

ISP OBG S.r.l.

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

2020 Annual Report

INTESA  SANPAOLO

ISP OBG S.r.l.

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Registered Office: Via Monte di Pietà 8, 20121 Milan. Company incorporated pursuant to Law no. 130 of 30 April 1999. Quota capital €42,038. Tax code and Registration number in the Milan Monza Brianza Lodi Company Register 05936010965. Member of the Intesa Sanpaolo VAT Group no. 11991500015 (IT11991500015). ABI Code 16832 and Electronic Code 335083. 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	Paola Fandella
Director	Vanessa Gemmo
Director	Mario Masini

Board of statutory auditors

Chairperson	Giuseppe Dalla Costa
Standing Statutory Auditor	Eugenio Mario Braja
Standing Statutory Auditor	Claudia Motta

Independent Auditors

KPMG S.p.A.

Calling of quotaholders' meeting

2020 Annual Report

Directors' report

General information

ISP OBG 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. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services;

Performance

There were four payment dates in 2020: the first (20 February 2020), relating to cash flows from loan collections from 1 October 2019 to 31 December 2019; the second (20 May 2020), relating to cash flows from loan collections from 1 January 2020 to 31 March 2020; the third (20 August 2020) relating to cash flows from loan collections from 1 April 2020 to 30 June 2020; and the fourth (20 November 2020) relating to cash flows from loan collections from 1 July 2020 to 30 September 2020.

The following covered bonds were issued during the year:

On 17 February 2020:

- the thirty-eighth series of covered bonds was issued, in the amount of €1,750 million, maturing on 20 August 2033, at a floating three-month Euribor plus 0.24%;
- the thirty-ninth series of covered bonds was issued, in the amount of €1,750 million, maturing on 20 February 2034, at a floating three-month Euribor plus 0.27%.

On 27 March 2020:

- the fortieth series of covered bonds was issued, in the amount of €1,800 million, maturing on 20 August 2034, at a floating three-month Euribor plus 0.70%;

On 27 April 2020:

- the forty-first series of covered bonds was issued, in the amount of €2,400 million, maturing on 20 February 2035, at a floating three-month Euribor plus 0.72%;
- the forty-second series of covered bonds was issued, in the amount of €2,400 million, maturing on 20 August 2035, at a floating three-month Euribor plus 0.72%.

On 24 June 2020:

- the forty-third series of covered bonds was issued, in the amount of €1,350 million, maturing on 20 February 2028, at a floating three-month Euribor plus 0.27%;
- the forty-fourth series of covered bonds was issued, in the amount of €1,350 million, maturing on 20 February 2036, at a floating three-month Euribor plus 0.32%.

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

On 12 February 2020, the following covered bonds were fully redeemed in advance through cancellation:

- the sixth series with a residual nominal amount of €800 million and an original maturity date of 20 August 2020;
- the fifteenth series with a residual nominal amount of €1.375 million and an original maturity date of 20 February 2020;
- the sixteenth series with a residual nominal amount of €1.309 million and an original maturity date of 20 August 2020.

On 17 December 2020, the seventeenth series of covered bonds was partially redeemed in advance through cancellation in the amount of €200 million.

The maximum total amount of the Programme authorised by the Board of Directors on 20 March 2019 is €50 billion.

The table below summarises the main features of the covered bonds issued by Intesa Sanpaolo S.p.A. since the start of the Programme that had not yet matured and/or been redeemed as at 31 December 2020.

Issues (Programme maximum amount: €50 billion)						
Series	Date of issue	Legal maturity date	Issue Amount	Rate	Listing exchange	Type
19	13/11/2015	20/02/2023	1,375,000,000	3-month Euribor +0.40%	Luxembourg	retained
20	17/06/2016	20/08/2023	1,600,000,000	3-month Euribor +0.20%	Luxembourg	retained
21	16/09/2016	20/08/2024	1,750,000,000	3-month Euribor +0.26%	Luxembourg	retained
22	16/09/2016	20/08/2025	1,750,000,000	3-month Euribor +0.26%	Luxembourg	retained
23	17/02/2017	20/02/2026	1,375,000,000	3-month Euribor +0.50%	Luxembourg	retained
24	17/02/2017	20/08/2027	1,375,000,000	3-month Euribor +0.55%	Luxembourg	retained
25	09/03/2018	20/02/2025	1,750,000,000	3-month Euribor +0.12%	Luxembourg	retained
26	09/03/2018	20/08/2028	2,150,000,000	3-month Euribor +0.26%	Luxembourg	retained
27	21/09/2018	20/08/2029	1,600,000,000	3-month Euribor +0.65%	Luxembourg	retained
28	21/09/2018	20/05/2030	1,600,000,000	3-month Euribor +0.67%	Luxembourg	retained
29	22/11/2018	20/08/2026	1,600,000,000	3-month Euribor +0.85%	Luxembourg	retained
30	22/11/2018	20/02/2031	1,600,000,000	3-month Euribor +0.90%	Luxembourg	retained
31	18/12/2018	20/08/2031	1,275,000,000	3-month Euribor +1.03%	Luxembourg	retained
32	20/02/2019	20/02/2024	1,650,000,000	3-month Euribor +0.69%	Luxembourg	retained
33	20/02/2019	20/05/2032	1,650,000,000	3-month Euribor +1.30%	Luxembourg	retained
34	24/06/2019	20/02/2027	1,600,000,000	3-month Euribor +0.46%	Luxembourg	retained
35	24/06/2019	20/02/2029	1,600,000,000	3-month Euribor +0.59%	Luxembourg	retained
36	24/06/2019	20/02/2033	1,800,000,000	3-month Euribor +0.86%	Luxembourg	retained
37	16/12/2019	20/08/2032	1,250,000,000	3-month Euribor +0.35%	Luxembourg	retained
38	17/02/2020	20/08/2033	1,750,000,000	3-month Euribor +0.24%	Luxembourg	retained
39	17/02/2020	20/02/2034	1,750,000,000	3-month Euribor +0.27%	Luxembourg	retained
40	27/03/2020	20/08/2034	1,800,000,000	3-month Euribor +0.70%	Luxembourg	retained
41	27/04/2020	20/02/2035	2,400,000,000	3-month Euribor +0.72%	Luxembourg	retained
42	27/04/2020	20/08/2035	2,400,000,000	3-month Euribor +0.72%	Luxembourg	retained
43	24/06/2020	20/02/2028	1,350,000,000	3-month Euribor +0.27%	Luxembourg	retained
44	24/06/2020	20/02/2036	1,350,000,000	3-month Euribor +0.32%	Luxembourg	retained
			43,150,000,000			

A nineteenth sale of loans was made to the vehicle on 25 March 2020, effective from 23 March 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €6,022,846,935.94 by Intesa Sanpaolo S.p.A. The sales notice was published in the Italian Official Journal, Part 2, no. 41 of 4 April 2020.

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 6 April 2020, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 26 May 2020, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 25 May 2020 and legal effect from 27 May 2020, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €64,556,905.92.

The sales notice was published in the Italian Official Journal, Part 2, no. 64 of 30 May 2020.

A twentieth sale of loans was made to the vehicle on 19 June 2020, effective from 15 June 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €5,104,847,846.29 by Intesa Sanpaolo S.p.A..

The sales notice was published in the Italian Official Journal, Part 2, no. 74 of 25 June 2020.

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 26 June 2020, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A twenty-first sale of loans was made to the vehicle on 19 November 2020, effective from 16 November 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €1,560,159,061.19 by Intesa Sanpaolo S.p.A..

The sales notice was published in the Italian Official Journal, Part 2, no. 139 of 26 November 2020.

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 27 November 2020, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

The subordinated loan was repaid on the guarantor payment dates of 20 February 2020 (€1,800 million) and 20 November 2020 (€1,600 million) using the cash and cash equivalents posted during the year, deriving from the collection of the principal from the assets of the underlying portfolio.

On 25 February 2020, the restructuring of several hedging derivatives was also completed with the unwinding of the asset swaps of the Intesa Sanpaolo S.p.A. fixed-rate portfolio and the Banco di Napoli (now merged into Intesa Sanpaolo S.p.A.) fixed-rate portfolio, with value date on 27 February 2020.

See point H of Part D - Other information in the Notes to the Financial Statements, for more information on the vehicle's operations.

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 has recognised the following amounts, in its segregated assets, 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:

- €32,059,092 for servicing and monitoring fees
- €20,000 for receivable account bank fees
- €100,000 for administrative services fees
- €10,000 for cash management fees
- €3,000 for account bank fees
- €12,024 for securities depository fees
- €500 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 to the financial statements provide more information about the vehicle's cash transactions and commitments with the other group companies.

Related-party transactions

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

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

In view of the nature of the vehicle, no specific research and development activities were carried out.

Composition of the Quota Capital

The Quota Capital, subscribed and paid in for a total of €42,038, is divided into quotas and is held as follows:

- Intesa Sanpaolo S.p.A. holds a nominal amount of €25,222.8, equal to 60% of the Quota Capital;
- Stichting Viridis 2 holds a nominal amount of €16,815.20, 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.

Key events of the year

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. The countries affected by the crisis saw a drop in their main macroeconomic indicators. Although the global economy improved in the second half of the year, linked to the easing of restrictive measures introduced to contain the pandemic and the timely and strong economic policy response, the pre-crisis level of economic activity will not be reached until 2021 at global level, and later in several European countries, including Italy. The economic slowdown has affected 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 adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty have not had an impact on the management of the vehicle. However, they have led to an increase in the measures to support households, moratoria and other concessions, as well as an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities following the outbreak of the COVID-19 pandemic. In this regard, you are reminded that the individual and collective valuations of the securitised loans, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

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:

Giuseppe Dalla Costa, also appointed chairperson of the board of statutory auditors;
Claudia Motta;
Eugenio Mario Braja

and the following as Alternate Auditors:
Elena Fornara;
Carlo Maria Augusto Bertola.

On 8 April 2020, the Quotaholders' Meeting approved the consensual early termination of the engagement for the statutory audit of the financial statements awarded to KPMG S.p.A., and the simultaneous award of the engagement to EY S.p.A. for the financial statements for the years 2021, 2022 and 2023 and therefore up to the Quotaholders' Meeting to be called for the approval of the financial statements for the year ended 31 December 2023.

Events after the reporting date

The following covered bonds were issued on 18 January 2021:

- The forty-fifth series of covered bonds, in the amount of €1,350 million, maturing on 20 August 2036, at a floating three-month Euribor plus 0.24%. The bonds pay three-monthly coupons on 20 February, 20 May, 20 August and 20 November. They were listed on the Luxembourg stock exchange and were rated A (high) by DBRS.
- The forty-sixth series of covered bonds, in the amount of €1,350 million, maturing on 20 February 2037, at a floating three-month Euribor plus 0.26%. The bonds pay three-monthly coupons on 20 February, 20 May, 20 August and 20 November. They were listed on the Luxembourg stock exchange and were rated A (high) by DBRS.

On 22 February 2021, payments were made for loan collections from 1 October 2020 to 31 December 2020.

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, also considering that its viability is guaranteed by the chargeback of costs to the segregated assets. The 2020 financial statements have therefore been prepared on a going concern basis.

In addition, for the segregated assets, any temporary reduction in income, caused by the suspension of payments on part of the underlying portfolio, will not affect the vehicle's operating and financial stability and the soundness of the regulatory tests, due to the presence of an adequate cash reserve and additional liquid assets held in the vehicle's current accounts to service the segregated assets.

Profit/(loss) for the year

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

Proposal to the quotaholders to approve the financial statements

We present the financial statements as at and for the year ended 31 December 2020 for your approval. They comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, the notes to the financial statements with the related annexes, and this directors' report.

The vehicle ended the year 2020 at breakeven and consequently there is no allocation of profit to be made.

Milan, 26 February 2021

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Report of the board of statutory auditors

ISP OBG 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 €42,038

Registration number in the Milan Monza Brianza Lodi Company Register and Tax Code 05936010965
ABI Code 16832, Electronic Code 335083

Company subject to management and coordination by Intesa Sanpaolo S.p.A. and member of the Intesa Sanpaolo Banking Group, included in the National Register of Banking Groups

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Distinguished Shareholders,

We would like state first of all that – in fulfilling the duties assigned to us by the current regulations, which require us to supervise compliance with the law and the articles of association; adherence to the principles of proper management; adequacy of the vehicle’s organisational structure; outsourced operations; adequacy of the internal control system; adequacy and reliability of the administrative and accounting system; the independent audit of the accounts and the independence of the auditors; and the annual financial statements and the directors’ report – we have adhered to the Rules of Conduct for the Board of Statutory Auditors issued by the National Councils for the Accounting Professions, as well as the “*Operating Guidelines for the Boards of Statutory Auditors, also acting as supervisory bodies, of the Italian subsidiaries of the Intesa Sanpaolo Group – 2018 Update*” drawn up by the Parent Company’s Management Control Committee.

The Board of Statutory Auditors has examined the draft financial statements for the year ended 31 December 2020 approved by the Board of Directors on 26 February 2021.

This report has been prepared by the Board of Statutory Auditors in accordance with article 153 of Legislative Decree no. 58 of 24 February 1998, based on the recommendations provided by CONSOB in its Communication no. 1025564 of 6 April 2001 as amended, which are referred to specifically in the “*Operating Guidelines for the Boards of Statutory Auditors, also when acting as supervisory bodies, of the Italian subsidiaries of the Intesa Sanpaolo Group – 2018 Update*” drawn up by the Parent Company’s Management Control Committee.

Preliminary information on the legal provisions governing the preparation of the Financial Statements of ISP OBG S.r.l. at 31 December 2020.

In compliance with Legislative Decree no. 38 of 28 February 2005, the financial statements for the year ended 31 December 2020, which are being submitted for examination and approval by the Shareholders’ Meeting, have been prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) applicable at 31 December 2020 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, in accordance with Regulation (EC) No. 1606 of 19 July 2002. The accounting policies applied to prepare these financial statements are consistent with those used for the 2019 financial statements.

In their introduction, the notes to the financial statements state that the IAS/IFRS accounting treatment for 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. They then set out the accounting policies adopted in preparing the Financial Statements at 31 December 2020, noting that there were no significant impacts or exemptions from the application of the IAS/IFRS.

The financial statements comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and these notes. They are accompanied by a directors' report which comments on the vehicle's performance, results, financial position and cash flows for the year.

The sole business purpose of the vehicle 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 the related implementing measures. As a result, the layouts that apply to financial intermediaries have been used in these financial statements, in accordance with the guidance set out in the document "*The IFRS financial statements of intermediaries other than banking intermediaries*" issued by the Bank of Italy on 30 November 2018.

In the Directors' Report, the Board of Directors has specified that the financial statements at 31 December 2020 closed at break-even, because the operating costs were charged back to the segregated assets in accordance with the contractual agreements.

The accounting entries for the year can be summarised in the following statement of financial position figures:

ASSETS	€	298,459
LIABILITIES AND PROVISIONS	€	169,256
QUOTA CAPITAL	€	42,038
RESERVES	€	87,165
PROFIT FOR THE YEAR	€	0
TOTAL LIABILITIES AND EQUITY	€	298,459

This result is reflected in the income statement, which can be summarised as follows:

REVENUE	€	337,038
COSTS	€ -	336,277
INCOME TAXES	€ -	761
PROFIT FOR THE YEAR	€	0

The securitised financial assets and liabilities are recognised in the notes to the financial statements in accordance with the Bank of Italy instructions issued in compliance with the IAS/IFRS, with the vehicle's own assets shown separately from the securitised assets. This treatment also complies with Law no. 130/99, according to which the loans and receivables related to individual securitisations are segregated assets, for all intents and purposes, with respect to those of the vehicle and those relating to other transactions.

During the year ended 31 December 2020, the Board of Statutory Auditors performed the supervision required by law and, in particular, by article 149 of the aforementioned Legislative Decree no. 58/1998.

The Board of Statutory Auditors reports and notes the following.

a. Supervision of compliance with the law and the articles of association

We carried out the supervision of compliance with the law and the articles of association by:

- ✓ holding 6 meetings, during which we carried out checks and assessments, necessary to perform the supervision required by the regulations;
- ✓ attending the 8 Board of Directors' meetings held during the year, through which we were able to obtain timely and appropriate information, in compliance with the provisions of article 2381, paragraph 5, of the Italian Civil Code, on the general business performance and outlook of operations, and on the most significant transactions, in terms of size or nature;
- ✓ attending the Shareholders' Meeting held during the year;
- ✓ organising, together with the Independent Auditors appointed to audit the accounts, the regular exchange of the data and information needed to perform our respective duties.

b. Compliance with the principles of proper management

For the aspects under our responsibility, we obtained information about and supervised compliance with the principles of proper management, through our attendance at the Board of Directors' meetings and the timely information received on the transactions carried out by the vehicle.

The information we obtained enabled us to determine that the actions approved and implemented complied with the law and the articles of association and that they were not manifestly imprudent or risky.

c. Adequacy of the organisational structure

We monitored the proper allocation of the delegated powers and the adequacy of the vehicle's organisational structure.

The Board of Statutory Auditors has acknowledged the fact that the Board of Directors of ISP OBG S.r.l. has adopted the guidelines on the organisational structure approved by the Board of Directors of the Parent Company Intesa Sanpaolo S.p.A..

The Data Governance Guidelines set out the key principles and the Data Governance model, as well as the roles and responsibilities of the units assigned to the Data Governance functions, the methods of interaction between the various functions within the Data Governance macro processes, and the procedures for guidance and coordination of the Intesa Sanpaolo Group Companies.

d. Supervision of outsourced activities

During the year, the vehicle was subject to the management and coordination of the Parent Company Intesa Sanpaolo S.p.A..

The Directors' Report states that:

- the vehicle does not have employees and its portfolio has been managed by the servicer (Intesa Sanpaolo S.p.A.) since 29 July 2010. Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services;
- the vehicle has current accounts with Intesa Sanpaolo S.p.A., which currently bear agreed interest rates;
- the following costs for services provided, pursuant to the relevant contractual terms, by Intesa Sanpaolo S.p.A. through its Administrative and Tax Department and Corporate Affairs and Consultancy Department, and through its Banca dei Territori Division, have been recognised: servicing (€32,059,092); receivable account bank services (€20,000); administrative services

(€100,000); cash management services (€10,000); account bank services (€3,000); securities depositary services (€12,024); and fees for EMIR settlement services (€500).

The notes to the financial statements provide information on the cash transactions and commitments with the Group Companies, and state that the vehicle has signed an administrative services agreement with Intesa Sanpaolo S.p.A, which provides the vehicle administrative, accounting and corporate services.

The following parties are involved in the securitisation:

- ✓ Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) acting as receivables account banks and servicers for the transaction solely for their securitised portfolios;
- ✓ Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) provide IT infrastructure for the servicing, also through Intesa Sanpaolo Group Services (now merged into Intesa Sanpaolo S.p.A.), in addition to performing the back office activities for the collections on the cover pool. As servicers, they are also responsible for ensuring that the transaction activities comply with the law and the Prospectus, in accordance with article 2.6 of Law no. 130/1999;
- ✓ the amounts collected by Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), as servicers on the vehicle's behalf are paid into accounts held with Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.);
- ✓ Intesa Sanpaolo S.p.A. is also the account bank, cash manager and paying agent. The originators manage the liquidity between the collection and payment dates established by the relevant agreements;
- ✓ On 3 February 2016, Crédit Agricole Corporate & Investment Bank entered the Programme in the role of relevant account bank, as an additional account bank external to the Group, which, if particular events take place (e.g., the downgrading of Intesa Sanpaolo S.p.A. below the minimum threshold), can replace Intesa Sanpaolo S.p.A. and the other participating banks;
- ✓ 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) also 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 Italfondario S.p.A. relating to the management, recovery and collection of loans from the loan portfolio managed by Italfondario 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 enactment of the EMIR, which imposes specific regulatory obligations on parties to OTC derivative contracts, in February 2014 Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A.) and each originator were entrusted with the performance of certain of the activities imposed by such regulation as representatives of the vehicle (specifically, Intesa Sanpaolo Group Services S.c.p.A., now Intesa Sanpaolo S.p.A., is responsible for reconciling the portfolios and managing disputes while each originator is in charge of reporting);
- ✓ Intesa Sanpaolo S.p.A. is also the paying agent for the covered bonds;

- ✓ Finanziaria Internazionale Securitisation Group (now FISG S.r.l.) is the bondholder representative;
- ✓ Securitisation Services S.p.A. is the calculation agent;
- ✓ Deutsche Bank Luxembourg S.A. is the Luxembourg listing agent;
- ✓ Deloitte & Touche S.p.A. is the asset monitor;
- ✓ Banca IMI S.p.A. and Barclays Capital assisted Intesa Sanpaolo S.p.A. in structuring the transaction as arrangers of the Programme.

e. Supervision of the adequacy of the internal control system

In performing its guidance, management and coordination activities, Intesa Sanpaolo S.p.A., as the Parent Company, is required to fulfil the regulatory obligations imposed on it as a listed company or aimed at ensuring the Group's stability. To this end, it has issued directives over time, in implementation of the instructions given by the Supervisory Authorities, that the subsidiaries are required to comply with.

The Board of Statutory Auditors acknowledges in this regard that the Board of Directors of ISP OBG S.r.l. has adopted the Guidelines, Policies and Processes, and their updates, approved by the Parent Company Intesa Sanpaolo S.p.A..

f. Supervision of the adequacy of the administrative and accounting system

For the aspects under its responsibility, the Board of Statutory Auditors has assessed the reliability of the administrative and accounting system in correctly recording and presenting operational events, by obtaining information from the heads of the various departments and through meetings with the Independent Auditors.

As already mentioned, the vehicle has no employees and the administrative, accounting, corporate and tax functions are assigned to Intesa Sanpaolo S.p.A..

We remind you that, 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".

g. Supervision of the independent audit of the accounts and the independence of the auditors

The Board of Statutory Auditors met and consulted periodically with the independent auditors KPMG S.p.A., which provided reports containing summaries of the periodic checks conducted to ensure that the company accounts are properly kept in accordance with article 14, paragraph 1, letter b) of Legislative Decree no. 39/2010.

The Board of Statutory Auditors has monitored the independence of the Independent Auditors and has no remarks to make in this regard.

h. Supervision of the financial statements and the directors' report

The Board of Statutory Auditors is responsible for overseeing compliance with the law and the articles of association, without duplicating the work of the independent auditors, and is required to ensure compliance with the procedural rules for preparation, filing and publication.

We have performed our duty of monitoring the general layout of the financial statements, which have been prepared in accordance with the legally-established formats and comply with the applicable regulations.

In our opinion, the directors' report is consistent with the information provided in the financial statements.

i. Report of the Independent Auditors pursuant to article 156 and article 165 of Legislative Decree no. 58 of 24/2/1998

On 5 March 2021, the Independent Auditors KPMG S.p.A. issued the “Report of the Independent Auditors in accordance with article 14 of Legislative Decree no. 39 of 27 January 2010” in which: (i) it expressed an unqualified positive opinion on the financial statements at 31 December 2020; (ii) it expressed a positive opinion on the consistency of the Directors’ Report with those financial statements and on the compliance of the Report with the legal requirements; and (iii) it stated – in the declaration issued in accordance with article 14, paragraph 2, letter e) of Legislative Decree no. 39/2010, based on the knowledge and understanding of the company and its situation acquired during the course of the independent audit – that it had not identified any material errors.

l. Going concern

The Board of Statutory Auditors notes that the financial statements at 31 December 2020 have been prepared on a going concern basis.

In the Directors’ Report, the directors stated that – despite the current uncertainty related to the COVID-19 pandemic and its evolution in the coming months – they had a reasonable expectation that the vehicle’s operations will continue in a stable manner, also considering that its viability is guaranteed by the chargeback of costs to the segregated assets.

The 2020 financial statements have therefore been prepared on a going concern basis.

In addition, for the segregated assets, the directors stated that any temporary reduction in income caused by the suspension of payments on part of the underlying portfolio will not affect the vehicle’s operating and financial stability and the soundness of the regulatory tests, due to the presence of an adequate cash reserve and additional liquid assets held in the vehicle’s current accounts to service the segregated assets.

In their Report of 5 March 2021, the Independent Auditors KPMG S.p.A. (i) confirmed that they had reached the conclusion that the Directors’ use of the going concern assumption was appropriate and (ii) that they had not identified any significant uncertainties regarding the vehicle’s ability to continue operating as a going concern.

m. Specific information provided according to the format set out in CONSOB Communication no. 1025564 of 6 April 2001

Below is the specific information provided according to the format set out in the abovementioned CONSOB Communication no. 1025564.

m.1. Most significant financial transactions

The financial statements and the directors’ report provide a detailed description of the transactions carried out by the vehicle. The Board of Statutory Auditors has acquired sufficient information on these transactions to determine their compliance with the law, the articles of association and the principles of proper management. None of these transactions have any features that warrant any specific observations or remarks.

m.2. Atypical and/or unusual transactions, including intragroup transactions or related-party transactions

m.2.1. Atypical and/or unusual related-party transactions:

Nothing to report.

m.2.2. Atypical and/or unusual third-party or intragroup transactions:

Nothing to report.

m.2.3 Intragroup transactions and related-party transactions:

See the information already provided by the Board of Statutory Auditors in point d. above.

m.3. Adequacy of the information provided, in the directors' report, on atypical and/or unusual transactions, including intragroup or related-party transactions

This information is sufficient in the directors' report and in the notes to the financial statements.

m.4. Comments and proposals on the remarks and emphases of matters in the Independent Auditors' report

The Board has no comments or proposals to make regarding the content of the audit report issued by the Independent Auditors KPMG S.p.A. on 5 March 2021.

m.5. Complaints pursuant to article 2408 of the Italian Civil Code

The Board of Statutory Auditors did not receive any complaints pursuant to article 2408 of the Italian Civil Code

m.6. Any claims submitted

No claims were submitted.

m.7. Award of additional assignments to the independent auditors

Details are provided below of the assignments awarded to KPMG S.p.A. with the amount of the agreed fees reported in the notes to the financial statements:

Service	Service provider	Fees
Audit	KPMG S.p.A.	€210,669
Other services: non-audit services	KPMG S.p.A.	€216,580

m.8. Award of additional assignments to entities connected to the Independent Auditors

No additional assignments have been awarded to entities connected to the Independent Auditors KPMG S.p.A..

m.9. Opinions issued pursuant to law by the Independent Auditors

None.

m.10. Frequency and number of meetings of the Board of Directors, the Executive Committee and the Board of Statutory Auditors

See the information already provided by the Board of Statutory Auditors in point a. above.

m.11. Comments on compliance with the principles of correct management

See the information already provided by the Board of Statutory Auditors in point b. above.

m.12. Observations on the adequacy of the organisational structure

See the information already provided by the Board of Statutory Auditors in point c. above.

m.13. Adequacy of the internal control system

See the information already provided by the Board of Statutory Auditors in point e. above.

m.14. Observations on the adequacy of the administrative and accounting system and its reliability in correctly representing the affairs of the company

See the information already provided by the Board of Statutory Auditors in point f. above.

m.15. Adequacy of the instructions given by the Company to the subsidiaries pursuant to article 114, paragraph 2, of Legislative Decree no. 58/1998

ISP OBG S.r.l. does not have any subsidiaries.

m.16. Any significant matters related to the meetings held with the Independent Auditors pursuant to article 150, paragraph 2, of Legislative Decree no. 58/1998

No significant aspects to be reported emerged from the meetings held by the Board of Statutory Auditors with the Independent Auditors to exchange information pursuant to article 150, paragraph 2, of Legislative Decree 58/1998.

m.17. Adoption of the Corporate Governance Code for listed companies

The Parent Company Intesa Sanpaolo has adopted the Corporate Governance Code for listed companies, issued by Borsa Italiana S.p.A., as last updated in July 2018 for the annual periods ending up to 31 December 2020, available on the Corporate Governance Committee website (on page www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.htm).

On 25 February 2020, the Board of Directors of the Parent Company approved the annual report on Corporate Governance and Ownership Structures, the text of which is available on the company's website group.intesasanpaolo.com in the "Governance" section and in the eMarket Storage authorised storage mechanism.

m.18. Concluding remarks on the supervision carried out

During the supervision carried out, as described above, no significant facts emerged that required reporting to the Supervisory Authorities or mention in this report.

m.19. Board of Statutory Auditors' Proposals to the Shareholders' Meeting

In view of the above, the Board of Statutory Auditors, for the aspects under its responsibility, has not identified any reasons preventing the approval of the Financial Statements for the year ended 31 December 2020.

Milan, 12 March 2021

The Board of Statutory Auditors

signed by Giuseppe Dalla Costa (Chairperson)

signed by Claudia Motta (Standing Statutory Auditor)

signed by Eugenio Braja (Standing Statutory Auditor)

Report of the independent auditors



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

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

*To the quotaholders of
ISP OBG S.r.l.*

Report on the audit of the financial statements pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ISP OBG S.r.l. (the “company”), which comprise the statement of financial position as at 31 December 2020, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of ISP OBG S.r.l. as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union.

Basis for opinion

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



Emphasis of matter

We draw attention to the disclosures provided in the “General information” section of the directors’ report and part A.1, section 2 “Basis of preparation” of the notes to the financial statements, where the directors state that the company’s sole business object is the acquisition of loans and securities which it funds through third party financing as part of transactions to issue covered bonds in accordance with Law no. 130 of 30 April 1999. As described by the directors, the company has disclosed the acquired financial assets and securities and other transactions carried out as part of the above-mentioned transactions in the notes to the financial statements in accordance with the provisions of Law no. 130 of 30 April 1999, under which the loans and securities relating to each transaction constitute segregated assets from those of the company and those relating to other transactions for all intents and purposes. Our opinion is not qualified in this respect.

Other matters

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

Responsibilities of the company’s directors and board of statutory auditors (“Collegio Sindacale”) for the financial statements

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

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

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

Auditors’ responsibilities for the audit of the financial statements

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



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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

The company's directors are responsible for the preparation of a directors' report at 31 December 2020 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the company's financial statements at 31 December 2020 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report is consistent with the company's financial statements at 31 December 2020 and has been prepared in compliance with the applicable law.



ISP OBG S.r.l.
Independent auditors' report
31 December 2020

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

Verona, 5 March 2021

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director

Financial statements

Statement of financial position

(amounts in Euros)

Assets	31/12/2020	31/12/2019
40. Financial assets at amortised cost	148,136	212,192
a) loans and receivables with banks	148,136	212,192
100. Tax assets:	7,613	8,374
a) current	77	344
b) deferred	7,536	8,030
120. Other assets	142,710	84,812
TOTAL ASSETS	298,459	305,378

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of financial position

(amounts in Euros)

	Liabilities and equity	31/12/2020	31/12/2019
80.	Other liabilities	169,256	176,175
110.	Quota capital	42,038	42,038
150.	Reserves	87,165	87,165
170.	Profit for the year	-	-
	TOTAL LIABILITIES AND EQUITY	298,459	305,378

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Income statement

(amounts in Euros)

Income statement items	31/12/2020	31/12/2019
10. Interest and similar income	-	4
of which: interest income calculated using the effective interest method	-	4
30. NET INTEREST INCOME	-	4
120. TOTAL INCOME	-	4
150. NET FINANCIAL INCOME (EXPENSE)	-	4
160. Administrative expenses:	-336,277	-331,734
a) personnel expense	-30,855	-31,347
b) other administrative expenses	-305,422	-300,387
200. Other net operating income	337,038	332,116
210. OPERATING COSTS	761	382
260. PRE-TAX PROFIT FROM CONTINUING OPERATIONS	761	386
270. Income taxes	-761	-386
280. POST-TAX PROFIT FROM CONTINUING OPERATIONS	-	-
300. PROFIT FOR THE YEAR	-	-

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of comprehensive income

(amounts in Euros)

	31/12/2020	31/12/2019
10. Profit for the year	-	-
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
Paola Fandella

Statement of changes in equity

31 December 2020

(amounts in Euros)

	Quota capital			Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	ordinary quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2020	42,038	-	-	87,165	-	-	-	-	-	129,203
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES OF THE YEAR										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 31/12/2020	42,038	-	-	87,165	-	-	-	-	-	129,203

31 December 2019

(amounts in Euros)

	Quota capital			Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	ordinary quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2019	42,038	-	-	85,489	-	-	-	-	1,676	129,203
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	1,676	-	-	-	-	-1,676	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES OF THE YEAR										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 31/12/2019	42,038	-	-	87,165	-	-	-	-	-	129,203

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of cash flows

	(amounts in Euros)	
	31/12/2020	31/12/2019
A. OPERATING ACTIVITIES		
1. Operations	-64,056	-59,683
- interest income collected (+)	-	20
- interest expense paid (-)	-5	-
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+)	-	-
- personnel expense (-)	-37,390	-24,977
- other costs (-)	-306,667	-360,894
- other revenue (+)	280,006	327,282
- taxes and duties (-)	-	-1,114
- 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	-64,056	-59,683
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 YEAR	-64,056	-59,683
RECONCILIATION		
Opening cash and cash equivalents	212,192	271,875
Net cash flows for the year	-64,056	-59,683
Closing cash and cash equivalents	148,136	212,192

The figures as at 31 December 2019 have been reclassified for the purpose of comparability with the figures as at 31 December 2020.

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Notes to the financial statements

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 - Statement of compliance with the IFRS

In compliance with Legislative Decree no. 38 of 28 February 2005, the vehicle has prepared its financial statements in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) applicable at 31 December 2020 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, in accordance with Regulation (EC) No. 1606 of 19 July 2002.

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 financial statements comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and these notes. They are accompanied by a directors' report which comments on the vehicle's performance, results, financial position and cash flows for the year.

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

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

The financial statements are prepared with the application of the general principles set out by IAS 1 and the specific financial reporting standards endorsed by the European Commission and described in Part A.2 of these Notes to the financial statements, as well as in compliance with the general assumptions set forth by the Conceptual Framework for the preparation and presentation of Financial Statements issued by the IASB.

No departures from the IFRS have been made.

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

Pursuant to the provisions of Legislative Decree no. 38 of 28 February 2005, the vehicle has opted to prepare its financial statements in accordance with the IAS/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 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 financial statements are prepared with the intention of presenting a true and fair view of the assets and liabilities, financial position, results of operations and cash flows, according to the following basis of presentation:

- Going concern (IAS 1 paragraphs 25 and 26): the financial statements have been prepared on a going concern basis. See the relevant section of the Directors' Report for more details;
- Accrual basis of accounting (IAS 1 paragraphs 27 and 28): except for the cash flow reporting, the financial statements are prepared on the basis of accrual of costs and revenues, irrespective of the time of their monetary settlement and according to the matching principle;
- Consistency of presentation (IAS 1 paragraph 29): the criteria for the presentation and classification of items in the financial statements are retained from one year to the next in order to ensure the comparability of information, unless otherwise required by an international accounting standard or an interpretation, or the need arises, in terms of significance, for a more appropriate presentation of the information. Where feasible, the change is adopted retrospectively and the nature, reason and amount of the items affected by the change is disclosed;
- Aggregation and materiality (IAS 1 paragraph 29): all significant aggregations of items with a similar nature or function are presented separately. Items of a dissimilar nature or function, if material, are presented separately;

- Offsetting (IAS 1 paragraph 32): assets and liabilities and costs and revenues cannot be offset against each other, unless specifically required or permitted by the international accounting standards or by an interpretation of those standards or by the instructions issued by the Bank of Italy;
- Comparative information: except when otherwise permitted or required by an international accounting standard or interpretation, comparative information is presented in respect of the preceding year for all the amounts recorded in the current year's financial statements.

The accounting policies applied to prepare these financial statements are consistent with those used for the 2019 financial statements.

SECTION 3 - Events after the reporting date

See the "Events after the reporting date" section of the directors' report.

SECTION 4 - Other aspects

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

Risks, uncertainties and impacts of the COVID-19 epidemic

With reference to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty have not had an impact on the management of the vehicle. However, they have led to an increase in the measures to support households, moratoria and other concessions, as well as an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities following the outbreak of the COVID-19 pandemic. In this regard, you are reminded that the individual and collective valuations of the securitised loans, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

Newly adopted accounting standards

a) Accounting standards newly adopted in 2020

The table below lists the documents issued by the IASB and endorsed by the European Commission to be adopted on a mandatory basis for financial statements for annual periods beginning on or after 1 January 2020:

Document name	Date of issue	Effective date	Endorsement date	EU Regulation and date of issue
Amendments to References to the Conceptual Framework in IFRS Standards	March 2018	1 January 2020	29 November 2019	(EU) 2019/2075 6 December 2019
Definition of Material (Amendments to IAS 1 and IAS 8)	October 2018	1 January 2020	29 November 2019	(EU) 2019/2104 10 December 2019
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	September 2019	1 January 2020	15 January 2020	(EU) 2020/34 16 January 2020
Definition of a Business (Amendments to IFRS 3)	October 2018	1 January 2020	21 April 2020	(EU) 2020/551 22 April 2020
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	May 2020	1 January 2020	9 October 2020	(EU) 2020/1434 12 October 2020

The changes introduced by the IAS/IFRS have not had any effect on the vehicle's statement of financial position and income statement figures.

b) Accounting standards newly adopted after 2020

The table below lists the IAS/IFRS and the related IFRIC interpretations published by the IASB and endorsed by the European Commission (as at 14 January 2021) applicable to financial statements for annual periods beginning on or after 1 January 2020:

Document name	Date of issue	Effective date	Endorsement date	EU Regulation and date of issue
Amendments to References to the Conceptual Framework in IFRS Standards	March 2018	1 January 2020	29 November 2019	(EU) 2019/2075 6 December 2019
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	September 2019	1 January 2020	15 January 2020	(EU) 2020/34 16 January 2020

A.2 - ACCOUNTING POLICIES

This section sets out the accounting policies adopted in preparing the financial statements at 31 December 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	31/12/2020				31/12/2019			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	148,136	-	148,136	-	212,192	-	212,192	-
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	148,136	-	148,136	-	212,192	-	212,192	-
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 €148,136, 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 day one profit/loss, because the vehicle did not use any financial instruments during 2020 in its ordinary operations.

The information relating to Part B, Part C and Part D of the Notes to the Financial Statements is provided below. It does not include information regarding circumstances that do not concern the 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”

	31/12/2020						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.	148,136	-	-	-	148,136	-	212,192	-	-	-	212,192	-
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	148,136	-	-	-	148,136	-	212,192	-	-	-	212,192	-

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 value adjustments			Total partial write-offs
	First stage	of which: low credit risk instruments	Second stage	Third stage	First stage	Second stage	Third stage	
Debt instruments	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-
Other assets	148,136	-	-	-	-	-	-	-
Total 31/12/2020	148,136	-	-	-	-	-	-	-
Total 31/12/2019	212,192	-	-	-	-	-	-	-

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	31/12/2020	31/12/2019
Withholdings on bank interest	-	1
IRAP payments on account and assets	77	343
Total	77	344
Deferred tax assets: breakdown	31/12/2020	31/12/2019
Receivables for IRES deferred tax assets	7,536	8,030
Total	7,536	8,030

10.2 Caption 60 “Tax liabilities: current and deferred”

There are no entries for this caption.

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

	31/12/2020	31/12/2019
1. Opening balance	8,030	8,205
2. Increases	-	-
2.1 Deferred tax assets recognised in the period	-	-
(a) related to previous years	-	-
(b) due to changes in accounting policies	-	-
(c) reversals of impairment losses	-	-
(d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	494	175
3.1 Deferred tax assets derecognised in the period	494	175
(a) reversals	494	175
(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	7,536	8,030

Deferred tax assets arising on carryforward tax losses without time limits amount to €2,534.

Section 12 - Other assets - Caption 120

12.1 Caption 120 “Other assets”

	31/12/2020	31/12/2019
- receivables from the securitised assets	139,909	83,796
- tax credits	2,801	-
- receivables to the Parent for VAT advance	-	1,016
Total	142,710	84,812

LIABILITIES

Section 6 - Tax liabilities - Caption 60

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

Section 8 - Other liabilities - Caption 80

8.1 Caption 80 "Other liabilities"

	31/12/2020	31/12/2019
Statutory auditors' fees	7,232	14,126
Suppliers and beneficiaries	160,470	161,045
IRPEF tax for self-employed workers	1,458	997
INAIL (accident at work insurance)	65	2
Securitized assets for interest	31	5
Total	169,256	176,175

Section 11 - Equity - Captions 110 and 150

11.1 Caption 110 "Quota capital"

	31/12/2020	31/12/2019
1. Quota capital		
1.1 Ordinary quotas	-	-
1.2 Quotas	42,038	42,038
Total	42,038	42,038

The Quota Capital, subscribed and paid in for a total of €42,038, is divided into quotas and is held as follows:

- Intesa Sanpaolo S.p.A. holds a nominal amount of €25,222.8, equal to 60% of the Quota Capital;
- Stichting Viridis 2 holds a nominal amount of €16,815.20, 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 01/01/2020	4,473	-	82,692	87,165
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	4,473	-	82,692	87,165

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	31/12/2020	31/12/2019
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	-	4
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	-	-	-	-	4

of which: interest income on impaired financial assets

of which: interest income on leases

Section 10 - Administrative expenses - Caption 160

10.1 Caption 160.a “Personnel expense”

	31/12/2020	31/12/2019
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) post-employment benefits	-	-
d) pension costs	-	-
e) accrual for post-employment benefits	-	-
f) accrual for pension and similar provisions:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	30,855	31,347
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	30,855	31,347

10.2 Average number of employees by category

The vehicle does not have any employees.

10.3 Caption 160.b “Other administrative expenses”

	31/12/2020	31/12/2019
Consultancy	6,877	6,052
Audit fees	294,593	287,519
Notary fees	2,102	2,516
Other taxes and duties	770	710
Reimbursement of costs incurred by corporate bodies	438	3,169
Other	642	421
Total	305,422	300,387

Section 14 - Other net operating income - Caption 200

14.2 Caption 200 “Other net operating income”

	31/12/2020	31/12/2019
Contractually provided-for income	337,038	332,116
Total	337,038	332,116

The income reported above relates entirely to the chargeback to the securitisation of all the operating costs incurred, 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.

Section 19 - Income taxes - Caption 270

19.1 Caption 270 “Income taxes”

	31/12/2020	31/12/2019
1. Current taxes	266	214
2. Change in current taxes from previous years (+/-)	1	-3
3. Decrease in current taxes for the period (+)	-	-
3.bis Decrease in current taxes for the period due to tax assets as per	-	-
4. Change in deferred tax assets (+/-)	494	175
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the year (-) (-1+/-2+3+ 3 bis+/-4+/-5)	761	386

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

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

	31/12/2020	31/12/2019
Pre-tax profit from continuing operations	761	386
Theoretical taxable profit	761	386
	Income taxes	Income taxes
Income taxes - theoretical IRES tax expense	183	93
Increases	312	82
Non-deductible costs (contingent liabilities, etc.)	312	82
Decreases	-	-
Total changes	312	82
Total	495	175
IRAP	266	211
Effective tax expense (IRES + IRAP)	761	386

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	31/12/2020	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 loan commitments		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third-party commitments	-	-
7. Other irrevocable commitments		
a) to issue guarantees	-	-
b) other	54,852,289,950	45,667,566,445
Total	54,852,289,950	45,667,566,445

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 principles followed in the preparation of the Prospectus are those set out in the Bank of Italy's provisions relating to vehicles for assets underlying covered bank bonds in its Order "The financial statements of IFRS intermediaries other than banking intermediaries" of 30/11/2018.

The entries relating to the securitised loans match the figures in the accounting records and IT system of the servicer Intesa Sanpaolo S.p.A.

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

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

Derivatives

At 31 December 2020, there were no hedging derivatives on the securitised portfolio, because the last outstanding asset swaps were unwound in February 2020.

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.

Tax treatment of the segregated assets

Circular 8/E of 6 February 2003 issued by the Italian Revenue Agency defined the tax treatment of the segregated assets of securitisation vehicles (“vehicles”) and reiterated that the earnings deriving from the management of the securitised assets, during the implementation of the transactions concerned, are not available to the vehicle. In fact, it considers that the allocation of “segregated” assets excludes the vehicle from having a relevant income for tax purposes. It is only at the end of each securitisation that any residual earnings from the management of the securitised portfolio – which remain after all creditors of the segregated assets have been satisfied and of which the vehicle is the beneficiary – will be subject to taxation, because they will become legally available to the vehicle and will therefore contribute to generating its taxable income.

Lastly, in accordance with Resolution no. 77/E of 4 August 2010 of the Italian Revenue Agency, where the segregated assets include receivables for withholding tax applied on interest income accrued on current accounts, that withholding tax may be deducted by the vehicle in the year in which the securitisation is completed.

Summary of the securitised assets

	(amounts in Euros)	
	31/12/2020	31/12/2019
Securitized assets	47,031,284,152	40,022,909,705
Loans and receivables	46,391,076,716	39,476,380,309
Other assets	640,207,436	546,529,396
- accrued interest income on IRS	-	18,451,231
- accrued interest income on loans	74,770,025	55,340,189
- other prepayments and accrued income	1,361	-
- prepayments to originator for additional interest amount	564,773,761	471,330,916
- tax and other assets	662,289	1,407,060
Utilisation of cash deriving from the management of securitized assets	7,821,005,798	5,644,656,740
Cash and cash equivalents	7,821,005,798	5,644,656,740
Loans received	54,756,100,435	45,462,980,359
Other liabilities	96,189,515	204,586,086
Liabilities for services	96,049,606	151,994,180
- of which due to originators	37,223,869	95,926,585
Due to securitisation vehicles	139,909	83,795
Accrued interest expense on IRS	-	52,508,111
	31/12/2020	31/12/2019
Fees and commissions borne by the transaction	32,857,930	32,313,818
For servicing	32,059,092	27,441,669
For other services	798,838	4,872,149
Other expense	735,086,627	958,749,188
Interest expense on subordinated loan	258,879,731	207,914,265
Additional Interest Amount	374,055,688	416,662,405
Interest expense on IRS	-	226,960,996
Losses on sales of loans	-	56,330,328
Expected losses on loans	101,134,948	34,419,012
Other expense	1,016,260	16,462,182
Interest generated by the securitized assets	737,755,673	701,043,670
Other revenue	30,188,884	290,019,336
Interest income	22,532,386	229,322,831
Reversals of impairment losses on loans	54	49,095,956
Other revenue	7,656,444	11,600,549

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

QUALITATIVE INFORMATION

Description of the Issue Programme and its performance

On 31 May 2012, the vehicle signed a “master sale agreement” covering the sale of an initial portfolio of loans and subsequent portfolios as part of a single multi-originator Covered Bond Programme worth €30 billion for which it is the guarantor.

The Programme is collateralised by mortgage loans of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

The Board of Directors authorised an increase in the Programme’s maximum amount to €40 billion on 24 September 2018.

The Board of Directors authorised an increase in the Programme’s maximum amount to €50 billion on 20 March 2019.

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

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

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

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

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

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

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

On 21 June 2012, Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio. This loan, which bears interest at 0.50%, allows the originators to collect any additional interest amount left after all the transaction’s costs (payment of costs and expenses of the vehicle and all the parties involved in the transaction) have been covered. The vehicle will repay the subordinated loans after the covered bonds are redeemed (or at their extended redemption date), respecting the applicable priority order and funds available, although it is obliged to repay the loans early if the conditions set out in the related agreements materialise.

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

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

A second portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 31 July 2012, effective from 30 July 2012, for €4,181,145,555.40 by Intesa Sanpaolo S.p.A.. The sales notice was published in Italian Official Journal no. 91 of 4 August 2012.

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

On 8 August 2012, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

A third portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 30 November 2012, effective from 29 November 2012, for a total amount of €3,228,938,084.52, of which €650,655,428.37 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €2,578,282,656.15 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in Italian Official Journal no. 144 of 11 December 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 14 December 2012, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

On 22 February 2013, the board of directors acknowledged a procedural anomaly in the loan management IT systems of Intesa Sanpaolo S.p.A. and other group banks (Banco di Napoli S.p.A. and Cassa di Risparmio del Veneto S.p.A., both now merged into Intesa Sanpaolo S.p.A.), regarding the loans which benefited from the suspension of interest payments. In addition, a number of loans subject to this anomaly had been transferred to the originator in 2012. This anomaly led to the incorrect recognition of the so-called "IFRS accrued interest adjustment" component, which is amortised over the entire term of each loan. In this respect, the consideration paid for the loans sold by Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) to the vehicle on 31 May 2012 had to be reduced by €3,000,116.77 and €1,972,747.62, respectively, while that paid for the loans sold by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) to the vehicle on 30 November 2012 had to be reduced by €1,009,349.30. This had no impact as the "IFRS accrued interest adjustment" component does not contribute to the test calculations provided for by the Covered Bond Issue Programme.

A fourth portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 31 May 2013, effective from 27 May 2013, for a total amount of €3,494,779,452.11, of which €1,338,058,757.42 by Intesa Sanpaolo S.p.A., €1,060,698,894.70 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €1,096,021,799.99 by Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was published in Italian Official Journal no. 67 of 8 June 2013.

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

On 11 June 2013, Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

In addition to the above, other loans were returned to the following originators at the same time:

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

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

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

A sixth sale of loans was made to the vehicle on 29 May 2015, effective from 25 May 2015. The three portfolios of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) were sold without recourse for a total amount of €3,126,907,490.56, of which €633,790,497.46 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), €872,412,000.16 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and €1,620,704,992.94 by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), as an additional originator of the Programme. The sales notice was published in Italian Official Journal no. 66 of 11 June 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 15 June 2015, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

On 12 October 2015, Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 18 December 2015, as part of the tests performed on the loans sold, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €482,358.64 paid by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) in relation to the sale of 29 May 2015, €904,058.69 paid by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) in relation to the sale of 29 May 2015, €7,838,250.69 paid by Banca dell'Adriatico S.p.A. (now merged into Intesa Sanpaolo S.p.A.) in relation to the sale of 30 September 2015 and €943,731.87 paid by Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) in relation to the sale of 29 May 2015.

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

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

On 11 April 2016, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

On 19 July 2016, Intesa Sanpaolo S.p.A., Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

On 11 April 2017, Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

On 11 July 2017, Intesa Sanpaolo S.p.A. and Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

On 16 April 2018, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

On 9 July 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A fourteenth sale of loans was made to the vehicle on 25 September 2018, effective from 24 September 2018. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €2,137,254,682.05 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 114 of 29 September 2018. The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date.

On 1 October 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

On 21 November 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

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

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

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

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

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

On 9 October 2019, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 7 October 2019 and legal effect from 9 October 2019, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €3,512,514.28.

The sales notice was published in the Italian Official Journal, Part 2, no. 120 of 12 October 2019.

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 €650,373,895.23.

The sales notice was published in the Italian Official Journal, Part 2, no. 130 of 5 November 2019.

An eighteenth sale of loans was made to the vehicle on 21 November 2019, effective from 18 November 2019. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €2,378,514,772.24 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 140 of 28 November 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 21 November 2019, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A nineteenth sale of loans was made to the vehicle on 25 March 2020, effective from 23 March 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €6,022,846,935.94 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 41 of 4 April 2020.

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 6 April 2020, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

On 26 May 2020, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 25 May 2020 and legal effect from 27 May 2020, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €64,556,905.92.

The sales notice was published in the Italian Official Journal, Part 2, no. 64 of 30 May 2020.

A twentieth sale of loans was made to the vehicle on 19 June 2020, effective from 15 June 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €5,104,847,846.29 by Intesa Sanpaolo S.p.A..

The sales notice was published in the Italian Official Journal, Part 2, no. 74 of 25 June 2020.

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 26 June 2020, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

A twenty-first sale of loans was made to the vehicle on 19 November 2020, effective from 16 November 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €1,560,159,061.19 by Intesa Sanpaolo S.p.A.

The sales notice was published in the Italian Official Journal, Part 2, no. 139 of 26 November 2020.

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 27 November 2020, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, 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., insolvency of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) or Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) – or non-payment of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The guarantee agreement was also signed by Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) as acknowledgement of its issue by the vehicle to the bondholders and the related terms and conditions.

Italian law requires that the validity of the guarantee be checked over the bonds' term. Accordingly, the calculation agent, Securitisation Servicer S.p.A., performs tests of the portfolio to check whether the nominal amount, present value and interest flows (considering the hedging swaps) of the portfolio allow the vehicle, where necessary, to pay the interest and principal of the issued bonds. Deloitte & Touche S.p.A. checks the tests' accuracy as the asset monitor. Management of the portfolio over the transaction term is regulated by a portfolio administration agreement signed, inter alia, by the vehicle and Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

The transaction's financial structure provides for the three-monthly payment of the transaction costs, i.e., at the payment dates of 20 February, 20 May, 20 August and 20 November of each year.

Information about the cash flows and payments of 2020 is set out below.

Thirtieth payment date (20 February 2020)

On 20 February 2020, payments were made for collections from 1 October 2019 to 31 December 2019. The funds available for distribution by the vehicle amounted to €367.6 million, of which:

- €240.4 million as collections on the loan portfolio of Intesa Sanpaolo S.p.A.
- €119 thousand in interest received on current accounts and investments of Intesa Sanpaolo S.p.A.
- €40.4 million from swap contracts with Intesa Sanpaolo S.p.A. as the counterparty
- €86.7 million as the reserve fund required amount.

The following payments were made:

- €12 million as remuneration to the third parties that provided services to the vehicle
- €371 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €52.5 million as the asset swap on the cover pool of Intesa Sanpaolo S.p.A.
- €86.7 million as the accrual of the reserve fund required amount
- €58 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €158 million as the additional interest amount also to Intesa Sanpaolo S.p.A.

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€1.8 billion) using the principal available funds.

Thirty-first payment date (20 May 2020)

On 20 May 2020, payments were made for collections from 1 January 2020 to 31 March 2020. The funds available for distribution by the vehicle amounted to €267.8 million, of which:

- €180.5 million as collections on the loan portfolio of Intesa Sanpaolo S.p.A.
- €27 as interest received on current accounts and investments of Intesa Sanpaolo S.p.A.
- €567 thousand from swap contracts with Intesa Sanpaolo S.p.A. as the counterparty
- €86.7 million as the reserve fund required amount.
- €56 thousand as the remaining funds available on the investment account

The following payments were made:

- €8.3 million as remuneration to the third parties that provided services to the vehicle
- €10 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €29.9 million as the accrual of the reserve fund required amount
- €58.2 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €114.6 million as the additional interest amount also to Intesa Sanpaolo S.p.A.
- €56.8 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date.

Thirty-second payment date (20 August 2020)

On 20 August 2020, payments were made for collections from 1 April 2020 to 30 June 2020.

The funds available for distribution by the vehicle amounted to €218.7 million, of which:

- €173 million as collections on the loan portfolio of Intesa Sanpaolo S.p.A.
- €0 as interest received on current accounts and investments of Intesa Sanpaolo S.p.A.
- €45.7 million as the reserve fund required amount

The following payments were made:

- €8.4 million as remuneration to the third parties that provided services to the vehicle
- €280 thousand as the reimbursement of corporate costs and advances to organise the transaction
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- €45.7 million as the accrual of the reserve fund required amount
- €67.4 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €97 million as the additional interest amount also to Intesa Sanpaolo S.p.A.

Thirty-third payment date (20 November 2020)

On 20 November 2020, payments were made for collections from 1 July 2020 to 30 September 2020. The funds available for distribution by the vehicle amounted to €221.6 million, of which:

- €175.9 million as collections on the loan portfolio of Intesa Sanpaolo S.p.A.
- €0 as interest received on current accounts and investments of Intesa Sanpaolo S.p.A.
- €45.7 million as the reserve fund required amount

The following payments were made:

- €7.9 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
- €28.3 million as the accrual of the reserve fund required amount
- €17.4 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €70 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €98 million as the additional interest amount also to Intesa Sanpaolo S.p.A.

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€1.6 billion) using the principal available funds.

Parties involved

Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) collect and manage the securitised loans on behalf of the vehicle. They act as receivables account banks and servicers, to the extent of their securitised portfolios, as per Law no. 130/99 and may subdelegate activities to third parties. As regards the servicing activities, Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), provide the IT infrastructure, including via Intesa Sanpaolo Group Services S.c.p.A. (now merged into Intesa Sanpaolo S.p.A.), and perform the back office activities for collections on the cover pool, as envisaged by the Group regulations. As servicers, they are also responsible for ensuring that the transaction activities comply with the law and the Prospectus, as per article 2.6 of Law no. 130/99.

Intesa Sanpaolo S.p.A. and the vehicle have signed an administrative services agreement under which the former provides the vehicle administrative, accounting and corporate services (including book keeping, tax returns and corporate activities).

The amounts collected by Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), as servicers on the vehicle's behalf are paid into accounts held with Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

Intesa Sanpaolo S.p.A. is also the account bank, cash manager and paying agent. The originators manage the liquidity between the collection and payment dates established by the relevant agreements.

On 3 February 2016, the board of directors resolved that another external account bank would join the Programme. If particular events take place (e.g., the downgrading of Intesa Sanpaolo S.p.A. below the minimum threshold), this bank would replace Intesa Sanpaolo S.p.A. and the other participating banks as the relevant account bank. This role has been assigned to Crédit Agricole Corporate & Investment Bank.

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

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 Italfondario S.p.A. relating to the management, recovery and collection of loans from the loan portfolio managed by Italfondario 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 enactment of the EMIR, which imposes specific regulatory obligations on parties to OTC derivative contracts, in February 2014, Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A.) and each originator were entrusted with the performance of certain of the activities imposed by such regulation as representatives of the vehicle (specifically, Intesa Sanpaolo Group Services S.c.p.A. – now Intesa Sanpaolo S.p.A. – is responsible for reconciling the portfolios and managing disputes while each originator is in charge of reporting).

Intesa Sanpaolo S.p.A. acts as paying agent for the covered bonds. Finanziaria Internazionale Securitisation Group S.p.A., now FISG S.r.l., is the bondholder representative and Securitisation Services S.p.A. is the calculation agent. The Luxembourg listing agent is Deutsche Bank Luxembourg S.A., while Deloitte & Touche S.p.A. acts as asset monitor.

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

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

Issue characteristics

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

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

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

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

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

The sixth series of covered bonds was issued on 17 June 2013 and amounted to €0.8 billion, maturing on 20 August 2020, at a floating three-month Euribor plus 0.75%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the Intesa Sanpaolo's issuer rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. These bonds were cancelled and redeemed in advance with value date on 12 February 2020.

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

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

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

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

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

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

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

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

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

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

The fifteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 February 2020, at a floating three-month Euribor plus 0.77%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the Intesa Sanpaolo's issuer rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. On 23 October 2014, their nominal amount was reduced by €125 million to €1.375 billion. These bonds were cancelled and redeemed in advance with value date on 12 February 2020.

The sixteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 August 2020, at a floating three-month Euribor plus 0.77%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the Intesa Sanpaolo's issuer rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. On 23 October 2014, their nominal amount was reduced by €191 million to €1.309 billion. These bonds were cancelled and redeemed in advance with value date on 12 February 2020.

The seventeenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 February 2021, at a floating three-month Euribor plus 0.85%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the Intesa Sanpaolo's issuer rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. On 23 October 2014, their nominal amount was reduced by €125 million to €1.375 billion. These bonds were partially redeemed in advance through cancellation in the amount of €200 million with value date on 12 February 2020. Their nominal amount is now €1.175 billion.

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

The nineteenth series of covered bonds was issued on 13 November 2015 and amounted to €1,375 million, maturing on 20 February 2023, at a floating three-month Euribor plus 0.40%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

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

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

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

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

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

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

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

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

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

The twenty-ninth series of covered bonds was issued on 22 November 2018 and amounted to €1,600 million, maturing on 20 August 2026, at a floating three-month Euribor plus 0.85%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

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

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

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

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

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

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

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

The thirty-seventh series of covered bonds was issued on 16 December 2019 and amounted to €1,250 million, maturing on 20 August 2032, at a floating three-month Euribor plus 0.35%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-eighth series of covered bonds was issued on 17 February 2020 and amounted to €1,750 million, maturing on 20 August 2033, at a floating three-month Euribor plus 0.24%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The thirty-ninth series of covered bonds was issued on 17 February 2020 and amounted to €1,750 million, maturing on 20 February 2034, at a floating three-month Euribor plus 0.27%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The fortieth series of covered bonds was issued on 27 March 2020 and amounted to €1,800 million, maturing on 20 August 2034, at a floating three-month Euribor plus 0.70%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The forty-first series of covered bonds was issued on 27 April 2020 and amounted to €2,400 million, maturing on 20 February 2035, at a floating three-month Euribor plus 0.72%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The forty-second series of covered bonds was issued on 27 April 2020 and amounted to €2,400 million, maturing on 20 August 2035, at a floating three-month Euribor plus 0.72%. These bonds pay a three-monthly

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

The forty-third series of covered bonds was issued on 24 June 2020 and amounted to €1,350 million, maturing on 20 February 2028, at a floating three-month Euribor plus 0.27%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

The forty-fourth series of covered bonds was issued on 24 June 2020 and amounted to €1,350 million, maturing on 20 February 2036, at a floating three-month Euribor plus 0.32%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the Luxembourg stock exchange and were rated A (high) by DBRS; they are eligible for transactions in the Eurosystem.

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

Related financial transactions

The vehicle accrued the reserve fund required amount on 13 November 2014, fully funded by Intesa Sanpaolo S.p.A. This is a quarterly provision equal to the coupon on bonds issued, fees due to all parties involved and the total asset swaps.

The amount was included in the interest available fund at the payment date of 20 November 2014 and was funded by the issuer which credited €217 million to the vehicle's account, as contractually provided for. At the payment date of 20 November 2020, the cash reserve amounted to €28.3 million and is subject to recalculation and possible adjustment at each payment date.

The vehicle had agreed fifteen asset swaps on the relevant underlying cover pools with Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A. (three for each originator).

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

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

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

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

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

After the payment date of 20 November 2018, the restructuring of several hedging derivatives was completed by unwinding the following assets swaps, with a value date of 18 December 2018:

Intesa Sanpaolo S.p.A.'s floating-rate and floating-rate-with-cap portfolio (the hedging derivative on the fixed-rate portfolio remains in place).

Fixed-rate, floating-rate, and floating-rate-with-cap portfolio of the former Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

Floating-rate and floating-rate-with-cap portfolio of the former Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.); the hedging derivative on the fixed-rate portfolio designated in the name of Intesa Sanpaolo S.p.A. remains in place.

On 23 November 2019, the restructuring of several hedging derivatives was completed by unwinding the following assets swaps, with a value date of 27 May 2019:

Fixed-rate, floating-rate, and floating-rate-with-cap portfolio of the former Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

Fixed-rate, floating-rate, and floating-rate-with-cap portfolio of the former Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.).

On 25 February 2020, the restructuring of the last hedging derivatives was completed by unwinding the following assets swaps, with a value date of 27 February 2020:

- Intesa Sanpaolo S.p.A. fixed-rate portfolio
- Former Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) fixed-rate portfolio.

As a result, there were no hedging derivatives on the securitised portfolio at 31 December 2020.

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.

QUANTITATIVE INFORMATION

Cash flows from securitised assets

Loans and receivables

Carrying amount

	31 May 2012	Changes in previous years	Changes in current year	31 December 2020
a) Opening balance	12,947,133,535			
b) Increases		55,988,976,588	13,495,952,055	
b.1 interest		4,738,042,509	794,148,416	
b.2 default/legal interest		25,085,303	318,396	
b.3 penalties for redemptions in advance and other		44,993,982	7,322,854	
b.4 acquisitions		51,018,798,527	12,687,853,843 (*)	
b.5 other increases		162,056,267	6,308,545	
c) Decreases		29,459,729,814	6,516,698,742	
c.1 collections		27,337,486,895	6,274,533,651	
c.2 sales		1,349,312,179	64,556,906 (**)	
c.3 other decreases in loans		772,930,740	177,608,185	
Closing balance				46,455,633,622

(*) On 25 March 2020, €6,022,846,935.94 was sold by Intesa Sanpaolo S.p.A.

On 19 June 2020, €5,104,847,846.29 was sold by Intesa Sanpaolo S.p.A.

On 19 November 2020, €1,560,159,061.19 was sold by Intesa Sanpaolo S.p.A.

(**) On 26 May 2020, €64,556,905.92 was returned to Intesa Sanpaolo S.p.A.

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

Past due loans

The table below shows the changes in gross past due loans (principal and interest paid) during the year based on the classifications envisaged in the servicing agreements.

		Changes in current year
a) Opening balance	31 December 2019	23,909,184
b) Increases		3,580,531,126
b.1 interest accrued		705,521,230
b.2 default/legal interest accrued		-
b.3 legal costs and other changes		11,774,043
b.4 principal		2,863,235,853
b.5 acquisitions		-
c) Decreases		3,574,174,170
c.1 collections		3,571,563,057
c.2 write-offs		-
c.3 sales		-
c.4 other decreases		2,611,113
Closing balance	31 December 2020	30,266,140

A summary table is provided below of the 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.

	31/12/2020				31/12/2019			
	Gross amount	Impairment losses	Carrying amount	% coverage	Gross amount	Impairment losses	Carrying amount	% coverage
Performing exposures	45,862,389,837	194,886,406	45,667,503,431	0.42%	39,046,876,258	93,598,455	38,953,277,803	0.24%
Non-performing past due exposure	82,483,684	7,365,248	75,118,436	8.93%	133,855,258	8,803,965	125,051,293	6.58%
Unlikely-to-pay	232,263,841	27,025,843	205,237,998	11.64%	66,990,826	8,298,295	58,692,531	12.39%
Bad loans	12,932,180	3,785,454	9,146,726	29.27%	2,575,787	882,523	1,693,264	34.26%
Performing past due exposures	327,679,705	38,176,545	289,503,160	11.65%	203,421,871	17,984,783	185,437,088	8.84%
IAS difference	434,070,125	-	434,070,125		337,665,418	-	337,665,418	
Total loans	46,624,139,667	233,062,951	46,391,076,716		39,587,963,547	111,583,238	39,476,380,309	
% Non-performing exposures on total loans	0.70%		0.62%		0.51%		0.47%	

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 year, a total of €101,134,894 of net adjustments to loans were recorded (of which €27,502,740 on non-performing loans and €73,632,154 on performing loans). However, the comparison with the previous year is not like-for-like due to new sales made during the current year and the repurchase of mortgage loans in "bad loan" or "unlikely-to-pay" status by Intesa Sanpaolo S.p.A. on 29 October 2019.

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

COVID-19 support measures

The table below shows the breakdown as at 31 December 2020 of the remaining principal of the loans subject to moratoria and showing the Covid-related moratoria.

	31/12/2020			
	Gross amount	%	No. of loans	%
Remaining principal of performing loans	45,751,706,945		570,397	
of which: loans subject to moratoria	3,939,403,350	8.61%	31,349	5.50%

Breakdown by type of moratorium

Performing loans subject to moratoria	3,939,403,350	100.00%
- of which Covid related	3,480,467,225	88.35%
- of which principal and interest	3,230,022,221	81.99%
- of which principal only	250,445,004	6.36%
- of which other	458,936,124	11.65%

Cash flows

Collections (from 1 January to 31 December 2020)

Description	Amount
loans and receivables sold by Intesa Sanpaolo S.p.A.	6,339,090,557
return to Intesa Sanpaolo S.p.A.	64,556,906
Total	6,403,647,463

Other cash inflows related to:

CC expenses	-
net interest on current accounts	127
Reserve Fund Required Amount	17,072,914
derivatives for interest collected	40,983,617

Cash outflows related to:

CC expenses	218,471
management fees	37,338,412
interest on subordinated loan	253,613,498
additional return on subordinated loan	467,498,533
derivatives for interest paid	52,508,111
Reserve Fund Required Amount	74,178,039
repayment of subordinated loan - Intesa Sanpaolo S.p.A	3,400,000,000

Details of the collections are provided in the sections “Key events of the year”, “Outlook” and “Going concern” of the directors’ report.

Status of guarantees and credit facilities

The vehicle does not have credit facilities.

Breakdown by residual life

Securitised loans

	up to 3 months	from 3 months to 1 year	from 1 to 5 years	after 5 years	past due	Total
1. Securitised assets						
1.1 loans	669,092,707	2,535,811,228	12,655,379,147	30,500,395,310	30,398,324	46,391,076,716
Total	669,092,707	2,535,811,228	12,655,379,147	30,500,395,310	30,398,324	46,391,076,716
2. Financial liabilities						
2.2 financing	-	-	-	54,756,100,435	-	54,756,100,435
Total	-	-	-	54,756,100,435	-	54,756,100,435

Breakdown by geographical location

Securitised loans

- Country of residence of debtors: ITALY
- Currency of denomination of loans: EURO.

Liabilities – loans received

- Country of residence of debtors: ITALY
- Currency of denomination of loans: EURO.

Risk concentration

Breakdown of loan portfolio by amount

Bracket	No. of transactions	%	Amount	%
0 - €25,000	89,651	15.59%	1,227,586,881	2.65%
€25,000 - €75,000	238,603	41.50%	11,884,910,429	25.62%
€75,000 - €250,000	235,123	40.89%	28,001,247,242	60.36%
more than €250,000	11,576	2.01%	5,277,332,164	11.38%
Total	574,953	100.00%	46,391,076,716	100.00%

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

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

Section 3 – Risks and related hedging policies

3.1 Credit risk

1. General aspects

Qualitative disclosure

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

With regard to the segregated assets, the vehicle is subject to risks arising from the failure to collect amounts due from debtors and the servicer's failure to perform its duties and commitments to collect sufficient funds to meet its payment obligations under the Programme. These risks are mitigated by the issue of covered bonds by Intesa Sanpaolo S.p.A. for a total amount that is lower than the value of the portfolios of Securitised loans. All the covered bonds issued under the Programme are subscribed by Intesa Sanpaolo S.p.A.

Impacts resulting from the Covid-19 pandemic

With reference to the vehicle's operations, the impacts of the Covid-19 pandemic have not affected the management of the vehicle. However, they have led to an increase in the measures to support households, moratoria and other concessions, as well as an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities following the outbreak of the Covid-19 pandemic. In this regard, you are reminded that the individual and collective valuations of the securitised loans, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the securitisation. For more details in this regard, see the "Quantitative disclosure" in Part H – Covered Bonds.

Quantitative disclosure

The tables below refer to the vehicle's operations.

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

	Bad loans	Unlikely-to-pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets at amortised cost	-	-	-	-	148,136	148,136
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 31/12/2020	-	-	-	-	148,136	148,136
Total 31/12/2019	-	-	-	-	212,192	212,192

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

	Non-performing			Total partial write-offs	Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure		Gross exposure	Total value adjustments	Net exposure	
1. Financial assets at amortised cost	-	-	-	-	148,136	-	148,136	148,136
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 31/12/2020	-	-	-	-	148,136	-	148,136	148,136
Total 31/12/2019	-	-	-	-	212,192	-	212,192	212,192

	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 31/12/2020	-	-	-
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	-	148,136	-	148,136	-
-of which: forborne exposures	-	-	-	-	-
TOTAL A	-	148,136	-	148,136	-
B. OFF-BALANCE SHEET EXPOSURES					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
TOTAL B	-	-	-	-	-
TOTAL (A+B)	-	148,136	-	148,136	-

3.2 Market risk

3.2.1 Interest rate risk

Qualitative disclosure

1. General aspects

The vehicle is not exposed to interest rate risk because it only has on-demand receivables consisting of current accounts held with Intesa Sanpaolo S.p.A.

With regard to the segregated assets, the interest rate risk mainly consists of the potential loss arising from changes in interest rates between the securitised assets and the covered bonds and only occurs when the Issuer is no longer able to meet its commitments arising from the covered bond issues. All the covered bonds issued under the Programme are subscribed by Intesa Sanpaolo S.p.A.

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	148,136	-	-	-	-	-	-	-
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

Qualitative disclosure

1. General aspects, management processes and operational risk measurement methods

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

1. General aspects, management processes and liquidity risk measurement methods

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 securitisation for the operating expenses incurred to maintain it in good standing.

With regard to the liquidity risk of the segregated assets, the structure of the transaction, as governed by the related contracts, requires the vehicle, in accordance with the provisions of Article 1, paragraph 2 of Law no. 130, to only use the collections from the securitised assets on each payment date to “satisfy the rights embedded in the securities issued, by it or by another company, to fund the purchase of those loans and pay transaction costs”.

In any event, the structure of the transaction provides that where the collections from the securitised assets are, temporarily, insufficient to meet the obligations assumed, the vehicle can make use of the instruments indicated in the paragraph “Related financial transactions” of the “Quantitative information” in Part H – Covered Bonds.

Quantitative disclosure

The tables below refer to the vehicle’s operations.

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	unspecified maturity
On-balance sheet assets											
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	-	-	-	-	-	-	-	-	-	-	-
A.4 Other assets	148,136	-	-	-	-	-	-	-	-	-	-
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 loan commitments											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued											
	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received											
	-	-	-	-	-	-	-	-	-	-	-

Disclosure on risks

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first-demand autonomous, irrevocable and unconditional guarantee to the bondholders with limited recourse to the cover pool assets (the covered bonds guarantee). 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 originators Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), which granted ISP OBG S.r.l. subordinated loans which it used to fully finance the acquisition.

Section 4 - Equity

4.1 Equity

4.1 Equity

4.1.1 Qualitative disclosure

The management of the vehicle's assets consists of the set of policies that determine their size in order to ensure that they are adequate for the vehicle's operations and meet the quantitative and qualitative requirements established by law.

The vehicle was established in accordance with Law no. 130/99, in the form of a limited liability company, and its sole purpose is to carry out loan securitisations.

As provided for by Law no. 130/99, the characteristic of the vehicle's activity is the segregation of its assets and liabilities from those of the securitisations it owns. As a result of this segregation, the costs incurred to maintain the vehicle's good standing are low and, in any case, recovered through specific contractual provisions that provide for their chargeback to the securitisation.

This ensures that ISP OBG S.r.l. maintains adequate levels of assets over the life of the securitisation.

4.1.2 Quantitative disclosure

4.1.2.1 Equity: breakdown

The vehicle's equity consists of quota capital of €42,038, split into quotas, the legal reserve (€4,473) and the extraordinary reserve (€82,692).

	31/12/2020	31/12/2019
1. Quota capital	42,038	42,038
2. Quota premium	-	-
3. Reserves	87,165	87,165
- income-related	87,165	87,165
a) legal	4,473	4,473
b) statutory	-	-
c) treasury quotas	-	-
d) other	82,692	82,692
- 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 year	-	-
Total	129,203	129,203

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

	31/12/2020	31/12/2019
10. Profit for the year	-	-
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 tax expense related to 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	-	-
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

31/12/2020	Directors and Statutory Auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	12,951
- Statutory auditors	17,904
Total	30,855

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

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

6.3 Related-party transactions

Assets and liabilities at 31/12/2020	Loans and receivables with	Other assets	Other liabilities
- Directors and statutory auditors	-	-	7,232
- Parent: Intesa Sanpaolo S.p.A.	148,136	-	-
Total	148,136	-	7,232

Income and expense for 2020	Interest and similar income	Personnel expense	Other administrative expenses	Fee and commission expense
- Directors and statutory auditors	-	30,855	438	-
- Parent: Intesa Sanpaolo S.p.A.	-	-	-	-
Total	-	30,855	438	-

Section 7 - Other information

7.1 Other

- Equity at 31 December 2020

	Amount at 31/12/2020	Possible use (*)	Portion of earnings in tax suspension	Summary of use in past three years	
				to cover losses	for other reasons
Equity:					
Quota capital	42,038		-	-	-
Legal reserve	4,473	A (1), B, C (1)	-	-	-
Extraordinary reserve (Other reserves)	82,692	A, B, C	-	-	-
Total quota capital and reserves	129,203				

(*) A = for capital increase; B = to cover losses; C = for distribution to quotaholders

(1) available for capital increase (A) and for distribution to quotaholders (C) in the amount exceeding one fifth of the quota capital

- Fees for auditing services and non-auditing services in accordance with article 149-duodecies of the Consob Issuers' Regulation

The table below, prepared in accordance with article 149-duodecies of Consob Issuers' Regulation no. 11971, shows the breakdown of the fees for the independent audit services and non-audit services due for the year, paid to the Independent Auditors KPMG S.p.A. and the companies in its network. The fees do not include VAT, Consob duties, and expense reimbursements.

Service	Service provider	Fees
Audit	KPMG S.p.A.	210,669
Other non-audit services	KPMG S.p.A.	216,580

- Parent that prepares consolidated financial statements

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

Milan, 26 February 2021

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Annexes

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

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

Assets	31.12.2020	31.12.2019	(euro)	
			Changes amount	%
10. Cash and cash equivalents	5,402,330,985	6,013,356,038	-611,025,053	-10.2
20. Financial assets measured at fair value through profit or loss	57,072,628,465	22,973,103,973	34,099,524,492	
<i>a) financial assets held for trading</i>	53,737,448,596	19,871,692,215	33,865,756,381	
<i>b) financial assets designated at fair value</i>	1,163,237	195,028,564	-193,865,327	-99.4
<i>c) other financial assets mandatorily measured at fair value</i>	3,334,016,632	2,906,383,194	427,633,438	14.7
30. Financial assets measured at fair value through other comprehensive income	40,988,130,226	33,276,643,885	7,711,486,341	23.2
40. Financial assets measured at amortised cost	470,244,703,700	439,932,789,628	30,311,914,072	6.9
<i>a) due from banks</i>	90,616,181,852	122,454,605,998	-31,838,424,146	-26.0
<i>b) loans to customers</i>	379,628,521,848	317,478,183,630	62,150,338,218	19.6
50. Hedging derivatives	1,014,885,703	2,830,373,955	-1,815,488,252	-64.1
60. Fair value change of financial assets in hedged portfolios (+/-)	2,333,380,783	1,525,813,562	807,567,221	52.9
70. Equity investments	24,668,230,420	24,410,762,610	257,467,810	1.1
80. Property and equipment	6,557,904,180	6,688,430,072	-130,525,892	-2.0
90. Intangible assets	3,573,624,987	4,551,602,210	-977,977,223	-21.5
<i>of which:</i>				
- goodwill	67,487,402	1,242,487,402	-1,175,000,000	-94.6
100. Tax assets	14,216,445,687	14,016,892,094	199,553,593	1.4
<i>a) current</i>	1,428,233,703	1,480,236,864	-52,003,161	-3.5
<i>b) deferred</i>	12,788,211,984	12,536,655,230	251,556,754	2.0
110. Non-current assets held for sale and discontinued operations	1,798,133,896	469,027,127	1,329,106,769	
120. Other assets	3,861,580,219	3,739,834,486	121,745,733	3.3
Total assets	631,731,979,251	560,428,629,640	71,303,349,611	12.7

Intesa Sanpaolo Financial Statements – Balance sheet

Liabilities and Shareholders' Equity	31.12.2020	31.12.2019	(euro)	
			Changes amount	%
10. Financial liabilities measured at amortised cost	491,392,699,923	476,324,527,437	15,068,172,486	3.2
<i>a) due to banks</i>	130,653,717,279	152,978,451,667	-22,324,734,388	-14.6
<i>b) due to customers</i>	288,693,749,406	247,937,370,294	40,756,379,112	16.4
<i>c) securities issued</i>	72,045,233,238	75,408,705,476	-3,363,472,238	-4.5
20. Financial liabilities held for trading	60,829,575,108	16,446,060,192	44,383,514,916	
30. Financial liabilities designated at fair value	2,810,054,443	1,914,031,202	896,023,241	46.8
40. Hedging derivatives	5,386,985,108	7,323,119,194	-1,936,134,086	-26.4
50. Fair value change of financial liabilities in hedged portfolios (+/-)	721,478,156	521,940,321	199,537,835	38.2
60. Tax liabilities	831,482,469	928,948,213	-97,465,744	-10.5
<i>a) current</i>	12,857,298	23,592,680	-10,735,382	-45.5
<i>b) deferred</i>	818,625,171	905,355,533	-86,730,362	-9.6
70. Liabilities associated with non-current assets held for sale and discontinued operations	2,594,333,881	41,034,565	2,553,299,316	
80. Other liabilities	8,000,290,475	7,500,204,651	500,085,824	6.7
90. Employee termination indemnities	926,629,701	1,057,087,202	-130,457,501	-12.3
100. Allowances for risks and charges	4,124,438,581	3,099,839,100	1,024,599,481	33.1
<i>a) commitments and guarantees given</i>	404,079,280	384,991,008	19,088,272	5.0
<i>b) post-employment benefits</i>	212,006,481	205,670,392	6,336,089	3.1
<i>c) other allowances for risks and charges</i>	3,508,352,820	2,509,177,700	999,175,120	39.8
110. Valuation reserves	1,175,672,767	1,374,623,166	-198,950,399	-14.5
120. Redeemable shares	-	-	-	-
130. Equity instruments	7,053,190,135	4,102,664,631	2,950,525,504	71.9
140. Reserves	7,609,176,236	3,399,458,545	4,209,717,691	
150. Share premium reserve	27,602,889,913	25,233,266,887	2,369,623,026	9.4
160. Share capital	10,084,445,148	9,085,663,010	998,782,138	11.0
170. Treasury shares (-)	-90,059,757	-60,813,066	29,246,691	48.1
180. Net income (loss) (+/-)	678,696,964	2,136,974,390	-1,458,277,426	-68.2
Total liabilities and shareholders' equity	631,731,979,251	560,428,629,640	71,303,349,611	12.7

Intesa Sanpaolo Financial Statements – Income statement

		(euro)			
		2020	2019	Changes amount	%
10.	Interest and similar income	7,265,227,533	7,282,086,219	-16,858,686	-0.2
	<i>of which: interest income calculated using the effective interest rate method</i>	<i>7,376,596,616</i>	<i>7,568,715,562</i>	<i>-192,118,946</i>	<i>-2.5</i>
20.	Interest and similar expense	-2,037,749,884	-2,874,258,933	-836,509,049	-29.1
30.	Interest margin	5,227,477,649	4,407,827,286	819,650,363	18.6
40.	Fee and commission income	5,243,401,909	5,097,939,877	145,462,032	2.9
50.	Fee and commission expense	-847,625,430	-609,465,768	238,159,662	39.1
60.	Net fee and commission income	4,395,776,479	4,488,474,109	-92,697,630	-2.1
70.	Dividend and similar income	2,536,369,058	2,144,099,724	392,269,334	18.3
80.	Profits (Losses) on trading	463,395,069	38,655,668	424,739,401	
90.	Fair value adjustments in hedge accounting	36,167,928	-36,699,444	72,867,372	
100.	Profits (Losses) on disposal or repurchase of:	562,385,475	357,904,493	204,480,982	57.1
	<i>a) financial assets measured at amortised cost</i>	<i>-200,010,161</i>	<i>-25,917,941</i>	<i>174,092,220</i>	
	<i>b) financial assets measured at fair value through other comprehensive income</i>	<i>782,793,418</i>	<i>214,497,933</i>	<i>568,295,485</i>	
	<i>c) financial liabilities</i>	<i>-20,397,782</i>	<i>169,324,501</i>	<i>-189,722,283</i>	
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	-51,273,079	17,662,586	-68,935,665	
	<i>a) financial assets and liabilities designated at fair value</i>	<i>55,848,050</i>	<i>-95,452,555</i>	<i>151,300,605</i>	
	<i>b) other financial assets mandatorily measured at fair value</i>	<i>-107,121,129</i>	<i>113,115,141</i>	<i>-220,236,270</i>	
120.	Net interest and other banking income	13,170,298,579	11,417,924,422	1,752,374,157	15.3
130.	Net losses/recoveries for credit risks associated with:	-3,377,134,142	-1,965,432,618	1,411,701,524	71.8
	<i>a) financial assets measured at amortised cost</i>	<i>-3,369,195,440</i>	<i>-1,953,858,693</i>	<i>1,415,336,747</i>	<i>72.4</i>
	<i>b) financial assets measured at fair value through other comprehensive income</i>	<i>-7,938,702</i>	<i>-11,573,925</i>	<i>-3,635,223</i>	<i>-31.4</i>
140.	Profits (Losses) on changes in contracts without derecognition	-6,847,805	-5,072,667	1,775,138	35.0
150.	Net income from banking activities	9,786,316,632	9,447,419,137	338,897,495	3.6
160.	Administrative expenses:	-8,573,392,874	-7,155,003,404	1,418,389,470	19.8
	<i>a) personnel expenses</i>	<i>-5,521,457,139</i>	<i>-4,498,946,183</i>	<i>1,022,510,956</i>	<i>22.7</i>
	<i>b) other administrative expenses</i>	<i>-3,051,935,735</i>	<i>-2,656,057,221</i>	<i>395,878,514</i>	<i>14.9</i>
170.	Net provisions for risks and charges	-629,401,493	-65,645,408	563,756,085	
	<i>a) commitments and guarantees given</i>	<i>-14,342,480</i>	<i>-863,098</i>	<i>13,479,382</i>	
	<i>b) other net provisions</i>	<i>-615,059,013</i>	<i>-64,782,310</i>	<i>550,276,703</i>	
180.	Net adjustments to / recoveries on property and equipment	-381,324,336	-391,583,737	-10,259,401	-2.6
190.	Net adjustments to / recoveries on intangible assets	-594,720,957	-536,880,647	57,840,310	10.8
200.	Other operating expenses (income)	620,289,244	807,164,212	-186,874,968	-23.2
210.	Operating expenses	-9,558,550,416	-7,341,948,984	2,216,601,432	30.2
220.	Profits (Losses) on equity investments	-154,091,601	-56,028,166	98,063,435	
230.	Valuation differences on property, equipment and intangible assets measured at fair value	-33,266,293	-10,204,141	23,062,152	
240.	Goodwill impairment	-1,155,000,000	-	1,155,000,000	-
250.	Profits (Losses) on disposal of investments	28,757,915	-111,598	28,869,513	
260.	Income (Loss) before tax from continuing operations	-1,085,833,763	2,039,126,248	-3,124,960,011	
270.	Taxes on income from continuing operations	638,567,347	34,130,294	604,437,053	
280.	Income (Loss) after tax from continuing operations	-447,266,416	2,073,256,542	-2,520,522,958	
290.	Income (Loss) after tax from discontinued operations	1,125,963,380	63,717,848	1,062,245,532	
300.	Net income (loss)	678,696,964	2,136,974,390	-1,458,277,426	-68.2