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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 CB Ipotecario S.r.l.

## Introduction

We have reviewed the accompanying condensed interim financial statements of ISP CB Ipotecario S.r.l. (the "company"), comprising the statement of financial position as at 30 June 2020, 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 CB Ipotecario S.r.l. as at and for the six months ended 30 June 2020 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

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 CB Ipotecario S.r.l. does not extend to such data.

Verona, 4 August 2020

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit

# ISP CB Ipotecario S.r.l.

Half-Yearly Financial Report
as at 30 June 2020

INTESA SANPAOLO

# ISP CB Ipotecario S.r.l.

**ISP CB Ipotecario S.r.l.**
Registered Office: Via Monte di Pietà 8, 20121 Milan. Company incorporated pursuant to Law no. 130 of 30 April 1999. Quota capital €120,000. Tax code and Registration number in the Milan Monza Brianza Lodi Company Register 05936180966. Member of the Intesa Sanpaolo VAT Group no. 11991500015 (IT11991500015). ABI Code 16830 and Electronic Code 335067. Company subject to management and coordination by Intesa Sanpaolo S.p.A., and member of the Intesa Sanpaolo Banking Group, included in the register of banking groups.

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# Company bodies

## Board of directors

| | |
|---|---|
| Chairperson | Carlo Bellavite Pellegrini |
| Director | Andrea Calamanti |
| Director | Mario Masini |

## Board of statutory auditors

| | |
|---|---|
| Chairperson | Nicola Bruni |
| Standing Statutory Auditor | Elena Fornara |
| Standing Statutory Auditor | Giuseppe Dalla Costa |

## Independent Auditors

KPMG S.p.A.

# Directors' report

## General information

ISP CB Ipotecario S.r.l. was incorporated on 14 November 2007 and its sole business object is the acquisition for consideration from banks of loans and securities (also issued through securitisations) within one or more covered bond issues in accordance with 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 29 July 2010. Intesa Sanpaolo S.p.A. also provides it with administrative, accounting, corporate and tax services.

## Performance

There were two payment dates in the first six months of 2020. The first (13 January 2020) related to cash flows from loan collections from 1 September 2019 to 30 November 2019 and the second (14 April 2020) related to cash flows from loan collections from 1 December 2019 to 29 February 2020.

The following covered bonds were issued during the half year:

- the twenty-seventh series of covered bonds was issued on 27 January 2020 and amounted to €750 million, maturing on 12 October 2031, at a floating three-month Euribor plus 0.27%. The bonds pay three-monthly coupons on 12 January, 12 April, 12 July and 12 October.

They were listed on the Luxembourg stock exchange and were rated Aa3 by Moody's.

The subordinated loans were repaid on the guarantor payment dates of 13 January 2020 (€600 million) and 14 April 2020 (€500 million), using the cash and cash equivalents posted during the period, deriving from the collection of the principal from the assets of the underlying portfolio.
See point H of Part D – Other information in the Notes, for more information on the vehicle's operations.

## Profit for the period

The vehicle ended the first half of 2020 at break-even because the operating costs were charged back to segregated assets in accordance with the contractual agreements.

## Transactions with Group Companies

As required by article 2497 and following 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.
In accordance with the contractual documentation signed for the completion of the Transaction and valid until its termination, the vehicle recognised the following amounts during the half year as fees for the services provided by Intesa Sanpaolo through the Administration & Tax Department, the Corporate Affairs and Advisory Department, and the Banca dei Territori Division:

- €7,145,278 for servicing and monitoring fees
- €25,000 for administrative services fees
- €5,000 for cash management fees
- €10,000 for account bank fees
- €6,012 for securities depositary fees
- €250 for fees for the performance of services required by the EMIR.

The contractual documentation includes the Servicing Agreement, the Cash Allocation Management and Payment Agreement, the Administrative Services Agreement, and the Mandate Agreement (and any amendments and/or additions thereto subsequent to the finalisation of the Transaction).
The Notes provide more information about the vehicle's cash transactions and commitments with the other group companies.

## Related-party transactions

In relation to the disclosure for related-party transactions, significant and non-recurring events and transactions, positions or transactions deriving from atypical and/or unusual transactions, as required by CONSOB Communication no. 6064293 of 28 July 2006, concerning "Corporate disclosures of listed issuers and issuers of financial instruments held by the public pursuant to Article 116 of the Consolidated Law on Finance – Requests pursuant to Article 114, paragraph 5, of Legislative Decree no. 58/98", the following is noted:

*Related-party transactions*

See Part D - Other information, Section 6 - Related-party transactions, of the Notes for details of the related-party transactions.

*Significant and non-recurring transactions*
No significant and non-recurring transactions were carried out in the first half of 2020.

*Atypical and/or unusual transactions*
No atypical and/or unusual transactions were carried out in the first half of 2020.

## Treasury quotas and/or shares or quotas and/or shares in parent companies

The vehicle does not hold, nor has it ever held in its portfolio, treasury quotas and/or shares or quotas or shares of the parent companies.

## Research and development

The vehicle does not carry out research and development.

## Composition of the Quota Capital

The Quota Capital, subscribed and paid in for a total of €120,000, is divided into quotas and is held as follows:
- Intesa Sanpaolo S.p.A. holds a nominal amount of €72,000, equal to 60% of the Quota Capital;
- Stichting Viridis 2, with registered office in Amsterdam in the Netherlands, holds a nominal amount of €48,000, equal to 40% of the Quota Capital.

## Management and coordination activities

In accordance with the provisions of article 2497 bis of the Italian Civil Code, we specify that the vehicle is subject to management and coordination by the parent company Intesa Sanpaolo S.p.A.

## Key events of the period

The health crisis at the beginning of the year linked to the spread of the COVID-19 pandemic put the real economy and the financial markets under severe strain and the countries affected by the crisis have seen a drop in their main macroeconomic indicators.
The economic slowdown is affecting the ability of companies and individuals to meet their obligations to credit institutions, despite the measures introduced by governments and financial institutions to support the economy through moratoria and suspensions of mortgage and loan repayments, aimed at addressing the liquidity crises faced by borrowers.

With reference to the vehicle's operations, the current emergency situation resulting from the COVID-19 pandemic had no impact on the management of the vehicle, however it did lead to an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities as a result of the outbreak of the COVID-19 pandemic. In this regard, you are reminded that the individual and collective valuations of the securitised loans are provided by Intesa Sanpaolo, the Originator and Servicer of the transaction.

Please note that PricewaterhouseCoopers S.p.A. replaced EY S.p.A. as the calculation agent in March 2020.

On 8 April 2020, the Quotaholders' Meeting acknowledged that the term of office of the entire Board of Statutory Auditors had ended due to the expiry of its mandate. As a consequence, the members of the Board of Statutory Auditors were appointed for the years 2020, 2021 and 2022, and therefore up to the Quotaholders' Meeting to be called for the approval of the financial statements for the year ended 31 December 2022, comprised of the following as Standing Auditors:

Nicola Bruni;
Elena Fornara;
Giuseppe Dalla Costa

and the following as Alternate Auditors:

Claudia Motta;
Renzo Mauri.

## Events after the reporting date

On 13 July 2020, payments were made for loan collections from 1 March 2020 to 31 May 2020.

See part H - Qualitative information in the Notes, for more information on the vehicle's operations.

## Outlook

The vehicle's future operations will be aimed at the orderly continuation of the covered bond issue.

## Going concern

The Board of Directors – despite the current uncertainty related to the COVID-19 pandemic and its evolution in the coming months – has a reasonable expectation that the vehicle's operations will continue in a stable manner and that the temporary reduction in income, caused by the suspension of payments on part of the underlying portfolio, will not affect the company's operating and financial stability and the soundness of the regulatory tests, also due to the presence and the underlying operational logic of the asset swaps on the segregated assets. The condensed interim financial statements as at 30 June 2020 have therefore been prepared on a going concern basis.

Milan, 27 July 2020

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

# Condensed interim financial statements as at 30 June 2020

# Financial statements

## Statement of financial position

(amounts in Euros)

| | Assets | 30/06/2020 | 31/12/2019 |
|---|---|---|---|
| 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 | 234,776 | 222,085 |
| | a) loans and receivables with banks | 234,776 | 222,085 |
| | 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: | 10,141 | 10,580 |
| | a) current | 623 | 750 |
| | b) deferred | 9,518 | 9,830 |
| 110. | Non-current assets held for sale and disposal groups | - | - |
| 120. | Other assets | 47,517 | 63,738 |
| | **TOTAL ASSETS** | **292,434** | **296,403** |

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

## Statement of financial position

(amounts in Euros)

| | Liabilities and equity | 30/06/2020 | 31/12/2019 |
|---|---|---|---|
| 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 | - | - |
| | b) deferred | - | - |
| 70. | Liabilities associated with assets held for sale | - | - |
| 80. | Other liabilities | 121,198 | 125,167 |
| 90. | Post-employment benefits | - | - |
| 100. | Provisions for risks and charges: | - | - |
| | a) commitments and guarantees given | - | - |
| | b) pension and similar obligations | - | - |
| | c) other provisions for risks and charges | - | - |
| 110. | Quota capital | 120,000 | 120,000 |
| 120. | Treasury quotas (-) | - | - |
| 130. | Equity instruments | - | - |
| 140. | Quota premium | - | - |
| 150. | Reserves | 51,236 | 51,236 |
| 160. | Valuation reserves | - | - |
| 170. | Profit for the period | - | - |
| | **TOTAL LIABILITIES AND EQUITY** | **292,434** | **296,403** |

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

Carlo Bellavite Pellegrini

## Income statement

(amounts in Euros)

| | Income statement items | 30/06/2020 | 30/06/2019 |
|---|---|---|---|
| 10. | Interest and similar income | - | 27 |
| | of which: interest income calculated using the effective interest method | - | 27 |
| 20. | Interest and similar expense | - | - |
| **30.** | **NET INTEREST INCOME (EXPENSE)** | **-** | **27** |
| 40. | Fee and commission income | - | - |
| 50. | Fee and commission expense | -160 | -160 |
| **60.** | **NET FEE AND COMMISSION INCOME (EXPENSE)** | **-160** | **-160** |
| 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** | **-160** | **-133** |
| 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 EXPENSE** | **-160** | **-133** |
| 160. | Administrative expenses: | -124,924 | -116,868 |
| | a) personnel expense | -21,060 | -21,383 |
| | b) other administrative expenses | -103,864 | -95,485 |
| 170. | Net accruals to provisions for risks and charges | - | - |
| | a) commitments and guarantees given | - | - |
| | b) other net accruals | - | - |
| 180. | Depreciation and net impairment losses/reversals of impairment losses on property, equipment and investment property | - | - |
| 190. | Amortisation and net impairment losses/reversals of impairment losses on intangible assets | - | - |
| 200. | Other net operating income | 125,524 | 117,286 |
| **210.** | **OPERATING COSTS** | **600** | **418** |
| 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** | **440** | **285** |
| 270. | Income taxes | -440 | -285 |
| **280.** | **POST-TAX PROFIT FROM CONTINUING OPERATIONS** | **-** | **-** |
| 290. | Post-tax profit (loss) from discontinued operations | - | - |
| **300.** | **PROFIT FOR THE PERIOD** | **-** | **-** |

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

Carlo Bellavite Pellegrini

## Statement of comprehensive income

(amounts in Euros)

| | | 30/06/2020 | 30/06/2019 |
|---|---|---|---|
| **10.** | **Profit for the period** | - | - |
| | **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)** | - | - |

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

Carlo Bellavite Pellegrini

# Statement of changes in equity

## 30 June 2020

(amounts in Euros)

| | Quota capital | | Quota premium | Reserves | | Valuation reserves | Equity instruments | Treasury quotas | Profit for the period | Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | ordinary quotas | savings quotas | | income-related | other | | | | | |
| **BALANCE AT 1/1/2020** | 120,000 | - | - | 51,236 | - | - | - | - | - | 171,236 |
| **ALLOCATION OF PRIOR YEAR PROFIT** | | | | | | | | | | |
| Reserves | - | - | - | - | - | - | - | - | - | - |
| Dividends and other distributions | - | - | - | - | - | - | - | - | - | - |
| **CHANGES IN THE PERIOD** | | | | | | | | | | |
| Changes in reserves | - | - | - | - | - | - | - | - | - | - |
| Equity transactions | | | | | | | | | | |
| Issue of new quotas | - | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | - | - | - | - | - |
| Comprehensive income for the period | - | - | - | - | - | - | - | - | - | - |
| **EQUITY AT 30/06/2020** | **120,000** | **-** | **-** | **51,236** | **-** | **-** | **-** | **-** | **-** | **171,236** |

## 31 December 2019

(amounts in Euros)

| | 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** | 120,000 | - | - | 49,611 | - | - | - | - | 1,625 | 171,236 |
| | | | | | | | | | | - |
| **ALLOCATION OF PRIOR YEAR PROFIT** | | | | | | | | | | - |
| Reserves | - | - | - | 1,625 | - | - | - | - | -1,625 | - |
| Dividends and other distributions | - | - | - | | - | - | - | - | - | - |
| **CHANGES OF THE YEAR** | | | | | | | | | | - |
| Changes in reserves | - | - | - | - | - | - | - | - | - | - |
| Equity transactions | | | | | | | | | | - |
| Issue of new quotas | - | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | - | - | - | - | - |
| Comprehensive income | - | - | - | - | - | - | - | - | - | - |
| **EQUITY AT 31/12/2019** | **120,000** | **-** | **-** | **51,236** | **-** | **-** | **-** | **-** | **-** | **171,236** |

## 30 June 2019

(amounts in Euros)

| | Quota capital | | Quota premium | Reserves | | Valuation reserves | Equity instruments | Treasury quotas | Profit for the period | Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | ordinary quotas | savings quotas | | income-related | other | | | | | |
| **BALANCE AT 1/1/2019** | 120,000 | - | - | 49,611 | - | - | - | - | 1,625 | 171,236 |
| | | | | | | | | | | - |
| **ALLOCATION OF PRIOR YEAR PROFIT** | | | | | | | | | | - |
| Reserves | - | - | - | 1,625 | - | - | - | - | -1,625 | - |
| Dividends and other distributions | - | - | - | - | - | - | - | - | - | - |
| **CHANGES IN THE PERIOD** | | | | | | | | | | - |
| Changes in reserves | - | - | - | - | - | - | - | - | - | - |
| Equity transactions | | | | | | | | | | - |
| Issue of new quotas | - | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | - | - | - | - | - |
| Comprehensive income for the period | - | - | - | - | - | - | - | - | - | - |
| **EQUITY AT 30/06/2019** | **120,000** | **-** | **-** | **51,236** | **-** | **-** | **-** | **-** | **-** | **171,236** |

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

Carlo Bellavite Pellegrini

## Statement of cash flows (direct method)

(amounts in Euros)

| | 30/06/2020 | 30/06/2019 |
|---|---|---|
| **A. OPERATING ACTIVITIES** | | |
| **1. Operations** | **12,691** | **-78,171** |
| - interest income collected (+) | | 48 |
| - interest expense paid (-) | -4 | -36 |
| - dividends and similar income (+) | - | - |
| - net fee and commission income (+) | - | -160 |
| - personnel expense (-) | -11,437 | -12,189 |
| - other costs (-) | -117,868 | -155,245 |
| - other revenue (+) | 142,000 | 90,745 |
| - taxes and duties (-) | - | -1,334 |
| - costs/revenue related to disposal groups net of the tax effect (+/-) | - | - |
| **2. Cash flows generated by/used for financial assets** | **-** | **-** |
| - 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 | - | - |
| **3. Cash flows generated by/used for financial liabilities** | **-** | **-** |
| - financial liabilities at amortised cost | - | - |
| - financial liabilities held for trading | - | - |
| - financial liabilities at fair value | - | - |
| - other liabilities | - | - |
| **Net cash flows generated by/used in operating activities** | **12,691** | **-78,171** |
| **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 financing activities** | **-** | **-** |
| **NET CASH FLOWS FOR THE PERIOD** | **12,691** | **-78,171** |
| **RECONCILIATION** | | |
| Opening cash and cash equivalents | 222,085 | 254,205 |
| Net cash flows for the period | 12,691 | -78,171 |
| **Closing cash and cash equivalents** | **234,776** | **176,034** |

The figures as at 30 June 2019 have been reclassified for the purpose of comparability with the figures as at 30 June 2020.

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

Carlo Bellavite Pellegrini

# 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 as at 30 June 2020 in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) 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 in force 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 the Bank of Italy instructions issued in compliance with the IAS/IFRS, these Notes present disclosures concerning 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 purpose of full disclosure, we note that the IAS/IFRS accounting treatment to be applied to financial assets and/or groups of financial assets and financial liabilities arising from "covered bank bond issues" is still subject to further examination by the bodies responsible for interpreting the accounting standards.
The condensed interim financial statements comprise a statement of financial position, an income statement, a statement of comprehensive income, statements of changes in equity, a statement of cash flows, and these notes. They are accompanied by a directors' report which comments on the vehicle's performance, results, financial position and cash flows for the year.
As required by the current regulations, the vehicle has prepared the financial statements using the Euro as its functional currency.
The amounts in the financial statements, these notes and the directors' report are presented in Euros.
The 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 2019 (statement of financial position) and for the six months ended 30 June 2019 (income statement and statement of comprehensive income).
Pursuant to the provisions of Legislative decree no. 38 of 28 February 2005, the company opted to prepare its financial statements in accordance with the IFRS, as it is included in the consolidation scope of Intesa Sanpaolo S.p.A..
To give priority to substance over form, and in view of the fact that IAS 1 does not establish rigid formats, the layouts that apply to financial intermediaries have been used in these condensed interim financial statements, in accordance with the guidance provided in the document "The IFRS financial statements of intermediaries other than banking intermediaries" issued by the Bank of Italy on 30 November 2018.
The accounting policies applied to prepare these condensed interim financial statements as at 30 June 2020 are consistent with those used for the annual financial statements as at 31 December 2019.
These condensed interim financial statements have been prepared on a going concern basis and the remarks regarding this aspect can be found in the specific section of the directors' report.

### SECTION 3 - Events after the reporting date

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

## SECTION 4 - Other aspects

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

As duly approved by the Board of Directors on 24 September 2018, the vehicle subscribed to the Intesa Sanpaolo VAT Group on 24 October 2018, by selecting the declaration option provided in the specific website set up by the Italian Revenue Agency. As a result, with effect from 1 January 2019, the vehicle suspended its VAT number and adopted the VAT number 11991500015 of the Intesa Sanpaolo VAT Group, accepting the "Group VAT Rules".

## A.2 - ACCOUNTING POLICIES

This section sets out the accounting policies adopted in preparing the condensed interim financial statements as at 30 June 2020, solely for the statement of financial position and income statement captions presented in the financial statements. The recognition, measurement and derecognition criteria are given for each asset and liability caption.

### Financial assets measured at amortised cost: loans and receivables with banks

A financial asset is classified as a financial asset measured at amortised cost when:

- the objective of its business model is to hold assets in order to collect contractual cash flows (hold to collect);
- the related cash flows represent only the payment of principal and interest.

This caption includes loans and receivables with banks arising from the vehicle's cash and cash equivalents, which consist solely of the current accounts held with Intesa Sanpaolo S.p.A..
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.
Loans and receivables 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.
With regard to impairment, the standard requires that the estimate of impairment losses on loans and receivables be carried out based on the expected losses model using supportable information, available without undue cost or effort that includes historical, current or forward-looking data. The standard requires that this impairment model be applied to all financial instruments (financial assets measured at amortised cost and at fair value through other comprehensive income, receivables from rental contracts, and trade receivables).
In this respect, despite the significant changes from IAS 39 concerning the treatment of financial instruments, following the introduction of IFRS 9, the impact on the vehicle's loans and receivables was not deemed significant, due to the low level of 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.

### Other assets

This caption comprises all the loans and receivables captions not attributable to other financial statement captions and mainly relates to the vehicle's receivables due from the segregated assets for the reimbursement of company expenses. Those captions are stated at nominal value, which corresponds to their estimated realisable value.

### Other liabilities

Financial and other liabilities are recognised at fair value, increased by any transaction costs/income.
They are subsequently measured at amortised cost using the effective interest method.
Current liabilities and other liabilities are an exception when the time value of money is negligible. They are maintained at their original amount and any related costs are taken to profit or loss on a straight line basis over the contractual term of the liability.
Financial and other liabilities are derecognised when they are settled.
The other liabilities recognised in these financial statements are all current and, moreover, relate to the vehicle's normal operations.

## Tax assets and liabilities

Current and deferred taxes are recognised using ruling rates.
Income taxes are recognised in profit or loss.
They are calculated using a prudent estimate of the current tax expense, deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are determined on temporary differences (without time limits) between the carrying amounts of assets and liabilities and their tax bases.
Deferred tax assets are only recognised when their recovery is certain, depending on the vehicle's ability to continuously generate taxable profit.
Deferred tax liabilities are recognised.
Deferred tax assets and liabilities are recognised in the statement of financial position without offsetting as Tax assets and Tax liabilities, respectively.

## Recognition of costs and revenue

Costs and revenue are recognised on an accruals basis.
In view of the exclusive nature of the operations carried out by the vehicle, the operating costs are charged to the segregated assets, up to the amount necessary to ensure the vehicle's financial stability, as also provided for by the Intercreditor Agreement and reported in the Prospectus for each securitisation carried out. This amount is classified under "Other operating income and expenses" and is the main revenue caption in the vehicle's financial statements.

## Other information

The vehicle does not hold and has never held treasury quotas.
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: breakdown by fair value level

| Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis | 30/06/2020 | | | | 31/12/2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | CA | L1 | L2 | L3 | CA | L1 | L2 | L3 |
| 1. Financial assets at amortised cost | 234,776 | - | 234,776 | - | 222,085 | - | 222,085 | - |
| 2. Investment property | - | - | - | - | - | - | - | - |
| 3. Non-current assets held for sale and disposal groups | - | - | - | - | - | - | - | - |
| **Total** | **234,776** | **-** | **234,776** | **-** | **222,085** | **-** | **222,085** | **-** |
| 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 due from the Parent Company, Intesa Sanpaolo S.p.A., comprised of cash and cash equivalents and amounts payable on demand amounting to €234,776, 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.

## A.5 Information on day one profit/loss

There is no information to be provided on the so-called "day one profit/loss", because the vehicle did not use any financial instruments during the period in its ordinary operations.

The information relating to Part B, Part C and Part D of the Notes is provided below. It does not include information regarding circumstances that do not concern the condensed interim financial statements or tables relating to accounting captions that are not present.

# Part B - NOTES TO THE STATEMENT OF FINANCIAL POSITION

## ASSETS

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

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

| | 30/06/2020 | | | | | | 31/12/2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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. | 234,776 | - | - | - | 234,776 | - | 222,085 | - | - | - | 222,085 | - |
| 2. Financing | | | | | | | | | | | | |
| 2.1 Reverse repurchase agreements | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2 Finance leases | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.3 Factoring | | | | | | | | | | | | |
| - with recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| - without recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.4 Other loans | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Debt instruments | | | | | | | | | | | | |
| 3.1 structured securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.2 other debt instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Other assets | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **234,776** | **-** | **-** | **-** | **234,776** | **-** | **222,085** | **-** | **-** | **-** | **222,085** | **-** |

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

### 4.5 “Financial assets measured at amortised cost: gross amount and total adjustments”

| | Gross amount | | | | Total adjustments | | | |
|---|---|---|---|---|---|---|---|---|
| | First stage | of which: low credit risk instruments | Second stage | Third stage | First stage | Second stage | Third stage | Total partial write-offs |
| Debt instruments | - | - | - | - | - | - | - | - |
| Financing | - | - | - | - | - | - | - | - |
| Other assets | 234,776 | - | - | - | - | - | - | - |
| **Total 30/06/2020** | **234,776** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total 31/12/2019** | **222,085** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| of which: purchased or originated credit-impaired financial assets | | | | | | | | |

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

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

| Current tax assets: breakdown | 30/06/2020 | 31/12/2019 |
|---|---|---|
| Withholdings on bank interest | - | 14 |
| IRES payments on account and assets | 70 | 56 |
| IRAP payments on account and assets | 553 | 680 |
| **Total** | **623** | **750** |
| **Deferred tax assets: breakdown** | **30/06/2020** | **31/12/2019** |
| Receivables for IRES deferred tax assets | 9,518 | 9,830 |
| **Total** | **9,518** | **9,830** |

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

At 30 June 2020, the table “Tax liabilities: current and deferred” did not have any entries.

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

| | 30/06/2020 | 31/12/2019 |
|---|---|---|
| **1. Opening balance** | **9,830** | **9,966** |
| **2. Increases** | **-** | **-** |
| 2.1 Deferred tax assets recognised in the period | - | - |
| (a) related to previous years | - | - |
| (c) due to changes in accounting policies | - | - |
| (c) reversals of impairment losses | - | - |
| (d) other | - | - |
| 2.2 New taxes or increases in tax rates | - | - |
| 2.3 Other increases | - | - |
| **3. Decreases** | **312** | **136** |
| 3.1 Deferred tax assets derecognised in the period | 312 | 136 |
| (a) reversals | 312 | 136 |
| (b) impairment losses due to non-recoverability | - | - |
| (c) due to changes in accounting policies | - | - |
| (d) other | - | - |
| 3.2 Decrease in tax rates | - | - |
| 3.3 Other decreases | - | - |
| (a) conversion into tax assets, including as per Law no. 214/2011 | - | - |
| (b) other | - | - |
| **4. Closing balance** | **9,518** | **9,830** |

Deferred tax assets arising on carryforward tax losses without time limits amount to €8,066.

## Section 12 - Other assets - Caption 120

### 12.1 Caption 120 “Other assets”

| | 30/06/2020 | 31/12/2019 |
|---|---|---|
| - receivables from the securitised assets | 47,220 | 63,698 |
| - prepayments | 297 | - |
| - others | - | 40 |
| **Total** | **47,517** | **63,738** |

## 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”

| | 30/06/2020 | 31/12/2019 |
|---|---|---|
| Directors’ fees | 12,221 | - |
| Statutory auditors’ fees | 8,767 | 13,489 |
| Suppliers and beneficiaries | 100,050 | 110,808 |
| IRPEF tax for self-employed workers | - | 852 |
| Accrued expense | 160 | 18 |
| **Total** | **121,198** | **125,167** |

## Section 11 - Equity - Captions 110 and 150

### 11.1 Caption 110 “Quota capital”

| | 30/06/2020 | 31/12/2019 |
|---|---|---|
| 1. Quota capital | | |
| 1.1 Ordinary quotas | - | - |
| 1.2 Quotas | 120,000 | 120,000 |
| **Total** | **120,000** | **120,000** |

The Quota Capital, subscribed and paid in for a total of €120,000, is divided into quotas and is held as follows:

- Intesa Sanpaolo S.p.A. holds a nominal amount of €72,000, equal to 60% of the Quota Capital;
- Stichting Viridis 2, with registered office in Amsterdam in the Netherlands, holds a nominal amount of €48,000, equal to 40% of the Quota Capital.

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

| | Legal reserve | Losses carried forward | Other extraordinary | Total |
|---|---|---|---|---|
| **A. Opening balance 01/01/20** | **2,561** | **-** | **48,675** | **51,236** |
| **B. Increases** | | | | |
| B.1 Allocation of profits | | - | | - |
| B.2 Other increases | - | - | - | - |
| **C. Decreases** | | | | |
| C.1 Utilisation | - | - | - | - |
| - to cover losses | - | - | - | - |
| - for dividend distribution | - | - | - | - |
| - for conversion into capital | - | - | - | - |
| C.2 Other decreases | - | - | - | - |
| **D. Closing balance** | **2,561** | **-** | **48,675** | **51,236** |

### Other information

### 1. Commitments and financial guarantees given

There are no commitments and financial guarantees given.

### 2. Other commitments and other guarantees given

There are no other commitments and guarantees given.

# 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 | 30/06/2020 | 30/06/2019 |
|---|---|---|---|---|---|
| **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** | - | - | X | - | - |
| **3. Financial assets at amortised cost:** | | | | | |
| 3.1 Loans and receivables with banks | | | | | |
| Intesa Sanpaolo S.p.A. | - | - | X | - | 27 |
| 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** | **-** | **-** | **-** | **-** | **27** |
| of which: interest income on impaired financial assets | | | | | |
| of which: interest income on leases | | | | | |

## Section 2 - Fees and commissions - Caption 50

### 2.2 Caption 50 “Fee and commission expense”

| | 30/06/2020 | 30/06/2019 |
|---|---|---|
| 1. Guarantees received | - | - |
| 2. Third-party services | - | - |
| 3. Collection and payment services | - | - |
| 4. Other | 160 | 160 |
| - bank fees and commissions | 160 | 160 |
| - Intesa Sanpaolo S.p.A. | - | - |
| - Crédit Agricole-CIB S.p.A. | 160 | 160 |
| **Total** | **160** | **160** |

## Section 10 - Administrative expenses - Caption 160

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

| | 30/06/2020 | 30/06/2019 |
|---|---|---|
| 1. Employees | - | - |
| a) wages and salaries | - | - |
| b) social security charges | - | - |
| c) termination benefits | - | - |
| d) pension costs | - | - |
| e) accrual for post-employment benefits | - | - |
| f) accrual for pension and similar provisions: | | |
| - defined contribution plans | - | - |
| - defined benefit plans | - | - |
| g) payments to external supplementary pension funds: | | |
| - defined contribution plans | - | - |
| - defined benefit plans | - | - |
| h) other benefits | - | - |
| 2. Other personnel | - | - |
| 3. Directors and statutory auditors | 21,060 | 21,383 |
| 4. Retired personnel | - | - |
| 5. Cost recoveries for personnel seconded to other companies | - | - |
| 6. Cost reimbursements for personnel seconded to the vehicle | - | - |
| **Total** | **21,060** | **21,383** |

### 10.2 Average number of employees by category

The vehicle does not have any employees.

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

| | 30/06/2020 | 30/06/2019 |
|---|---|---|
| Consultancy | 3,438 | 3,026 |
| Audit fees | 95,919 | 88,528 |
| Notary fees | 1,847 | 2,127 |
| Other taxes and duties | 220 | 222 |
| Expense reimbursement - Vehicle bodies | 1,491 | 1,404 |
| Other | 949 | 178 |
| **Total** | **103,864** | **95,485** |

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

### 14.2 Caption 200 “Other net operating income”

| | 30/06/2020 | 30/06/2019 |
|---|---|---|
| Contractually provided-for income | 125,524 | 117,286 |
| **Total** | **125,524** | **117,286** |

The income reported above relates entirely to chargeback to the securitisation of all the operating costs incurred, which are charged to the segregated assets, up to the amount necessary to ensure the vehicle’s financial stability, as also provided for by the Intercreditor Agreement and reported in the Prospectus for the securitisation carried out.

## Section 19 - Income taxes - Caption 270

### 19.1 Caption 270 “Income taxes”

| | 30/06/2020 | 30/06/2019 |
|---|---|---|
| 1. Current taxes (-) | 127 | 197 |
| 2. Change in current taxes from previous years (+/-) | - | (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 (+/-) | 313 | 92 |
| 5. Change in deferred tax liabilities (+/-) | - | - |
| **6. Tax expense for the period (-) (-1+/-2+3+ 3 bis+/-4+/-5)** | **440** | **285** |

Current taxes for the period consist entirely of IRAP (business tax).

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

| | 30/06/2020 |
|---|---|
| Pre-tax profit from continuing operations | 440 |
| Pre-tax profit (loss) from discontinued operations | - |
| **Theoretical taxable profit** | **440** |

| | Income taxes |
|---|---|
| **Income taxes - theoretical tax expense** | **123** |
| **Increases** | **1,034** |
| Higher effective tax rate and higher tax base for IRAP purposes | - |
| Non-deductible costs (contingent liabilities, directors' fees, contractors IRAP, etc.) | 721 |
| Other - prior year | 313 |
| **Decreases** | **-717** |
| Untaxed gains on equity investments | - |
| Dividend exempt amount | - |
| Income subject to reduced rate | - |
| Other (taxable base reduction as per Article 11 of Legislative Decree 446/1997, ACE subsidy, etc.) | -717 |
| **Total changes** | **317** |
| **Effective tax expense for the period** | **440** |

# 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.

| Transactions | 30/06/2020 | 31/12/2019 |
|---|---|---|
| 1. First demand financial guarantees issued | | |
| a) Banks | - | - |
| b) Financial institutions | - | - |
| c) Customers | - | - |
| 2. Other financial guarantees issued | | |
| a) Banks | - | - |
| b) Financial institutions | - | - |
| c) Customers | - | - |
| 3. Commercial guarantees issued | | |
| a) Banks | - | - |
| b) Financial institutions | - | - |
| c) Customers | - | - |
| 4. Irrevocable commitments to disburse funds | | |
| a) Banks | | |
| i) certain use | - | - |
| ii) uncertain use | - | - |
| b) Financial institutions | | |
| i) certain use | - | - |
| ii) uncertain use | - | - |
| c) Customers | | |
| i) certain use | - | - |
| ii) uncertain use | - | - |
| 5. Commitments underlying credit derivatives: protection sales | - | - |
| 6. Assets pledged as collateral for third-party commitments | - | - |
| 7. Other irrevocable commitments | - | - |
| a) to issue guarantees | - | - |
| b) other | 22,076,222,969 | 23,696,367,954 |
| **Total** | **22,076,222,969** | **23,696,367,954** |

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

# H. COVERED BONDS

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

The structure and layout used for the Summary are those applicable to financial intermediaries, as per the guidance set out in the “The IFRS financial statements of intermediaries other than banking intermediaries” issued by the Bank of Italy 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 residual value at the securitisation date, net of collections received up to the reporting date and any adjustments calculated to determine the estimated realisable value, according to the valuation method used by the servicer Intesa Sanpaolo S.p.A..

### 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 period.

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

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

### Derivatives

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

## Summary of the securitised assets

(amounts in Euros)

| | | 30/06/2020 | | | 31/12/2019 | |
|---|---|---|---|---|---|---|
| **Securitised assets** | | | **17,940,792,129** | | | **19,157,237,876** |
| Loans and receivables | | 17,579,970,938 | | | 18,872,763,293 | |
| Securities | | | | | - | |
| Other assets | | 360,821,191 | | | 284,474,583 | |
| - accrued interest income on IRS | 188,189,204 | | | 241,588,860 | | |
| - accrued interest income on loans | 33,352,122 | | | 28,717,507 | | |
| - other prepayments and accrued incom | 25,631 | | | 9,013 | | |
| - tax and other assets | 139,254,234 | | | 14,159,203 | | |
| **Utilisation of cash deriving from the management of loans and receivables** | | | **4,135,430,840** | | | **4,539,130,078** |
| Debt instruments | | - | | | - | |
| Cash and cash equivalents | | 4,135,430,840 | | | 4,539,130,078 | |
| **Loans received** | | | **21,196,250,604** | | | **22,297,751,623** |
| **Other liabilities** | | | **879,972,365** | | | **1,398,616,331** |
| Liabilities for services | | 707,078,148 | | | 1,201,151,449 | |
| Due to securitisation vehicles | | 47,220 | | | 63,697 | |
| Accrued interest expense on IRS | | 172,846,997 | | | 197,401,185 | |

| | 30/06/2020 | | 30/06/2019 | |
|---|---|---|---|---|
| **Fees and commissions borne by the transaction** | | **7,291,716** | | **6,920,097** |
| For servicing | 7,135,278 | | 6,714,181 | |
| For other services | 156,438 | | 205,916 | |
| **Other expense** | | **446,313,003** | | **509,730,112** |
| Interest expense on subordinated loan | 201,257,066 | | 231,217,742 | |
| Interest expense on IRS | 229,939,555 | | 268,241,066 | |
| Expected losses on loans | 14,840,709 | | 5,563,388 | |
| Other expense | 275,673 | | 4,707,916 | |
| **Interest generated by the securitised assets** | | **179,206,182** | | **216,813,091** |
| **Other revenue** | | **274,398,537** | | **299,837,118** |
| Interest income | 272,356,052 | | 296,936,849 | |
| Other revenue | 2,042,485 | | 2,900,269 | |

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

For the purpose of full disclosure, a summary table is provided below of the non-performing loans, as classified by the servicer – in accordance with the provisions of Bank of Italy Circular no. 262/2005 and the IAS/IFRS and the EU supervisory regulations – in the categories of bad loans, unlikely-to-pay exposures and exposures past due by more than ninety days.

| | 30/06/2020 | | | | 31/12/2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross amount | Impairment losses | Net amount | % coverage | Gross amount | Impairment losses | Net amount | % coverage |
| Non-performing past due | 53,813,189 | 4,681,848 | 49,131,341 | 8.70% | 65,155,289 | 3,653,728 | 61,501,561 | 5.61% |
| Unlikely-to-pay | 82,591,856 | 8,527,060 | 74,064,796 | 10.32% | 29,539,084 | 3,220,036 | 26,319,048 | 10.90% |
| Bad loans | 768,285 | 195,949 | 572,336 | 25.50% | 377,407 | 95,680 | 281,727 | 25.35% |
| **Total non-performing loans** | **137,173,330** | **13,404,857** | **123,768,473** | **9.77%** | **95,071,780** | **6,969,444** | **88,102,336** | **7.33%** |

Loans and receivables have been recognised at their residual value at the securitisation date, net of collections received up to the reporting date, and are measured based on their estimated realisable value, according to the valuation method used by the servicer Intesa Sanpaolo S.p.A..

During the first half of the year, a total of €14,840,709 of adjustments to loans were recorded (of which €6,435,198 on non-performing loans and €8,405,511 on performing loans) compared with adjustments to loans recorded in the first half of 2019 amounting to €5,563,388 (of which €1,823,887 on non-performing loans and €3,739,502 on performing loans).

The increase in net adjustments to loans was mainly due to the effects of the current economic and financial crisis linked to the spread of the COVID-19 pandemic.

# QUALITATIVE INFORMATION

## Description of the Issue Programme and its performance

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

The initial sale of the class A Adriano Finance securities took place on 2 August 2010 and the vehicle paid €5,820,696,137.80 to the originator, including interest of €47,584,297.03 and principal of €5,773,111,840.77.
The sales notice was published in the Italian Official Journal no. 92 of 5 August 2010.
The consideration for the acquired assets (class A securities issued as part of the Adriano Finance series 1 securitisation) was equal to the securities’ nominal amount, including the interest accrued at the sales date.
As required by the sector regulations, the vehicle obtained a special attestation from the independent auditors Reconta Ernst & Young (now EY S.p.A.) on the compliance of the measurement criteria of the assets underlying the securities sold with the measurement criteria applied by Intesa Sanpaolo S.p.A. to prepare its most recent financial statements.
Against the sale of these assets, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan to allow it to finance the acquisition of the relevant securities. This loan, which bears interest at 0.50%, allows the originator to collect any additional interest amount left after paying the transaction’s total cost (payment of costs and expenses of the vehicle and all the parties involved in the transaction). The vehicle will repay the subordinated loan after the covered bonds are redeemed (or at their extended redemption date), respecting the applicable priority order and funds available, although it is obliged to repay the loans early if the conditions set out in the related agreements materialise.
On 2 April 2012, the vehicle sold the Adriano Finance Class A securities to Intesa Sanpaolo S.p.A. for €4,313,073,929.39.
The Board of Directors authorised an increase in the Programme’s maximum amount to €25 billion on 20 March 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 to the vehicle on 30 June 2011, effective from 27

June 2011, for a total amount of €2,318,996,535.31.
The sales notice was published in the Italian Official Journal no. 78 of 9 July 2011.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 11 July 2011, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loan.

A second portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 31 August 2011, effective from 29 August 2011, for a total amount of €4,966,586,761.98.
The sales notice was published in the Italian Official Journal no. 104 of 8 September 2011.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 9 September 2011, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

A third portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 30 November 2011, effective from 28 November 2011, for a total amount of €2,197,403,128.48.
The sales notice was published in the Italian Official Journal no. 142 of 10 December 2011.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 12 December 2011, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 23 May 2012, using the liquidity generated by the transaction, the vehicle also purchased one ordinary treasury bill (BOT) with a nominal amount of €912,000,000.00 and a maturity date of 14 January 2013 for which it paid €900,235,200.00. It paid for the BOT on the guarantor payment date of 12 July 2012.

A fourth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings) was sold to the vehicle on 31 October 2012, effective from 29 October 2012, for a total amount of €3,222,964,397.22.
The sales notice was published in the Italian Official Journal no. 130 of 6 November 2012.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 13 November 2012, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

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

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

A fifth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings) was sold to the vehicle on 30 April 2013, effective from 22 April 2013, for a total amount of €4,093,511,498.10.
The sales notice was published in the Italian Official Journal no. 53 of 7 May 2013.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

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

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

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

A sixth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 May 2014, effective from 26 May 2014, for a total amount of €2,463,077,830.96.
The sales notice was published in the Italian Official Journal no. 67 of 7 June 2014.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 10 June 2014, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

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

A seventh portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 April 2015, effective from 27 April 2015, for a total amount of €1,646,898,447.48.
The sales notice was published in the Italian Official Journal no. 53 of 9 May 2015.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
Against the sale of these assets, on 12 May 2015, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan at the same conditions as those of the previous loans to allow it to finance the acquisition of the relevant loans.

An eighth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 October 2015, effective from 26 October 2015, for a total amount of €1,337,026,661.93.
The sales notice was published in the Italian Official Journal, Part 2, no. 129 of 7 November 2015.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 10 November 2015, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

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

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

The sales notice was published in the Italian Official Journal, Part 2, no. 68 of 9 June 2016.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 10 June 2016, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans.

On 27 October 2016, as part of the tests performed on the loans sold on 31 May 2016, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €1,273,651.14, paid by Intesa Sanpaolo S.p.A..

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

A tenth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2017, effective from 29 May 2017, for a total amount of €5,258,966,710.15.
The portfolio was temporarily without hedging derivatives. Restructuring of all the existing swaps after the guarantor payment date of 12 July 2017 included the new portfolio acquired in May.
The sales notice was published in the Italian Official Journal, Part 2, no. 67 of 8 June 2017.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 9 June 2017, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €4,186,276,094.75 at the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The other €1,072,690,615.40 was paid by the vehicle on the guarantor payment date of 12 July 2017 using its available funds.

On 16 November 2017, as part of the tests performed on the loans sold on 31 May 2017, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €2,222,123.67, paid by Intesa Sanpaolo S.p.A..
An eleventh portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2018, effective from 28 May 2018, for a total amount of €2,490,991,997.82.
The portfolio was temporarily without hedging derivatives. Restructuring of all the existing fixed and floating-rate swaps after the guarantor payment date of 12 July 2018 included the new portfolio acquired in May.
The sales notice was published in the Italian Official Journal, Part 2, no. 66 of 9 June 2018.
The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.
On 11 June 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €850,000,000.00 at the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The vehicle paid the remaining €1,640,991,997.82 to Intesa Sanpaolo S.p.A. at the payment date of 12 July 2018 using the available funds.

On 16 October 2018, as part of the tests performed on the loans sold on 31 May 2018, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €3,521,315.10, paid by Intesa Sanpaolo S.p.A..

The twelfth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 22 March 2019, effective from 18 March 2019, for a total amount of €1,673,312,848.85.
The sales notice was published in the Italian Official Journal, Part 2, no. 38 of 30 March 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 2 April 2019, Intesa Sanpaolo S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loans and for the same amount.

After the guarantor payment date of 12 July 2019, the fixed-rate and floating-rate swaps on the underlying cover pool were restructured through two new derivatives, which include the new portfolio sold last March.

On 29 October 2019, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 28 October 2019 and legal effect from 30 October 2019, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.
The loans, consisting of mortgage loans in “bad loan” or “unlikely-to-pay” status, were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €335,202,924.55.
The sales notice was published in the Italian Official Journal, Part 2, no. 130 of 5 November 2019.

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted an irrevocable and unconditional guarantee to the bondholders with limited recourse (the covered bonds guarantee). In accordance with the covered bonds guarantee, if the issuer defaults (i.e., Intesa Sanpaolo S.p.A.’s insolvency, non-payment by the Issuer of interest and/or principal on the covered 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 up to the amount of the segregated assets. The guarantee agreement was also signed by Intesa Sanpaolo S.p.A. as acknowledgement of its issue by the vehicle to the bondholders and of the related terms and conditions.

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

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

Information about the cash flows and payments up to the date of approval of these condensed interim financial statements is set out below.

### Thirty-seventh payment date (13 January 2020)

On 13 January 2020, payments were made for loan collections from 1 September 2019 to 30 November 2019.
The funds available for distribution by the vehicle as interest amounted to €456.8 million, of which:

- €119 million as collections on the mortgage portfolio
- €85 thousand in interest received on current accounts and investments
- €128.8 million from swap contracts
- €209 million as the reserve fund required amount
- €349 thousand as the remaining funds available on the investment account
-

The following payments were made:

- €6.9 million as remuneration to the third parties that provided services to the vehicle
- €147 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €104.5 million as the asset swap on the cover pool
- €26 million as the liability swap on the issued notional amount
- €207.1 million as the accrual of the reserve fund required amount
- €1.8 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €28.1 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €82.2 million as the additional interest amount to Intesa Sanpaolo S.p.A..

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€600 million) using the principal available funds.

**Thirty-eighth payment date (14 April 2020)**

On 14 April 2020, payments were made for loan collections from 1 December 2019 to 29 February 2020.The funds available for distribution by the vehicle as interest amounted to €553.1 million, of which:
- €97.8 million as collections on the mortgage portfolio
- €29 thousand in interest received on current accounts and investments
- €248.2 million from swap contracts
- €207.1 million as the reserve fund required amount.
- €5.5 thousand as the remaining funds available on the investment account

The following payments were made:
- €4.3 million as remuneration to the third parties that provided services to the vehicle
- €130 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €97 million as the asset swap on the cover pool
- €27 million as the liability swap on the issued notional amount
- €198.2 million as the accrual of the reserve fund required amount
- €8,99,1 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €27.7 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €189.8 million as the additional interest amount to Intesa Sanpaolo S.p.A..

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€500 million) using the principal available funds.

**Thirty-ninth payment date (13 July 2020)**

On 13 July 2020, payments were made for loan collections from 1 March 2020 to 31 May 2020.
The funds available for distribution by the vehicle as interest amounted to €375.1 million, of which:
- €86.1 million as collections on the mortgage portfolio
- €0 thousand in interest received on current accounts and investments
- €90.8 million from swap contracts
- €198.2 million as the reserve fund required amount.

The following payments were made:
- €3.7 million as remuneration to the third parties that provided services to the vehicle
- €20 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €85.4 million as the asset swap on the cover pool
- €30.6 million as the liability swap on the issued notional amount
- €189.6 million as the accrual of the reserve fund required amount
- €8.6 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €26.5 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €30.7 million as the additional interest amount to Intesa Sanpaolo S.p.A..

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€700 million) using the principal available funds.

## Parties involved

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

Prospectus, as per article 2.6 of Law no. 130/99.

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

Amounts collected by Intesa Sanpaolo S.p.A. as servicer on the vehicle's behalf are paid into the accounts with Intesa Sanpaolo S.p.A., which also acts as account bank, cash manager, custodian bank and paying agent of the transaction. In addition, Intesa Sanpaolo S.p.A. manages the liquidity between the collection and payment dates established by the relevant agreements.
On 20 June 2012 and given its concerns that Moody's could downgrade the Programme bonds due to the loss of the minimum rating required for these roles, the vehicle's board of directors resolved to assign Crédit Agricole-CIB Milano the roles of account bank and paying agent (as well as cash manager, even though this role does not have rating limits). The vehicle has kept some accounts with Intesa Sanpaolo S.p.A. for administrative services and collection of the loan payments. In order to maintain the collection account with Intesa Sanpaolo S.p.A., it opened the collection collateral account with Crédit Agricole-CIB Milano and a swap collateral account to allow Intesa Sanpaolo S.p.A. to continue to be its swap counterparty.
The vehicle performed a weekly margining on the collateral account, necessary since Intesa Sanpaolo S.p.A.'s downgrading to P-2 A3 on 15 May 2012.

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

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

As a result of the changes made to the servicing agreement of 29 July 2010, by the amendment agreement of 20 December 2019, at the reporting date, Intesa Sanpaolo S.p.A. (following the merger of Intesa Sanpaolo Group Services S.c.p.A. into the Parent Company on 11 January 2019) acts as the first special servicer, and DoValue S.p.A. (formerly DoBank, following the partial demerger, on 1 January 2019, of the business unit of Italfondiario S.p.A. relating to the management, recovery and collection of loans from the loan portfolio managed by Italfondiario and assigned to DoBank, now known as DoValue) acts as the second special servicer.
On 12 March 2019, Intesa Sanpaolo S.p.A. signed a sub-servicing agreement with Intrum Italy S.p.A., through which it delegated the management of bad loans with effect from 2 December 2018 (except for the management of the Excluded Loans managed directly by Intesa Sanpaolo S.p.A.).

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

Deutsche Bank is the paying agent for the covered bonds issued. KPMG Fides servizi di Amministrazione S.p.A. is the bondholders' representative.
PricewaterhouseCoopers Advisory S.p.A. replaced EY S.p.A. as the calculation agent for the programme in April 2020. The Luxembourg listing agent is Deutsche Bank Luxembourg S.A., while Deloitte Consulting S.p.A. acts as asset monitor.

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

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

## Issue characteristics

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

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

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

Two series of registered covered bonds (private placement) were issued on 17 February 2011 and subscribed by Deutsche Bank Frankfurt.
The two registered series of €100 million at a fixed rate of 5.25% and a 15-year maturity and €300 million at a fixed rate of 5.375% and a 20-year maturity, respectively, pay annual coupons on 17 February of each year starting from 17 February 2012. They are rated AAA by Moody's but are not listed.

The fifth series of registered covered bonds (private placement) was issued on 16 September 2011 and subscribed by Deutsche Bank Frankfurt.
The registered series of €210 million, at a fixed rate of 5.25% and maturing on 16 September 2027, pays an annual coupon on 16 September of each year starting from 16 September 2012. The bonds are rated AAA by Moody's but are not listed

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

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

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

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

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

The covered bonds issued as part of the ISP CB Pubblico Programme to be exchanged (series 2 and 3) are currently nearly entirely held by Intesa Sanpaolo S.p.A. in its banking book, while bonds for €136,750,000 of series 2 and €146,972,000 of series 3 are still on the market.
The tenth series of covered bonds was issued on 16 July 2012 and amounted to €1.8 billion, maturing on 28 April 2017, at a fixed rate of 3.25%. It was offered to the institutional investors in exchange for the bonds issued as part of the ISP CB Pubblico Programme. The bonds paid annual coupons on 28 April. They were listed on the Luxembourg stock exchange and were rated Aa2 by Moody's. They were redeemed on 28 April 2017.
The eleventh series of covered bonds was issued on 16 July 2012 and amounted to €1.3 billion, maturing on 27 January 2021, at a fixed rate of 5%. It was offered to the institutional investors in exchange for the bonds issued as part of the ISP CB Pubblico Programme. The bonds pay annual coupons on 27 January. They are listed on the Luxembourg stock exchange and were rated Aa2 by Moody's.

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

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

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

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

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

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

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

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

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

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

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

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

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

The twenty-fifth series of covered bonds was issued on 5 March 2019 and amounted to €1 billion, maturing on 5 March 2024, at a fixed rate of 0.50%. The bonds pay annual coupons on 5 March. They are listed on the Luxembourg stock exchange and are rated Aa3 by Moody's.

The twenty-sixth series of covered bonds was issued on 16 April 2019 and amounted to €500 million, maturing on 12 October 2028, at a floating three-month Euribor plus 0.53%. The bonds pay three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and are rated Aa3 by Moody's.

The twenty-seventh series of covered bonds was issued on 27 January 2020 and amounted to €750 million, maturing on 12 October 2031, at a floating three-month Euribor plus 0.27%. The bonds pay three-monthly coupons on 12 January, 12 April, 12 July and 12 October. They are listed on the Luxembourg stock exchange and are rated Aa3 by Moody's.

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

(1) Intesa Sanpaolo S.p.A. offered institutional investors, holding ISP CB Pubblico S.r.l.'s covered bonds, the possibility of exchanging the securities with new securities issued by Intesa Sanpaolo S.p.A. guaranteed by ISP CB Ipotecario S.r.l. with the same characteristics (the "Nemo Project").

On 21 January 2015, Moody's upgraded their rating from A2 to Aa2. On 24 October 2018, Moody's upgraded the rating of the programme from Aa2 to Aa3.

## Related financial transactions

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

The asset swaps relate to the loan portfolios sold to the vehicle. The asset swaps allow it to convert the mixed cash flows generated by the cover pool into steady quarterly cash flows (three-month Euribor plus a spread).
The liability swaps are structured for each fixed-rate covered bond series. Intesa Sanpaolo S.p.A. pays the vehicle fixed-rate interest equal to the coupon due on the bonds, while in exchange, the vehicle pays a floating-rate in line with the amount it receives for the above-mentioned swaps on the cover pool.
On 15 May 2012, Intesa Sanpaolo S.p.A. lost its short-term P-1 rating assigned by Moody's, making it necessary to set up a reserve fund required amount for the quarterly-accrued coupon on the issued bonds. The amount, which had been included in the interest available fund up to the payment date of 13 July 2020, was funded by the issuer which credited €189.6 million to the vehicle's account as contractually provided for. This reserve is subject to recalculation and possible adjustment at each payment date.

Following the new restructuring of swaps on 16 July 2018, the vehicle has four asset swaps on all the underlying pools and 14 liability swaps on the fixed-rate securities, with Intesa Sanpaolo S.p.A.; all the swaps hedge interest rate risk.

Following the new restructuring of swaps on 16 July 2019, on the fixed-rate and floating-rate portfolio, the vehicle has four asset swaps on the entire cover pool and 14 liability swaps on the fixed-rate securities, with Intesa Sanpaolo S.p.A.; all the swaps hedge interest rate risk.

## The vehicle's operating powers

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

# Section 3 – Risks and related hedging policies

## 3.1 Credit risk

### Qualitative disclosure

The vehicle only has on-demand receivables consisting of current accounts held with the Parent Company Intesa Sanpaolo S.p.A., which are not considered to have any credit risk.

### Quantitative disclosure

### 1. Breakdown of financial assets by portfolio and credit quality (carrying amounts)

| Portfolio/quality | Bad loans | Unlikely-to-pay | Non-performing past due exposures | Performing past due exposures | Other performing exposures | Total |
|---|---|---|---|---|---|---|
| 1. Financial assets at amortised cost | - | - | - | - | 234,776 | **234,776** |
| 2. Financial assets at FVOCI | - | - | - | - | - | **-** |
| 3. Financial assets at fair value | - | - | - | - | - | **-** |
| 4. Other financial assets mandatorily measured at fair value | - | - | - | - | - | **-** |
| 5. Financial assets held for sale | - | - | - | | - | **-** |
| **Total 30/06/2020** | **-** | **-** | **-** | **-** | **234,776** | **234,776** |
| **Total 31/12/2019** | **-** | **-** | **-** | **-** | **222,085** | **222,085** |

### 2. Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

| Portfolio/quality | Non-performing | | | | Performing | | | Total (net exposure) |
|---|---|---|---|---|---|---|---|---|
| | Gross exposure | Total adjustments | Net exposure | Total partial write-offs | Gross exposure | Total adjustments | Net exposure | |
| 1. Financial assets at amortised cost | - | - | - | - | 234,776 | - | 234,776 | **234,776** |
| 2. Financial assets at FVOCI | - | - | - | - | - | - | - | - |
| 3. Financial assets at fair value | - | - | - | - | X | X | - | - |
| 4. Other financial assets mandatorily measured at fair value | - | - | - | - | X | X | - | - |
| 5. Financial assets held for sale | - | - | - | - | - | - | - | - |
| **Total 30/06/2020** | **-** | **-** | **-** | **-** | **234,776** | **-** | **234,776** | **234,776** |
| **Total 31/12/2019** | **-** | **-** | **-** | **-** | **222,085** | **-** | **222,085** | **222,085** |

| Portfolio/quality | Assets of evidently low credit quality | | Other assets |
|---|---|---|---|
| | Cumulative capital losses | Net exposure | Net exposure |
| 1. Financial assets held for trading | - | - | - |
| 2. Hedging derivatives | - | - | - |
| **Total 30/06/2020** | **-** | **-** | **-** |
| **Total 31/12/2019** | **-** | **-** | **-** |

### 3. Breakdown of financial assets by past-due brackets (carrying amounts)

Financial assets measured at amortised cost consist solely of the balance of the current accounts held with the Parent Company Intesa Sanpaolo S.p.A.. Therefore, this table does not apply.

### 6. Credit exposures to customers, banks and financial companies
### 6.1 On- and off-balance sheet credit exposures to banks and financial companies: gross and net values

| | Gross exposure | | Total adjustments and total provisions for credit risk | Net exposure | Total partial write-offs |
|---|---|---|---|---|---|
| | Non-performing | Performing | | | |
| **A. ON-BALANCE SHEET EXPOSURES** | | | | | |
| a) Bad loans | - | - | - | - | - |
| -of which: forborne exposures | - | - | - | - | - |
| b) Unlikely to pay | - | - | - | - | - |
| -of which: forborne exposures | - | - | - | - | - |
| c) Non-performing past due exposures | - | - | - | - | - |
| -of which: forborne exposures | - | - | - | - | - |
| d) Performing past due exposures | - | - | - | - | - |
| -of which: forborne exposures | - | - | - | - | - |
| e) Other performing exposures | - | 234,776 | - | 234,776 | - |
| -of which: forborne exposures | - | - | - | - | - |
| **TOTAL A** | **-** | **234,776** | **-** | **234,776** | **-** |
| **B. OFF-BALANCE SHEET EXPOSURES** | | | | | |
| a) Non-performing | - | - | - | - | - |
| b) Performing | - | - | - | - | - |
| **TOTAL B** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL (A+B)** | **-** | **234,776** | **-** | **234,776** | **-** |

## 3.2 Market risk

### 3.2.1 Interest rate risk

### Qualitative disclosure

The vehicle is not exposed to interest rate risk.

### Quantitative disclosure

### 1. Breakdown by residual maturity (repricing date) of financial assets and liabilities

| | On-demand | Up to 3 months | 3 - 6 months | 6 months - 1 year | 1 - 5 years | 5 - 10 years | After 10 years | Unspecified maturity |
|---|---|---|---|---|---|---|---|---|
| **1. Assets** | | | | | | | | |
| 1.1 Debt instruments | - | - | - | - | - | - | - | - |
| 1.2 Loans and receivables | 234,776 | - | - | - | - | - | - | - |
| 1.3 Other assets | - | - | - | - | - | - | - | - |
| **2. Liabilities** | | | | | | | | |
| 2.1 Financial liabilities | - | - | - | - | - | - | - | - |
| 2.2 Debt instruments | - | - | - | - | - | - | - | - |
| 2.3 Other liabilities | - | - | - | - | - | - | - | - |
| **3. Financial derivatives** | | | | | | | | |
| **Options** | | | | | | | | |
| 3.1 Long positions | - | - | - | - | - | - | - | - |
| 3.2 Short positions | - | - | - | - | - | - | - | - |
| **Other derivatives** | | | | | | | | |
| 3.3 Long positions | - | - | - | - | - | - | - | - |
| 3.4 Short positions | - | - | - | - | - | - | - | - |

### 3.2.2 Price risk

This section has not been completed because there are no risk positions of this kind.

### 3.2.3 Foreign Exchange risk

This section has not been completed because there are no risk positions of this kind.

### 3.3 Operational risk

With regard to operational risk, you are reminded that the vehicle does not have any employees and that the vehicle has delegated the activities necessary for the operational management of the segregated assets to specialist professional providers of financial and regulatory services for these operations.

### 3.4 Liquidity risk

#### Qualitative disclosure

The vehicle believes that it has sufficient available cash to meet its commitments, because the contractual provisions establish that, on the payment dates, the vehicle will be reimbursed from the segregated assets for the operating expenses incurred to maintain it in good standing.

#### Quantitative disclosure

#### 1. Breakdown by contractual residual maturity of financial assets and liabilities

| Captions/Residual maturity | On-demand | 1 - 7 days | 7 - 15 days | 15 days - 1 month | 1 - 3 months | 3 - 6 months | 6 months - 1 year | 1 - 3 years | 3 - 5 years | After 5 years | open term |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **On-balance sheet assets** | | | | | | | | | | | |
| A.1 Government bonds | - | - | - | - | - | - | - | - | - | - | - |
| A.2 Other debt securities | - | - | - | - | - | - | - | - | - | - | - |
| A.3 Loans | - | - | - | - | - | - | - | - | - | - | - |
| A.4 Other assets | 234,776 | - | - | - | - | - | - | - | - | - | - |
| **On-balance sheet liabilities** | | | | | | | | | | | |
| B.1 Due to: | - | - | - | - | - | - | - | - | - | - | - |
| - Banks | - | - | - | - | - | - | - | - | - | - | - |
| - Financial companies | - | - | - | - | - | - | - | - | - | - | - |
| - Customers | - | - | - | - | - | - | - | - | - | - | - |
| B.2 Debt instruments | - | - | - | - | - | - | - | - | - | - | - |
| B.3 Other liabilities | - | - | - | - | - | - | - | - | - | - | - |
| **Off-balance sheet transactions** | | | | | | | | | | | |
| **C.1 Financial derivatives with exchange of principal** | - | - | - | - | - | - | - | - | - | - | - |
| - Long positions | - | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - | - |
| **C.2 Financial derivatives without exchange of principal** | - | - | - | - | - | - | - | - | - | - | - |
| - Positive difference | - | - | - | - | - | - | - | - | - | - | - |
| - Negative difference | - | - | - | - | - | - | - | - | - | - | - |
| **C.3 Financing to be received** | - | - | - | - | - | - | - | - | - | - | - |
| - Long positions | - | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - | - |
| **C.4 Irrevocable commitments to disburse funds** | - | - | - | - | - | - | - | - | - | - | - |
| - Long positions | - | - | - | - | - | - | - | - | - | - | - |
| - Short positions | - | - | - | - | - | - | - | - | - | - | - |
| **C.5 Financial guarantees issued** | - | - | - | - | - | - | - | - | - | - | - |
| **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). In accordance with the covered bonds guarantee, if the issuer defaults (i.e., insolvency of Intesa Sanpaolo S.p.A., non-payment by the Issuer of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The risk of partial or total non-collection of the cover pool assets included in the segregated assets has been transferred to the originator Intesa Sanpaolo S.p.A., which granted ISP CB Ipotecario S.r.l. subordinated loans which it used to fully finance the transaction.

## Section 4 - Equity

### 4.1 Equity

### 4.1.1 Qualitative disclosure

### 4.1.2 Quantitative disclosure

### 4.1.2.1 Equity: breakdown

The vehicle's equity consists of quota capital of €120,000, split into quotas, the legal reserve (€2,561) and the extraordinary reserve (€48,675).

| | 30/06/2020 | 31/12/2019 |
|---|---|---|
| 1. Quota capital | 120,000 | 120,000 |
| 2. Quota premium | - | - |
| 3. Reserves | 51,236 | 51,236 |
| - income-related | 51,236 | 51,236 |
| a) legal | 2,561 | 2,561 |
| b) statutory | - | - |
| c) treasury quotas | - | - |
| d) other | 48,675 | 48,675 |
| - other | - | - |
| 4. (Treasury quotas) | - | - |
| 5. Valuation reserves | - | - |
| - Equity instruments at FVOCI | - | - |
| - Hedges of equity instruments at FVOCI | - | - |
| - Financial assets (other than equity instruments) at FVOCI | - | - |
| - Property, equipment and investment property | - | - |
| - Intangible assets | - | - |
| - Hedges of investments in foreign operations | - | - |
| - Cash flow hedges | - | - |
| - Hedging instruments (elements not designated) | | |
| - Exchange rate differences | - | - |
| - 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 | - | - |
| **Total** | **171,236** | **171,236** |

### 4.2 Own Funds and Capital Ratios

#### 4.2.1 Own funds

#### 4.2.2 Qualitative disclosure

The vehicle is not subject to the special rules on own funds and capital ratios.

## Section 5 - Breakdown of comprehensive income

| | | 30/06/2020 | 30/06/2019 |
|---|---|---|---|
| **10.** | **Profit for the period** | - | - |
| | **Other comprehensive income that will not be 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 that will be 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 tax expense related to other comprehensive income reclassified to profit or loss | | |
| | reclassification to profit or loss | - | - |
| **190.** | **Total other comprehensive income** | - | - |
| **200.** | **Comprehensive income (captions 10+190)** | - | - |

## Section 6 - Related-party transactions

### 6.1 Information on remuneration of key management personnel

| 30/06/2020 | Directors and Statutory Auditors |
|---|---|
| Fees and social security contributions | |
| - Directors | |
| - paid to Intesa Sanpaolo S.p.A.. | - |
| - other | 12,151 |
| - Statutory auditors | 8,909 |
| **Total** | **21,060** |

### 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 30/06/2020 | Loans and receivables with banks | Other liabilities |
|---|---|---|
| - Directors and statutory auditors | - | 20,988 |
| - Parent: Intesa Sanpaolo S.p.A. | 234,776 | - |
| **Total** | **234,776** | **20,988** |

| Income and expense for the period ended 30/06/2020 | Interest and similar income | Fee and commission expense | Personnel expense | Other administrative expenses |
|---|---|---|---|---|
| - Directors and statutory auditors | - | - | 21,060 | 1,491 |
| - Parent: Intesa Sanpaolo S.p.A. | - | - | - | - |
| **Total** | **-** | **-** | **21,060** | **1,491** |

# Section 7 - Other information

## 7.1 Other

- Composition of Equity according to Article 2427.4 and Article 2427.7-bis of the Italian Civil Code.

(amounts in Euros)

| | Amount at 30/06/2020 | Capital portion | Earnings portion | Portion of earnings in tax suspension | Possible use (*) | Summary of use in past three years | |
|---|---|---|---|---|---|---|---|
| | | | | | | *to cover losses* | *for other reasons* |
| **Equity:** | | | | | | | |
| Quota capital | 120,000 | 120,000 | - | | | - | - |
| Legal reserve | 2,561 | - | 2,561 | | A (1), B | - | - |
| Extraordinary reserve (Other reserves) | 48,675 | - | 48,675 | | A, B, C | - | - |
| **Total quota capital and reserves** | **171,236** | | | | | | |
| **Non-distributable portion** | **2,561** | | | | | | |

(*) A = for capital increase; B = to cover losses; C = for distribution to shareholders
(1) available for capital increase (A) in the amount exceeding one fifth of the quota capital

- Parent that prepares Consolidated Financial Statements

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

Milan, 27 July 2020

on behalf of the BOARD OF DIRECTORS
Chairperson
Carlo Bellavite Pellegrini

# Annexes

The following are the financial statements of Intesa Sanpaolo at 31/12/2019.

## Intesa Sanpaolo S.p.A. Financial Statements – Balance sheet

(euro)

| Assets | | 31.12.2019 | 31.12.2018 | Changes amount | % |
|---|---|---|---|---|---|
| 10. | Cash and cash equivalents | 6,013,356,038 | 7,363,132,608 | -1,349,776,570 | -18.3 |
| 20. | Financial assets measured at fair value through profit or loss | 22,973,103,973 | 25,878,591,115 | -2,905,487,142 | -11.2 |
| | *a) financial assets held for trading* | *19,871,692,215* | *18,020,440,604* | *1,851,251,611* | *10.3* |
| | *b) financial assets designated at fair value* | *105,028,564* | *107,753,361* | *-2,724,797* | *-1.4* |
| | *c) other financial assets mandatorily measured at fair value* | *2,906,383,194* | *7,660,397,150* | *-4,754,013,956* | *-62.1* |
| 30. | Financial assets measured at fair value through other comprehensive income | 33,276,643,885 | 31,135,690,799 | 2,140,953,086 | 6.9 |
| 40. | Financial assets measured at amortised cost | 439,932,789,628 | 409,602,431,307 | 30,330,358,321 | 7.4 |
| | *a) due from banks* | *122,454,605,998* | *154,590,837,735* | *-32,136,231,737* | *-20.8* |
| | *b) loans to customers* | *317,478,183,630* | *255,011,593,572* | *62,466,590,058* | *24.5* |
| 50. | Hedging derivatives | 2,830,373,955 | 2,877,547,472 | -47,173,517 | -1.6 |
| 60. | Fair value change of financial assets in hedged portfolios (+/-) | 1,525,813,562 | 77,275,285 | 1,448,538,277 | |
| 70. | Equity investments | 24,410,762,610 | 26,257,677,770 | -1,846,915,160 | -7.0 |
| 80. | Property and equipment | 6,688,430,072 | 4,598,266,116 | 2,090,163,956 | 45.5 |
| 90. | Intangible assets | 4,551,602,210 | 2,767,601,935 | 1,784,000,275 | 64.5 |
| | *of which:* | | | | |
| | *- goodwill* | *1,242,487,402* | *1,160,336,910* | *82,150,492* | *7.1* |
| 100. | Tax assets | 14,016,892,094 | 14,334,819,665 | -317,927,571 | -2.2 |
| | *a) current* | *1,480,236,864* | *2,996,573,278* | *-1,516,336,414* | *-50.6* |
| | *b) deferred* | *12,536,655,230* | *11,338,246,387* | *1,198,408,843* | *10.6* |
| 110. | Non-current assets held for sale and discontinued operations | 469,027,127 | 672,258,249 | -203,231,122 | -30.2 |
| 120. | Other assets | 3,739,834,486 | 2,987,801,986 | 752,032,500 | 25.2 |
| **Total assets** | | **560,428,629,640** | **528,553,094,307** | **31,875,535,333** | **6.0** |

## Intesa Sanpaolo Financial Statements – Balance sheet

(euro)

| Liabilities and Shareholders' Equity | | 31.12.2019 | 31.12.2018 | Changes amount | % |
|---|---|---|---|---|---|
| 10. | Financial liabilities measured at amortised cost | 476,324,527,437 | 447,143,398,340 | 29,181,129,097 | 6.5 |
| | *a) due to banks* | *152,978,451,667* | *161,719,030,885* | *-8,740,579,218* | *-5.4* |
| | *b) due to customers* | *247,937,370,294* | *208,532,094,893* | *39,405,275,401* | *18.9* |
| | *c) securities issued* | *75,408,705,476* | *76,892,272,562* | *-1,483,567,086* | *-1.9* |
| 20. | Financial liabilities held for trading | 16,446,060,192 | 14,559,502,621 | 1,886,557,571 | 13.0 |
| 30. | Financial liabilities designated at fair value | 1,914,031,202 | 1,821,039,982 | 92,991,220 | 5.1 |
| 40. | Hedging derivatives | 7,323,119,194 | 5,357,675,339 | 1,965,443,855 | 36.7 |
| 50. | Fair value change of financial liabilities in hedged portfolios (+/-) | 521,940,321 | 381,865,835 | 140,074,486 | 36.7 |
| 60. | Tax liabilities | 928,948,213 | 1,446,555,316 | -517,607,103 | -35.8 |
| | *a) current* | *23,592,680* | *75,887,346* | *-52,294,666* | *-68.9* |
| | *b) deferred* | *905,355,533* | *1,370,667,970* | *-465,312,437* | *-33.9* |
| 70. | Liabilities associated with non-current assets held for sale and discontinued operations | 41,034,565 | - | 41,034,565 | - |
| 80. | Other liabilities | 7,500,204,651 | 6,352,470,569 | 1,147,734,082 | 18.1 |
| 90. | Employee termination indemnities | 1,057,087,202 | 845,215,781 | 211,871,421 | 25.1 |
| 100. | Allowances for risks and charges | 3,099,839,100 | 3,434,676,119 | -334,837,019 | -9.7 |
| | *a) commitments and guarantees given* | *384,991,008* | *350,010,141* | *34,980,867* | *10.0* |
| | *b) post-employment benefits* | *205,670,392* | *223,290,421* | *-17,620,029* | *-7.9* |
| | *c) other allowances for risks and charges* | *2,509,177,700* | *2,861,375,557* | *-352,197,857* | *-12.3* |
| 110. | Valuation reserves | 1,374,623,166 | 1,080,919,802 | 293,703,364 | 27.2 |
| 120. | Redeemable shares | - | - | - | - |
| 130. | Equity instruments | 4,102,664,631 | 4,102,664,631 | - | - |
| 140. | Reserves | 3,399,458,545 | 4,369,749,752 | -970,291,207 | -22.2 |
| 150. | Share premium reserve | 25,233,266,887 | 24,925,954,843 | 307,312,044 | 1.2 |
| 160. | Share capital | 9,085,663,010 | 9,085,469,852 | 193,158 | - |
| 170. | Treasury shares (-) | -60,813,066 | -39,659,294 | 21,153,772 | 53.3 |
| 180. | Net income (loss) (+/-) | 2,136,974,390 | 3,685,594,819 | -1,548,620,429 | -42.0 |
| **Total liabilities and shareholders' equity** | | **560,428,629,640** | **528,553,094,307** | **31,875,535,333** | **6.0** |

## Intesa Sanpaolo Financial Statements – Income statement

(euro)

| | | 2019 | 2018 | Changes amount | % |
|---|---|---|---|---|---|
| 10. | Interest and similar income | 7,282,086,219 | 7,036,468,661 | 245,617,558 | 3.5 |
| | *of which: interest income calculated using the effective interest rate method* | *7,568,715,562* | *7,245,312,697* | *323,402,866* | *4.5* |
| 20. | Interest and similar expense | -2,874,258,933 | -2,785,287,693 | 88,971,240 | 3.2 |
| **30.** | **Interest margin** | **4,407,827,288** | **4,251,180,968** | **156,646,318** | **3.7** |
| 40. | Fee and commission income | 5,097,939,877 | 4,566,781,542 | 531,158,335 | 11.6 |
| 50. | Fee and commission expense | -609,465,768 | -627,795,460 | -18,329,692 | -2.9 |
| **60.** | **Net fee and commission income** | **4,488,474,109** | **3,938,986,082** | **549,488,027** | **13.9** |
| 70. | Dividend and similar income | 2,144,099,724 | 3,491,677,892 | -1,347,578,168 | -38.6 |
| 80. | Profits (Losses) on trading | 38,655,668 | -76,830,248 | 115,485,916 | |
| 90. | Fair value adjustments in hedge accounting | -36,699,444 | -22,244,300 | 14,455,144 | 65.0 |
| 100. | Profits (Losses) on disposal or repurchase of: | 357,904,493 | 100,711,617 | 257,192,876 | |
| | *a) financial assets measured at amortised cost* | *-25,917,941* | *-64,232,605* | *-38,314,664* | *-59.6* |
| | *b) financial assets measured at fair value through other comprehensive income* | *214,497,933* | *214,993,962* | *-496,029* | *-0.2* |
| | *c) financial liabilities* | *169,324,501* | *-50,049,840* | *219,374,341* | |
| 110. | Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss | 17,662,586 | 280,721,335 | -263,058,749 | -93.7 |
| | *a) financial assets and liabilities designated at fair value* | *-95,452,555* | *29,612,955* | *-125,065,510* | |
| | *b) other financial assets mandatorily measured at fair value* | *113,115,141* | *251,108,380* | *-137,993,239* | *-55.0* |
| **120.** | **Net interest and other banking income** | **11,417,824,422** | **11,964,203,346** | **-546,378,924** | **-4.6** |
| 130. | Net losses/recoveries for credit risks associated with: | -1,965,432,618 | -1,820,970,596 | 144,462,022 | 7.9 |
| | *a) financial assets measured at amortised cost* | *-1,953,858,693* | *-1,821,932,128* | *131,926,565* | *7.2* |
| | *b) financial assets measured at fair value through other comprehensive income* | *-11,573,925* | *961,532* | *-12,535,457* | |
| 140. | Profits (Losses) on changes in contracts without derecognition | -5,072,667 | -16,347,123 | -11,274,456 | -69.0 |
| **150.** | **Net income from banking activities** | **9,447,419,137** | **10,126,885,627** | **-679,466,490** | **-6.7** |
| 160. | Administrative expenses: | -7,155,003,404 | -7,014,160,148 | 140,843,256 | 2.0 |
| | *a) personnel expenses* | *-4,498,946,183* | *-3,669,654,826* | *829,291,356* | *22.6* |
| | *b) other administrative expenses* | *-2,656,057,221* | *-3,344,505,320* | *-688,448,099* | *-20.6* |
| 170. | Net provisions for risks and charges | -65,645,408 | -39,701,232 | 25,944,176 | 65.3 |
| | *a) commitments and guarantees given* | *-863,098* | *9,969,715* | *-10,832,813* | |
| | *b) other net provisions* | *-64,782,310* | *-49,670,947* | *15,111,363* | *30.4* |
| 180. | Net adjustments to / recoveries on property and equipment | -391,583,737 | -125,285,249 | 266,298,488 | |
| 190. | Net adjustments to / recoveries on intangible assets | -536,880,647 | -14,591,319 | 522,289,328 | |
| 200. | Other operating expenses (income) | 807,164,212 | 518,187,937 | 288,976,275 | 55.8 |
| **210.** | **Operating expenses** | **-7,341,948,984** | **-6,676,550,011** | **665,398,973** | **10.0** |
| 220. | Profits (Losses) on equity investments | -56,028,166 | 127,339,460 | -183,367,626 | |
| 230. | Valuation differences on property, equipment and intangible assets measured at fair value | -10,204,141 | -5,806,488 | 4,397,653 | 75.7 |
| 240. | Goodwill impairment | - | - | - | - |
| 250. | Profits (Losses) on disposal of investments | -111,598 | 805,923 | -917,521 | |
| **260.** | **Income (Loss) before tax from continuing operations** | **2,039,126,248** | **3,573,674,511** | **-1,534,548,263** | **-42.9** |
| 270. | Taxes on income from continuing operations | 34,130,294 | 64,177,552 | -30,047,258 | -46.8 |
| **280.** | **Income (Loss) after tax from continuing operations** | **2,073,256,542** | **3,637,852,063** | **-1,564,595,521** | **-43.0** |
| 290. | Income (Loss) after tax from discontinued operations | 63,717,848 | 47,742,756 | 15,975,092 | 33.5 |
| **300.** | **Net income (loss)** | **2,136,974,390** | **3,685,594,819** | **-1,548,620,429** | **-42.0** |