excluded loans on the first loans portfolio sold in May were returned to the originator Intesa Sanpaolo S.p.A. for €138,393.20.

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 without recourse to the vehicle on 30 November 2012, effective from 29 November 2012, for a total amount of €3,228,938,084.52 (including €650,655,428.37 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €2,578,282,656.15 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.)). The sales notice was published in the Italian Official Journal no. 144 of 11 December 2012.

The consideration paid for the assets was determined using the carrying amounts in each of 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 14 December 2012, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Subsequently, on 29 January 2013, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €7,778,228.53 and €6,542,115.18 paid by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), respectively.

On 22 February 2013, the board of directors acknowledged a procedural anomaly in the loan management IT systems of Intesa Sanpaolo S.p.A. and other group banks (Banco di Napoli S.p.A. and Cassa di Risparmio del Veneto S.p.A. (both now merged into Intesa Sanpaolo S.p.A.)), regarding the loans which benefited from the suspension of interest payments. In addition, a number of loans subject to this anomaly had been transferred to the originator in 2012. This anomaly led to the incorrect recognition of the so-called "IFRS accrued interest adjustment" component, which is amortised over the entire term of each loan. In this respect, the consideration paid for the loans sold by Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) to the vehicle on 31 May 2012 had to be reduced by €3,000,116.77 and €1,972,747.62, respectively; while that paid for the loans sold by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) to the vehicle on 30 November 2012 had to be reduced by €1,009,349.30. 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 fourth portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 31 May 2013, effective from 27 May 2013, for a total amount of €3,494,779,452.11 (including €1,338,058,757.42 by Intesa Sanpaolo S.p.A., €1,060,698,894.70 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €1,096,021,799.99 by Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.)). The sales notice was published in the Italian Official Journal no. 67 of 8 June 2013.

The consideration paid for the assets was determined using the carrying amounts in each of 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 2013, Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Subsequently, on 18 July 2013, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €300,101,496.44, €176,408,198.02 and €42,395,722.01 paid by Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.), respectively.
In addition to the above, other loans were returned to the following originators at the same time:

- Intesa Sanpaolo S.p.A.: €264,691.16 (sold in May 2012) and €358,289.80 (sold in July 2012);
- Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.): €100,469.18 (sold in May 2012);
- Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.): €15,641,372.11 (sold in November 2012).

A fifth portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 30 May 2014, effective from 26 May 2014, for a total amount of €2,243,183,788.78 (including €1,028,277,479.56 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €1,214,906,309.22 by Cassa di Risparmio in Bologna S.p.A. (as an additional originator of the Programme, now merged into Intesa Sanpaolo S.p.A.)). 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 each of 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, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Subsequently, on 29 October 2014, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €9,118,062.33 and €503,566.61 paid by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), respectively.

A sixth sale of loans was made to the vehicle on 29 May 2015, effective from 25 May 2015. The three portfolios of mortgage loans (secured by mortgages on residential buildings, granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €3,126,907,490.56 (including €633,790,497.46 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), €872,412,000.16 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €1,620,704,992.94 by Banca CR Firenze S.p.A. (as an additional originator of the Programme, now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in the Italian Official Journal no. 66 of 11 June 2015.

The consideration paid for the assets was determined using the carrying amounts in each of 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 15 June 2015, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A seventh sale of loans was made to the vehicle on 30 September 2015, effective from 28 September 2015. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €530,801,027.48 by Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in the Italian Official Journal, Part 2, no. 116 of 8 October 2015.

The consideration paid for the assets was determined using the carrying amounts in each of 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 October 2015, Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.
On 18 December 2015, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €482,358.64 paid by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 29 May 2015, €904,058.69 paid by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 29 May 2015, €7,838,250.69 paid by Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 30 September 2015 and €943,731.87 paid by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 29 May 2015.

An eighth sale of loans was made to the vehicle on 31 March 2016, effective from 21 March 2016. The two portfolios of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €1,788,037,405.32 (including €1,155,088,290.93 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €632,949,114.39 by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in the Italian Official Journal, Part 2, no. 42 of 7 April 2016.

The consideration paid for the assets was determined using the carrying amounts in each of 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 April 2016, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A ninth sale of loans was made to the vehicle on 30 June 2016, effective from 25 June 2016. The three portfolios of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €3,514,692,303.54 (including €2,380,200,841.42 by Intesa Sanpaolo S.p.A., €442,197,638.10 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €692,293,824.02 by Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.)). The sales notice was published in the Italian Official Journal, Part 2, no. 84 of 16 July 2016.

The consideration paid for the assets was determined using the carrying amounts in each of 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 19 July 2016, Intesa Sanpaolo S.p.A., Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 27 October 2016, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €7,070,487.36 paid to Intesa Sanpaolo S.p.A. on 30 June 2016, €819,874.88 paid by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 31 March 2016, €520,917.32 paid by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 30 June 2016, €4,045,361.22 paid by Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 30 June 2016 and €58,509.38 paid by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 31 March 2016.

A tenth sale of loans was made to the vehicle on 31 March 2017, effective from 27 March 2017. The three portfolios of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €1,894,234,699.54 (including €647,533,003.87 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), €441,061,454.66 by Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €805,640,241.01 by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in the Italian Official Journal, Part 2, no. 42 of 8 April 2017.

The consideration paid for the assets was determined using the carrying amounts in each of 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 April 2017, Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

An eleventh sale of loans was made to the vehicle on 30 June 2017, effective from 26 June 2017. The two portfolios of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €3,014,620,787.31 (including €1,153,983,567.35 by Intesa Sanpaolo S.p.A. and €1,860,637,219.96 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.)). The sales notice was published in the Italian Official Journal, Part 2, no. 80 of 8 July 2017.

The consideration paid for the assets was determined using the carrying amounts in each of 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 2017, Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 16 November 2017, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €5,852,230.08 paid by Intesa Sanpaolo S.p.A. on 30 June 2017, €3,522,875.58 paid by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 30 June 2017, €275,630.62 paid by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 31 March 2017 and €240,575.47 paid by Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 31 March 2017.

A twelfth sale of loans was made to the vehicle on 30 March 2018, effective from 26 March 2018. The three portfolios of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €3,330,177,871.24 (including €1,789,072,750.70 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), €741,839,116.55 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €799,266,003.99 by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in the Italian Official Journal, Part 2, no. 43 of 12 April 2018.

The consideration paid for the assets was determined using the carrying amounts in each of 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 April 2018, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A thirteenth sale of loans was made to the vehicle on 29 June 2018, effective from 25 June 2018. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for €4,242,362,311.41 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 78 of 7 July 2018.

The consideration paid for the assets was determined using the carrying amounts in each of 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 July 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A fourteenth sale of loans was made to the vehicle on 25 September 2018, effective from 24 September 2018. The portfolio of mortgage loans (secured by mortgages on residential buildings, granted to consumer households and family businesses resident in Italy) was sold without recourse for a total amount of €2,137,254,682.05 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 114 of 29 September 2018.

The consideration paid for the assets was determined using the carrying amounts in each of 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 1 October 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 16 October 2018, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €7,412,664.45 paid by Intesa Sanpaolo S.p.A. on 29 June 2018 and Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 30 March 2018, €1,074,337.01 paid by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) on 30 March 2018 and €284,027.27 paid by Banca CR Firenze S.p.A. on 30 March 2018.

A fifteenth sale of loans was made to the vehicle on 13 November 2018, effective from 12 November 2018. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for €2,124,642,703.84 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 135 of 20 November 2018.

The consideration paid for the assets was determined using the carrying amounts in each of 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 21 November 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 20 November 2018, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €31,467,424.56 paid by Intesa Sanpaolo S.p.A. (repurchase of Russohotel loan).

On 18 February 2019, as part of the tests performed on these loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator Intesa Sanpaolo S.p.A. for €1,206,166.28.

A sixteenth sale of loans was made to the vehicle on 23 May 2019, effective from 20 May 2019. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for €7,032,887,983.19 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 63 of 30 May 2019.

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 31 May 2019, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A seventeenth sale of loans was made to the vehicle on 20 June 2019, effective from 17 June 2019. The portfolio of mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for €2,755,617,611.70 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 75 of 27 June 2019.

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 28 June 2019, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, ISP OBG S.r.l. granted an irrevocable and unconditional guarantee to the bondholders with limited resort to the cover pool assets (the covered bonds guarantee). If the issuer defaults (i.e., insolvency of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. or Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) or 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., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into 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 Servicer S.p.A., performs tests of the portfolio to check whether the nominal amount, present value and interest flows (considering the hedging swaps) of the portfolio allow the vehicle, if necessary, to pay the interest and principle of the issued bonds. Deloitte & Touche 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., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into 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 20 February, 20 May, 20 August and 20 November of each year.

Information about the cash flows and payments of the first half of 2019 is set out below.

Twenty-sixth payment date (20 February 2019)

On 20 February 2019, payments were made for collections from 1 October 2018 to 31 December 2018.

Funds distributable by the vehicle amounted to €442.5 million, including €167.4 million, €8.4 million and €16.7 million as collections on the loans portfolio originated by Intesa Sanpaolo S.p.A., Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A., respectively; €72 thousand, €11 thousand and €15 thousand as interest collected on the current accounts and investments with Intesa Sanpaolo S.p.A., Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A., respectively; €93.7 million, €6.1 million and €9.1 million on swaps with counterparties, i.e., Intesa Sanpaolo S.p.A., Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A., respectively; and €141 million as the reserve fund required amount.
Third parties that provided services to the vehicle were paid €7.9 million.
The reimbursement of corporate costs and advances to organise the transaction amounted to €423 thousand.
Moreover, the vehicle paid €63.3 million, €7.8 million and €12.3 million as the asset swap on the cover pool to Intesa Sanpaolo S.p.A., Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A., respectively.
It provided for the reserve fund required amount of €110.5 million and returned €30.6 million to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.
It paid interest on the subordinated loan of €41.4 million, €2.5 million and €4.4 million to Intesa Sanpaolo S.p.A., Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A., respectively, and €149 million, €3.9 million and €8.5 million as the additional interest amount to Intesa Sanpaolo S.p.A., Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A., respectively.
In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€1,300 million) using the principal available funds.

Twenty-seventh payment date (20 May 2019)

On 20 May 2019, payments were made for collections from 1 January 2019 to 31 March 2019 (starting from this payment date, Intesa Sanpaolo S.p.A. is the sole counterparty following the relevant mergers).
Funds distributable by the vehicle amounted to €322.3 million as collections on the loans portfolio originated by Intesa Sanpaolo S.p.A.; €99 thousand as interest collected on the current accounts and investments with Intesa Sanpaolo S.p.A.; €58.8 million on swaps with the counterparty, Intesa Sanpaolo S.p.A.; and €110.5 million as the reserve fund required amount.
Third parties that provided services to the vehicle were paid €6.3 million.
The reimbursement of corporate costs and advances to organise the transaction amounted to nil.
Moreover, the vehicle paid €67.9 million as the asset swap on the cover pool to Intesa Sanpaolo S.p.A..
It provided for the reserve fund required amount of €99.8 million and returned €10.6 million to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.
The vehicle paid interest of €45 million to Intesa Sanpaolo S.p.A. along with an additional interest amount of €92.7 million.
In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€1,200 million) using the principal available funds.

Parties involved

Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) collect and manage the securitised loans on behalf of the vehicle. They act as receivables account banks and servicers, to the extent of their securitised portfolios, as per Law no. 130/99 and may sub-delegate activities to third parties. Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) provide IT infrastructure, including via Intesa Sanpaolo Group Services S.c.p.A. (now merged into Intesa Sanpaolo S.p.A.), and perform the back office activities for collections on the cover pool, as per the Group’s regulations. As servicers, they are 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).

Amounts collected by Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), as servicers on the vehicle's behalf, are paid into accounts held with Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.).
Intesa Sanpaolo S.p.A. is also the account bank, cash manager and paying agent. The originators manage the liquidity between the collection and payment dates established by the relevant agreements.
On 3 February 2016, the board of directors resolved that another external account bank would join the Programme. If particular events take place (e.g., the downgrading of Intesa Sanpaolo S.p.A. below the minimum threshold), this bank would replace Intesa Sanpaolo S.p.A. and the other participating banks as the relevant account bank. This role has been assigned to Crédit Agricole Corporate & Investment Bank.

Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A. receive a fee in line with market conditions for these services.

doBank S.p.A. (formerly Italfondiario S.p.A.) and Intesa Sanpaolo Group Services S.c.p.A. (now merged into 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 bad loans after the sales date. Following enactment of the EMIR, which imposes specific regulatory obligations on parties to OTC derivative contracts, in February 2014, Intesa Sanpaolo Group Services S.c.p.A. (now merged into Intesa Sanpaolo S.p.A.) and each originator 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. (now merged into Intesa Sanpaolo S.p.A.) is responsible for reconciling the portfolios and managing disputes while each originator is in charge of reporting).

Intesa Sanpaolo S.p.A. acts as 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. the calculation agent. The Luxembourg listing agent is Deutsche Bank Luxembourg S.A., while Deloitte & Touche 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.

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

The first two covered bond issues, subscribed by Intesa Sanpaolo S.p.A. on 27 June 2012, amounted to €5.75 billion and €6 billion, respectively. These bonds had a two-year term and paid three-monthly coupons at a floating three-month Euribor plus 0.75%. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were eligible for transactions in the Eurosystem. The coupons were paid on 20 November, 20 February, 20 May and 20 August of each year starting from 20 November 2012 and provided for a bullet payment at the legal due dates of 20 August and 20 November 2014, respectively, which could have been extended by one year. On 19 May 2014, these bonds were redeemed in advance.

The third series of covered bonds was issued on 8 August 2012 and amounted to €4.1 billion, maturing on 20 August 2014, at a floating three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were eligible for transactions in the Eurosystem. On 19 May 2014, these bonds were redeemed in advance.

The fourth series of covered bonds was issued on 21 December 2012 and amounted to €3.215 billion, maturing on 20 February 2015, at a floating three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. On 19 May 2014, these bonds were redeemed in advance.

The fifth series of covered bonds was issued on 17 June 2013 and amounted to €1.5 billion, maturing on 20 August 2015, at a floating three-month Euribor plus 0.75%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. These bonds were fully redeemed on 15 May 2015.

The sixth series of covered bonds was issued on 17 June 2013 and amounted to €0.8 billion, maturing on 20 August 2020, at a floating three-month Euribor plus 0.75%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are unrated, but use the issuer's rating and are listed on the Luxembourg stock exchange; they are also eligible for transactions in the Eurosystem.

As discussed earlier, on 19 May 2014, in order to improve the consistency between the cover pool and the issued covered bond maturities, the series one, two, three and four issues were redeemed in advance, for an overall amount of €19,065 million.

Against the above redemption, on 20 May 2014, Intesa Sanpaolo S.p.A. issued twelve new series (from 7 to 18) of covered bonds totalling €19,065 million, with the following characteristics:

The seventh series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 May 2016, at a floating three-month Euribor plus 0.60%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. These bonds matured on 20 May 2016.

The eighth series of covered bonds was issued on 20 May 2014 for €1.5 billion, maturing on 20 August 2016, at a floating three-month Euribor plus 0.60%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. The bonds matured on 20 August 2016.

The ninth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 February 2017, at a floating three-month Euribor plus 0.60%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. These bonds were cancelled and redeemed in advance with a value date of 15 February 2017.

The tenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 August 2017, at a floating three-month Euribor plus 0.60%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the

Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. These bonds were cancelled and redeemed in advance with a value date of 15 February 2017.

The eleventh series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 February 2018, at a floating three-month Euribor plus 0.66%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. The bonds matured on 20 February 2018.

The twelfth series of covered bonds was issued on 20 May 2014 and amounted to €2.350 billion, maturing on 20 August 2018, at a floating three-month Euribor plus 0.66%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €196 million to €2.154 million on 23 October 2014. These bonds were redeemed in advance on 2 March 2018.

The thirteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 August 2019, at a floating three-month Euribor plus 0.70%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. These bonds were cancelled and redeemed in advance with a value date of 14 February 2019.

The fourteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 August 2019, at a floating three-month Euribor plus 0.70%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the issuer's rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014. These bonds were cancelled and redeemed in advance with a value date of 14 February 2019.

The fifteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 February 2020, at a floating three-month Euribor plus 0.77%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are unrated, but use the issuer's rating and are listed on the Luxembourg stock exchange; they are also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014.

The sixteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 August 2020, at a floating three-month Euribor plus 0.77%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are unrated, but use the issuer's rating and are listed on the Luxembourg stock exchange; they are also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €191 million to €1.309 million on 23 October 2014.

The seventeenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 February 2021, at a floating three-month Euribor plus 0.85%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are unrated, but use the issuer's rating and are listed on the Luxembourg stock exchange; they are also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €125 million to €1.375 million on 23 October 2014.

The eighteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.715 billion, maturing on 20 August 2021, at a floating three-month Euribor plus 0.85%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are unrated, but use the issuer's rating and are listed on the Luxembourg stock exchange; they are also eligible for transactions in the Eurosystem. Their nominal amount was reduced by €143 million to €1.572 million on 23 October 2014.

The nineteenth series of covered bonds was issued on 13 November 2015 and amounted to €1,375 million, maturing on 20 February 2023, at a floating three-month Euribor plus 0.40%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the

Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twentieth series of covered bonds was issued on 17 June 2016 and amounted to €1,600 million, maturing on 20 August 2023, at a floating three-month Euribor plus 0.20%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-first series of covered bonds was issued on 16 September 2016 and amounted to €1,750 million, maturing on 20 August 2024, at a floating three-month Euribor plus 0.26%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-second series of covered bonds was issued on 16 September 2016 and amounted to €1,750 million, maturing on 20 August 2025, at a floating three-month Euribor plus 0.26%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-third series of covered bonds was issued on 17 February 2017 and amounted to €1,375 million, maturing on 20 February 2026, at a floating three-month Euribor plus 0.50%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-fourth series of covered bonds was issued on 17 February 2017 and amounted to €1,375 million, maturing on 20 February 2027, at a floating three-month Euribor plus 0.55%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-fifth series of covered bonds was issued on 9 March 2018 and amounted to €1,750 million, maturing on 20 February 2025, at a floating three-month Euribor plus 0.12%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-sixth series of covered bonds was issued on 9 March 2018 and amounted to €2,150 million, maturing on 20 August 2028, at a floating three-month Euribor plus 0.26%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-seventh series of covered bonds was issued on 21 September 2018 and amounted to €1,600 million, maturing on 20 August 2029, at a floating three-month Euribor plus 0.65%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-eighth series of covered bonds was issued on 21 September 2018 and amounted to €1,600 million, maturing on 20 May 2030, at a floating three-month Euribor plus 0.67%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The twenty-ninth series of covered bonds was issued on 22 November 2018 and amounted to €1,600 million, maturing on 20 August 2026, at a floating three-month Euribor plus 0.85%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the

Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirtieth series of covered bonds was issued on 22 November 2018 and amounted to €1,600 million, maturing on 20 February 2031, at a floating three-month Euribor plus 0.90%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-first series of covered bonds was issued on 18 December 2018 and amounted to €1,275 million, maturing on 20 August 2031, at a floating three-month Euribor plus 1.03%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-second series of covered bonds was issued on 20 February 2019 and amounted to €1,650 million, maturing on 20 February 2024, at a floating three-month Euribor plus 0.69%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-third series of covered bonds was issued on 20 February 2019 and amounted to €1,650 million, maturing on 20 May 2032, at a floating three-month Euribor plus 1.30%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-fourth series of covered bonds was issued on 24 June 2019 and amounted to €1,600 million, maturing on 20 February 2027, at a floating three-month Euribor plus 0.46%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-fifth series of covered bonds was issued on 24 June 2019 and amounted to €1,600 million, maturing on 20 February 2029, at a floating three-month Euribor plus 0.59%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-sixth series of covered bonds was issued on 24 June 2019 and amounted to €1,800 million, maturing on 20 February 2033, at a floating three-month Euribor plus 0.86%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and are rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

On 7 November 2014, the rating agency DBRS rated the issue programme A (high).

Related financial transactions

The vehicle accrued the reserve fund required amount on 13 November 2014 fully funded by Intesa Sanpaolo S.p.A.. This is a quarterly provision equal to the coupon on bonds issued, fees due to all parties involved and the total asset swaps.
The amount was included in the interest available fund at the payment date of 20 November 2014 and was funded by the issuer which credited €217 million to the vehicle's account, as contractually provided for. At the payment date of 20 May 2019, the interest available fund amounted to €99.8 million and is subject to recalculation and possible adjustment at each payment date.

The vehicle agreed fifteen asset swaps on the relevant underlying cover pools with Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A.

(now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A. (three for each originator).

On 29 November 2016, in order to improve the effectiveness of derivative hedges, sixteen asset swaps of Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) were unwound and three new assets swaps were signed. The transactions are financially equivalent. Accordingly, there is no impact on the vehicle’s profit or loss.

On 2 March 2017, as part of the ongoing restructuring of derivative hedges, fifteen asset swaps of Intesa Sanpaolo S.p.A. were unwound and three new assets swaps were signed. The transactions are financially equivalent. Accordingly, there is no impact on the vehicle’s profit or loss.

After the payment date of 22 May 2017, this restructuring project for the other banks of the local bank division was completed and six asset swaps of Banca CR Firenze S.p.A. were unwound on 23 May 2017, eight of Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) were unwound on 31 May 2017 and six of Cassa di Risparmio in Bologna S.p.A. on 25 May 2017.

On the same dates, three new asset swaps were signed for each bank. The transactions are financially equivalent. Accordingly, there is no impact on the vehicle’s profit or loss.

After the payment date of 21 August 2017, the restructuring project for Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) was completed and two asset swaps of each bank were unwound on 7 September 2017.

After the payment date of 20 November 2018, the restructuring project of some derivatives was completed and the following asset swaps were unwound on 18 December 2018:
floating rate and floating rate with cap Intesa Sanpaolo S.p.A. portfolio (the fixed rate portfolio derivative remains);
fixed rate, floating rate and floating rate with cap former Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) portfolio;
floating rate and floating rate with cap former Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) portfolio (the fixed rate derivative attributed to Intesa Sanpaolo S.p.A. remains).

On 23 May 2019, the restructuring project of some derivatives was completed and the following asset swaps were unwound on 27 May 2019:
fixed rate, floating rate and floating rate with cap former Cassa di Risparmio in Bologna (now merged into Intesa Sanpaolo S.p.A.) portfolio;
fixed rate, floating rate and floating rate with cap former Banca CR Firenze (now merged into Intesa Sanpaolo S.p.A.) portfolio;

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.

Section 3 – Risks and related hedging policies

3.4 Liquidity risk

Breakdown by remaining contractual term of financial assets and liabilities

	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 five years	Open term
On-statement of financial position assets											
A.1 Government bonds											
A.2 Other debt instruments											
A.3 Financing	219,420										
A.4 Other assets	64,847										
On-statement of financial position liabilities											
B.1 Due to:											
- Banks											
- Financial companies											
- Customers											
B.2 Debt instruments											
B.3 Other liabilities	163,255										
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 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. or 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 originators Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), which granted ISP OBG S.r.l. subordinated loans 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 €42,038, split into quotas, the legal reserve (€4,473) and the extraordinary reserve (€82,692).

	30/06/2019	31/12/2018
1. Quota capital	42,038	42,038
2. Quota premium	-	-
3. Reserves	87,165	85,489
- income-related	87,165	85,489
a) legal	4,473	4,389
b) statutory	-	-
c) treasury quotas	-	-
d) other	82,692	81,100
- other	-	-
4. (Treasury quotas)	-	-
5. Valuation reserves	-	-
- Equity instruments at FVOCI	-	-
- Hedges of equity instruments at 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 period/year	-	1,676
Total	**129,203**	**129,203**

Section 5 – Breakdown of comprehensive income

		First half 2019	First half 2018
10.	**Profit for the period**	-	167
	Other comprehensive income not reclassified to profit or loss		
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	-	-
	Other comprehensive income reclassified to profit or loss		
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	-	-
190.	**Total other comprehensive income**	-	-
200.	**Comprehensive income (captions 10+190)**	-	**167**

Section 6 - Related party transactions

6.1 Directors' and statutory auditors' fees

First half 2019	Directors and statutory auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	6,435
- Statutory auditors	10,087
Total	**16,522**

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 30/06/2019	Loans and receivables with banks	Other liabilities
- Directors and statutory auditors	-	16,627
- Parent: Intesa Sanpaolo S.p.A.	219,420	-
Total	**219,420**	**16,627**

Income and expense for the first half of 2019	Interest and similar income	Personnel expense	Other admin. expenses	Fee and commission expense
- Directors and statutory auditors	-	16,522	1,861	-
- Parent: Intesa Sanpaolo S.p.A.	2	-	-	-
Total	**2**	**16,522**	**1,861**	**-**

Section 7 – Other information

7.1 Other

- Equity at 30 June 2019

	Amount	Possible use (*)	Available portion	Summary of use in past three years	
				to cover losses	for other reasons
QUOTA CAPITAL	42,038		-	-	-
QUOTA PREMIUM					
RESERVES:					
- Legal reserve	4,473	B	-	-	-
- Extraordinary reserve	82,692	A,B,C	82,692	-	-
PROFIT FOR THE PERIOD	-		-	-	-
TOTAL	**129,203**		**82,692**	**-**	**-**
NON-DISTRIBUTABLE PORTION	-		-	-	-
REMAINING DISTRIBUTABLE PORTION	-		82,692	-	-
	-				

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

- Parent that prepares consolidated financial statements

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

Milan, 23 July 2019

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Annexes

The financial statements of Intesa Sanpaolo at 31 December 2018 are set out below.

Financial statements of Intesa Sanpaolo - Statement of financial position

(Euro)

Assets	31.12.2018	31.12.2017	Variation	%
10. Cash and cash equivalents	7,363,132,608	5,749,702,612	1,613,429,996	28.1
20. Financial assets at FVTPL	25,878,591,115	18,586,740,166	7,291,850,949	39.2
a) financial assets held for trading	*18,020,440,604*	*18,264,452,315*	*-244,011,711*	*-1.3*
b) financial assets at fair value	*197,753,361*	*322,287,851*	*-124,534,490*	*-38.6*
c) other financial assets mandatorily measured at fair value	*7,660,397,150*	*-*	*7,660,397,150*	*-*
30. Financial assets at FVOCI	31,135,690,799	36,911,639,839	-5,775,949,040	-15.6
40. Financial assets at amortised cost	409,602,431,307	390,467,579,677	19,134,851,630	4.9
a) loans and receivables with banks	*154,590,837,735*	*157,439,934,737*	*-2,849,097,002*	*-1.8*
b) loans and receivables with customers	*255,011,593,572*	*233,027,644,940*	*21,983,948,632*	*9.4*
50. Hedging derivatives	2,877,547,472	3,822,813,304	-945,265,832	-24.7
60. Macro-hedging adjustments to financial assets (+/-)	77,275,285	-130,633,072	207,908,357	
70. Equity investments	26,257,677,770	30,558,013,553	-4,300,335,783	-14.1
80. Property, equipment and investment property	4,598,266,116	4,399,954,385	198,311,731	4.5
90. Intangible assets	2,767,601,935	2,454,495,926	313,106,009	12.8
of which:				
- goodwill	*1,160,336,910*	*858,532,215*	*301,804,695*	*35.2*
100. Tax assets	14,334,819,665	13,012,846,576	1,321,973,089	10.2
a) current	*2,996,573,278*	*2,950,336,388*	*46,236,890*	*1.6*
b) deferred	*11,338,246,387*	*10,062,510,188*	*1,275,736,199*	*12.7*
110. Non-current assets held for sale and disposal groups	672,258,249	265,849,446	406,408,803	
120. Other assets	2,987,801,986	3,278,434,392	-290,632,406	-8.9
Total assets	**528,553,094,307**	**509,377,436,804**	**19,175,657,503**	**3.8**

Financial statements of Intesa Sanpaolo - Statement of financial position

Liabilities and equity	31.12.2018	31.12.2017	Variation	%
10. Financial liabilities at amortised cost	447,143,398,340	427,289,537,038	19,853,861,302	4.6
a) due to banks	*161,719,030,885*	*173,709,711,661*	*-11,990,680,776*	*-6.9*
b) due to customers	*208,532,094,893*	*170,914,110,169*	*37,617,984,724*	*22.0*
c) securities issued	*76,892,272,562*	*82,665,715,208*	*-5,773,442,646*	*-7.0*
20. Financial liabilities held for trading	14,559,502,621	14,579,631,354	-20,128,733	-0.1
30. Financial liabilities at fair value	1,821,039,982	9,133,072	1,811,906,910	
40. Hedging derivatives	5,357,675,339	5,555,327,525	-197,652,186	-3.6
50. Macro-hedging adjustments to financial liabilities (+/-)	381,865,835	323,857,059	58,008,776	17.9
60. Tax liabilities	1,446,555,316	1,284,667,901	161,887,415	12.6
a) current	*75,887,346*	*102,626,726*	*-26,739,380*	*-26.1*
b) deferred	*1,370,667,970*	*1,182,041,175*	*188,626,795*	*16.0*
70. Liabilities associated with assets held for sale	-	-	-	-
80. Other liabilities	6,352,470,569	6,982,977,351	-630,506,782	-9.0
90. Post-employment benefits	845,215,781	767,146,054	78,069,727	10.2
100. Provisions for risks and charges	3,434,676,119	4,112,924,336	-678,248,217	-16.5
a) commitments and guarantees given	*350,010,141*	*212,022,648*	*137,987,493*	*65.1*
a) pension and similar obligations	*223,290,421*	*883,579,918*	*-660,289,497*	*-74.7*
c) other provisions for risks and charges	*2,861,375,557*	*3,017,321,770*	*-155,946,213*	*-5.2*
110. Valuation reserves	1,080,919,802	773,748,333	307,171,469	39.7
120. Redeemable shares	-	-	-	-
130. Equity instruments	4,102,664,631	4,102,750,714	-86,083	-
140. Reserves	4,369,749,752	3,843,194,689	526,555,063	13.7
150. Share premium	24,925,954,843	26,164,131,214	-1,238,176,371	-4.7
160. Share capital	9,085,469,852	8,731,984,116	353,485,736	4.0
170. Treasury shares (-)	-39,659,294	-25,863,278	13,796,016	53.3
180. Profit for the year (+/-)	3,685,594,819	4,882,289,326	-1,196,694,507	-24.5
Total liabilities and equity	**528,553,094,307**	**509,377,436,804**	**19,175,657,503**	**3.8**

Financial statements of Intesa Sanpaolo - Income statement

		2018	2017	Variation	%
10.	Interest and similar income	7,036,268,661	6,458,141,888	578,126,773	9.0
	of which: interest income calculated using the effective interest method	*7,245,312,697*	*5,744,268,384*	*1,501,044,313*	*26.1*
20.	Interest and similar expense	-2,785,287,693	-3,647,250,788	-861,963,095	-23.6
30.	**Net interest income**	**4,250,980,968**	**2,810,891,100**	**1,440,089,868**	**51.2**
40.	Fee and commission income	4,929,423,970	3,793,854,801	1,135,569,169	29.9
50.	Fee and commission expense	-912,661,080	-825,520,418	87,140,662	10.6
60.	**Net fee and commission income**	**4,016,762,890**	**2,968,334,383**	**1,048,428,507**	**35.3**
70.	Dividends and similar income	3,491,677,892	1,888,660,731	1,603,017,161	84.9
80.	Net trading income (expense)	-79,935,623	46,821,374	-126,756,997	
90.	Net hedging expense	-22,244,300	-17,328,451	4,915,849	28.4
100.	Net profit (loss) on sale or repurchase of:	100,711,617	181,248,529	-80,536,912	-44.4
	a) financial assets at amortised cost	*-64,232,505*	*-10,886,814*	*53,345,691*	
	b) financial assets at FVOCI	*214,993,962*	*212,407,293*	*2,586,669*	*1.2*
	c) financial liabilities	*-50,049,840*	*-20,271,950*	*29,777,890*	
110.	Net gains on financial assets and liabilities at FVTPL	280,721,335	2,366,331	278,355,004	
	a) financial assets and liabilities at fair value	*29,612,955*	*2,366,331*	*27,246,624*	
	b) other financial assets mandatorily measured at fair value	*251,108,380*	*-*	*251,108,380*	*-*
120.	**Total income**	**12,038,674,779**	**7,880,993,997**	**4,157,680,782**	**52.8**
130.	Net impairment losses/gains for credit risk on:	-1,820,970,596	-2,017,545,067	-196,574,471	-9.7
	a) financial assets at amortised cost	*-1,821,932,128*	*-1,541,323,340*	*280,608,788*	*18.2*
	b) financial assets at FVOCI	*961,532*	*-476,221,727*	*477,183,259*	
140.	Modification gains/losses	-16,347,123	46,858	-16,393,981	
150.	**Net financial income**	**10,201,357,060**	**5,863,495,788**	**4,337,861,272**	**74.0**
160.	Administrative expenses:	-7,016,630,150	-6,384,782,140	631,848,010	9.9
	a) personnel expense	*-3,670,210,376*	*-3,775,235,832*	*-105,025,456*	*-2.8*
	b) other administrative expenses	*-3,346,419,774*	*-2,609,546,308*	*736,873,466*	*28.2*
170.	Net accruals to provisions for risks and charges	-39,701,232	-818,539,821	-778,838,589	-95.1
	a) commitments and guarantees given	*9,969,715*	*-*	*9,969,715*	*-*
	b) other net accruals	*-49,670,947*	*-818,539,821*	*-768,868,874*	*-93.9*
180.	Depreciation and net impairment losses on property, equipment and investment property	-125,285,249	-123,334,124	1,951,125	1.6
190.	Amortisation and net impairment losses on intangible assets	-15,077,425	-12,895,800	2,181,625	16.9
200.	Other operating income	517,930,457	5,328,341,445	-4,810,410,988	-90.3
210.	**Operating costs**	**-6,678,763,599**	**-2,011,210,440**	**4,667,553,159**	
220.	Gains on equity investments	127,339,460	166,969,444	-39,629,984	-23.7
230.	Fair value losses on property, equipment and investment property and intangible assets	-5,806,488	-16,560,861	-10,754,373	-64.9
240.	Impairment losses on goodwill	-	-	-	-
250.	Gains on sales of investments	805,923	77,195,893	-76,389,970	-99.0
260.	**Pre-tax profit from continuing operations**	**3,644,932,356**	**4,079,889,824**	**-434,957,468**	**-10.7**
270.	Income taxes	40,662,463	802,399,502	-761,737,039	-94.9
280.	**Pre-tax profit from continuing operations**	**3,685,594,819**	**4,882,289,326**	**-1,196,694,507**	**-24.5**
290.	Post-tax profit (loss) from discontinued operations	-	-	-	-
300.	**Profit for the year**	**3,685,594,819**	**4,882,289,326**	**-1,196,694,507**	**-24.5**