ISP OBG S.r.l.

Review report on the interim financial statements

(Translation from the original Italian text)

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Review report on the interim financial statements
(Translation from the original Italian text)

To the Board of Directors of
ISP OBG S.r.l.

Introduction

We have reviewed the interim financial statements, comprising the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes of ISP OBG S.r.l. as at 30 June 2021 and for the six months then ended. The Directors of ISP OBG S.r.l. are responsible for the preparation of the interim financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of ISP OBG S.r.l. as at 30 June 2021 and for the six months then ended are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

We draw attention to the Part A – Accounting policies of the explanatory notes to the interim financial statements where the Directors state that the Company has the sole purpose of acquiring loans and securities through funding pursuant to Law n. 130 of 30 April 1999, in connection with covered bonds transactions. As described by the Directors, the Company has recorded the acquired receivables and the other transactions connected with the covered bonds in the explanatory notes consistently with the provisions of Law n. 130 of 30 April 1999 according to which the receivables and securities involved in each securitisation are, in all respect, separated from the assets of the Company and from those related of the other securitisation transactions. Our conclusion is not qualified in respect of this matter.

Milan, 27 July 2021

EY S.p.A.
Signed by: Giovanni Pesce, Auditor

This report has been translated into the English language solely for the convenience of international readers

ISP OBG S.r.l.

Half-Yearly Financial Report
as at 30 June 2021

INTESA SANPAOLO

ISP OBG S.r.l.

Contents

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

EY S.p.A.

Half-yearly report on operations

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 31 May 2012. Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services.

Performance

There were two payment dates in the first six months of 2021. The first (22 February 2021) related to cash flows from loan collections from 1 October 2020 to 31 December 2020 and the second (20 May 2021) related to cash flows from loan collections from 1 January 2021 to 31 March 2021.

On 14 January 2021, the following covered bonds were fully redeemed in advance through cancellation:

- the seventeenth series with a residual nominal amount of €1,175 million and an original maturity date of 20 February 2021;
- the eighteenth series with a residual nominal amount of €1,572 million and an original maturity date of 20 August 2021.

The following covered bonds were issued on 20 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 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%.

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. The bonds pay three-monthly coupons on 20 February, 20 May, 20 August and 20 November of each year.

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 cancelled and redeemed as at 30 June 2021.

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
45	18/01/2021	20/08/2036	1,350,000,000	3-month Euribor +0.24%	Luxembourg	retained
46	18/01/2021	20/08/2037	1,350,000,000	3-month Euribor +0.26%	Luxembourg	retained
			45,850,000,000			

On 29 January 2021, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 25 January 2021 and legal effect from 29 January 2021, 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 €321,096,578.73.
The sales notice was published in the Italian Official Journal, Part 2, no. 15 of 4 February 2021.

A twenty-second sale of loans was made to the vehicle on 19 March 2021, effective from 15 March 2021. 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 €4,168,686,834.21 by Intesa Sanpaolo S.p.A..
The sales notice was published in the Italian Official Journal, Part 2, no. 37 of 27 March 2021.

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 29 March 2021, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €1,000,000,000 to finance part of the acquisition of the respective loans and the remainder, amounting to €3,168,686,834.21, was financed using the Principal Available Funds.

On 20 May 2021, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 18 May 2021 and legal effect from 20 May 2021, 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 €121,274.56.
The sales notice was published in the Italian Official Journal, Part 2, no. 68 of 10 June 2021.

The subordinated loan was repaid during the half year, in the amount of €1,900 million, on the Guarantor Payment Date of 22 February 2021, using the cash and cash equivalents posted during the period, deriving from the collection of the principal from the assets of the underlying portfolio.

See point H of Part D – Other information in the Explanatory notes, for more information on the vehicle's operations.

Profit for the period

The vehicle ended the first half of 2021 at break-even because the operating costs were charged back to segregated assets in accordance with the contractual agreements.

Transactions with Group Companies

As required by article 2497 and following of the Italian Civil Code, it is noted that the vehicle has current accounts with Intesa Sanpaolo S.p.A., which currently bear agreed interest rates.
In accordance with the contractual documentation signed for the completion of the Transaction and valid until its termination, the vehicle 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:

- €18,677,765 for servicing and monitoring fees
- €10,000 for receivable account bank fees
- €50,000 for administrative services fees
- €5,000 for cash management fees
- €1,500 for account bank fees
- €6,012 for securities depositary fees
- €250 for fees for the performance of services required by the EMIR.

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

Related-party transactions

In relation to the disclosure for related-party transactions, significant and non-recurring events and transactions, positions or transactions deriving from atypical and/or unusual transactions, the following is noted:

Related-party transactions

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

Significant and non-recurring transactions
No significant and non-recurring transactions were carried out in the first half of 2021.

Atypical and/or unusual transactions
No atypical and/or unusual transactions were carried out in the first half of 2021.

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

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

Research and development

The vehicle does not carry out research and development.

Composition of the Quota Capital

The Quota Capital, subscribed and paid in for a total of €42,038, is divided into quotas and is held as follows:
- Intesa Sanpaolo S.p.A. holds a nominal amount of €25,222.80, 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 Intesa Sanpaolo S.p.A..

Key events of the period

The recovery of the global economy from the health crisis, linked to the spread of the COVID-19 pandemic, continued in the first half of 2021, but with differing geographical patterns and intensity. The key factors were the speed of vaccination campaigns, the efficiency of infection prevention mechanisms and, lastly, the level of support for recovery provided by the economic policies.
Despite the optimism generated by the effectiveness of vaccines, the path to recovery is still marked by uncertainties linked to the evolution of the pandemic and its repercussions on the economy. In particular, the delay in the delivery of vaccines and the spread of new variants could lead to the need to extend the restrictive measures to contain infections, with inevitable repercussions for the attempted recovery of the real economy.
Governments and central banks are still showing strong willingness to continue supporting the real economy and the markets in order to avoid repercussions similar to those seen after the Great Recession.
That said, with regard 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, since the beginning of the health emergency, 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, which provided guidance on the matter on several occasions during 2020, setting out framework that still applies to this day. In this context, the main focus of attention for the financial intermediaries continues to be the monitoring and proactive management of credit risk, both with regard to the classification of credit exposures and their consequent assessment, to meet the need to promptly identify all possible signs of impairment of exposures in order to ensure the implementation of early interventions in order to avoid, or at least reduce, their transition to non-performing status.
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 transaction.

Subsequent events

There were no significant events after the reporting date.

Outlook

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

Going concern

Despite the continued uncertainty regarding the evolution of the pandemic and its repercussions on the economy, the Board Of Directors 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 Interim financial statements as at 30 June 2021 has 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.

Milan, 26 July 2021

On behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Interim financial statements as at 30 June 2021

Financial statements

Statement of financial position

(amounts in Euros)

	Assets	30/06/2021	31/12/2020
40.	Financial assets measured at amortised cost	200,162	148,136
	a) due from banks	200,162	148,136
100.	Tax assets:	7,515	7,613
	a) current	9	77
	b) deferred	7,506	7,536
120.	Other assets	26,466	142,710
	TOTAL ASSETS	**234,143**	**298,459**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of financial position

(amounts in Euros)

	Liabilities and equity	30/06/2021	31/12/2020
80.	Other liabilities	104,940	169,256
110.	Quota capital	42,038	42,038
150.	Reserves	87,165	87,165
170.	Net income (loss)	-	-
	TOTAL LIABILITIES AND EQUITY	**234,143**	**298,459**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statements of income

(amounts in Euros)

	Income statement items	30/06/2021	30/06/2020
160.	Administrative expenses:	-108,883	-170,392
	a) personnel expenses	-15,313	-15,919
	b) other administrative expenses	-93,570	-154,473
200.	Other operating expenses/income	109,011	171,023
210.	**OPERATING EXPENSES**	**128**	**631**
260.	**INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATITIONS**	**128**	**631**
270.	Taxes on income from continuing operations	-128	-631
280.	**INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS**	**-**	**-**
300.	**NET INCOME (LOSS)**	**-**	**-**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of comprehensive income

(amounts in Euros)

		30/06/2021	30/06/2020
10.	**Net income (loss)**	-	-
	Other comprehensive income (net of tax) that may not be reclassified to the income statement		
20.	Equity instruments designated at FVOCI	-	-
30.	Financial liabilities designated at FVTPL (change in own credit rating)	-	-
40.	Hedging of equity instruments designated at FVOCI	-	-
50.	Property and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non current assets classified as held for sale	-	-
90.	Share of valuation reserves connected with investments carried at equity	-	-
	Other comprehensive income (net of tax) that may be reclassified to the income statement		
100.	Hedges of foreign investments	-	-
110.	Foreign exchange differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (not designated elements)	-	-
140.	Financial assets (other than equities) measured at FVOCI		
150.	Non-current assets held for sale and discontinued operations	-	-
160.	Share of valuation reserves connected with investments carried at equity	-	-
170.	**Total other comprehensive income (net of tax)**	-	-
180.	**Total comprehensive income (captions 10 + 170)**	**-**	**-**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of changes in equity

30 June 2021

(amounts in Euros)

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Net income (loss)	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1/1/2021	42,038	-	-	87,165	-	-	-	-	-	129,203
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2021	**42,038**	**-**	**-**	**87,165**	**-**	**-**	**-**	**-**	**-**	**129,203**

31 December 2020

(amounts in Euros)

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Net income (loss)	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1/1/2020	42,038	-	-	87,165	-	-	-	-	-	129,203
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE YEAR										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 31/12/2020	**42,038**	**-**	**-**	**87,165**	**-**	**-**	**-**	**-**	**-**	**129,203**

30 June 2020

(amounts in Euros)

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Net income (loss)	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1/1/2020	42,038	-	-	87,165	-	-	-	-	-	129,203
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR										-
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2020	**42,038**	**-**	**-**	**87,165**	**-**	**-**	**-**	**-**	**-**	**129,203**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Paola Fandella

Statement of cash flows

(amounts in Euros)

		30/06/2021	30/06/2020
A. OPERATING ACTIVITIES			
1.	**Operations**	**52,026**	**96,870**
	- interest income collected (+)	-	
	- interest expense paid (-)	-	-5
	- dividends and similar income (+)	-	-
	- net fee and commission income (expense) (+)	-	-
	- personnel expenses (-)	-6,239	-14,187
	- other costs (-)	-165,763	-168,944
	- other revenue (+)	224,057	280,006
	- taxes and duties (-)	-29	-
	- 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	-	-
4.	**Cash flows generated by the increase in financial liabilities**	**-**	**-**
	- financial liabilities	-	-
	- securities issued		
	- financial liabilities held for trading		
	- financial liabilities at fair value		
	- other liabilities	-	-
5.	**Cash flows used for repayment/repurchase of financial liabilities**	-	-
	- financial liabilities	-	-
	- securities issued	-	-
	- financial liabilities held for trading	-	-
	- financial liabilities at fair value	-	-
	- other liabilities	-	-
	Net cash flows generated by/used in operating activities	**52,026**	**96,870**
B. INVESTING ACTIVITIES			
1.	**Cash flows generated by:**	-	-
	- sales of equity investments	-	-
	- dividends from equity investments	-	-
	- sales of property, equipment and investment property	-	-
	- sales of intangible assets	-	-
	- sales of business units	-	-
2.	**Cash flows used to acquire:**	-	-
	- equity investments	-	-
	- property, equipment and investment property	-	-
	- intangible assets	-	-
	- business units	-	-
	Net cash flows generated by/used in investing activities	**-**	**-**
C. FINANCING ACTIVITIES			
	- issue/repurchase of treasury quotas	-	-
	- issue/purchase of equity instruments	-	-
	- dividends and other distributions	-	-
	Net cash flows generated by/used in financing activities	**-**	**-**
NET CASH FLOWS FOR THE PERIOD		**52,026**	**96,870**
RECONCILIATION			
	Opening cash and cash equivalents	148,136	212,192
	Net cash flows for the period	52,026	96,870
Closing cash and cash equivalents		**200,162**	**309,062**

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Paola Fandella

Explanatory notes

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 - Statement of compliance with the IFRS

The vehicle has prepared its Interim financial statements as at 30 June 2021 in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force at the reporting date.

Specifically, the Interim financial statements has been prepared in accordance with IAS 34 (Interim financial reporting).

As permitted by that standard, it has been prepared in condensed form.

SECTION 2 - Basis of presentation

The Company has the sole purpose of acquiring loans and securities through funding pursuant to Law n. 130 of 30 April 1999, in connection with covered bonds transactions. The Company has recorded the acquired receivables and the other transactions connected with the covered bonds in the explanatory notes consistently with the provisions of Law n. 130 of 30 April 1999 according to which the receivables and securities involved in each securitisation are, in all respect, separated from the assets of the Company and from those related of the other securitisation 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 Interim financial statements comprises a statement of financial position, a statements of income, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and these Explanatory notes. They are accompanied by a Half-yearly report on operations which comments on the vehicle's performance, results, financial position and cash flows for the period.
As required by the current regulations, the vehicle has prepared the Interim financial statements using the Euro as its functional currency.
The amounts in the financial statements, these notes and the Half-yearly report on operations are presented in Euros.
The Interim financial statements has been prepared in line with the general guidance set out in IAS 1 and the standards endorsed by the European Commission presented in Part A.2 of these notes. It also complies with the general assumptions set out in the Framework for the preparation and presentation of financial statements issued by the IASB.
No departures from the IAS/IFRS have been made.
The interim financial statements and the notes include the corresponding figures as at 31 December 2020 (statement of financial position) and for the six months ended 30 June 2020 (statements of income and statement of comprehensive income).
Pursuant to the provisions of Legislative Decree no. 38 of 28 February 2005, the vehicle has opted to prepare its interim 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 this Interim financial statements, in accordance with the guidance provided in the document "The IFRS financial statements of intermediaries other than banking intermediaries" issued by the Bank of Italy on 30 November 2018.
The Interim financial statements is 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:

1. Going concern (IAS 1 paragraphs 25 and 26): the Interim financial statements has been prepared on a going concern basis. In particular, despite the continued uncertainty regarding the evolution of the pandemic and its repercussions on the economy, the Board Of Directors 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 Interim financial statements as at 30 June 2021 has 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.

2. Accrual basis of accounting (IAS 1 paragraphs 27 and 28): except for the cash flow reporting, the Interim financial statements is prepared on the basis of accrual of costs and revenues, irrespective of the time of their monetary settlement and according to the matching principle;
3. Consistency of presentation (IAS 1 paragraph 29): the criteria for the presentation and classification of items in the Interim 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;
4. 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;
5. 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;
6. 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 Interim financial statements.

The accounting policies applied to prepare the Interim financial statements as at 30 June 2021 are consistent with those used for the annual financial statements as at 31 December 2020.

SECTION 3 – Subsequent events

There were no significant events after the reporting date.

SECTION 4 - Other aspects

The vehicle's Interim financial statements is reviewed by EY S.p.A..

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

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 pandemic

With regard 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, since the beginning of the health emergency, 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, which provided guidance on the matter on several occasions during 2020, setting out framework that still applies to this day.
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 transaction.

A.2 - ACCOUNTING POLICIES

This section sets out the accounting policies adopted in preparing the Interim financial statements as at 30 June 2021, solely for the statement of financial position and statements of income 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 vehicl e, the operating costs are charged to the segregated assets, up to the amount necessary to ensure the vehicle's financial stability, as also provided for by the Intercreditor Agreement and reported in the Prospectus for each securitisation carried out. This amount is classified under "Other operating income and expenses" and is the main revenue caption in the vehicle's financial statements.

Other information

The vehicle does not hold and has never held treasury quotas.

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

A.3 – DISCLOSURE ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

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

A.4 - DISCLOSURE ON FAIR VALUE

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	30/06/2021				31/12/2020			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	200,162	-	-	200,162	148,136	-	-	148,136
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	**200,162**	**- -**	**- -**	**- 200,162**	**148,136**	**- -**	**- -**	**- 148,136**
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 €200,162, classified at level 3 of the fair value hierarchy.

The figures as at 31 December 2020 have been reclassified for the purpose of comparability with the figures as at 30 June 2021.

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 the period in its ordinary operations.

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

PART B - EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

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

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

	30/06/2021						31/12/2020					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage one and two	Stage three	of which: purchased or originated credit-impaired	L1	L2	L3	Stage one and two	Stage three	of which: purchased or originated credit-impaired	L1	L2	L3
1. Deposits and current accounts: - held with Intesa Sanpaolo S.p.A.	200,162	-	-	-	-	200,162	148,136	-	-	-	-	148,136
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	**200,162**	**-**	**-**	**-**	**-**	**200,162**	**148,136**	**-**	**-**	**-**	**-**	**148,136**
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			
	Stage one	of which: low credit risk instruments	Stage two	Stage three	Stage one	Stage two	Stage three	Total partial write-offs
Debt instruments	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-
Other assets	200,162	-	-	-	-	-	-	-
Total 30/06/2021	**200,162**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 31/12/2020	**148,136**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which: purchased or originated credit-impaired financial assets								

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

10.1 Caption 100 “Tax assets: current and deferred”

Current tax assets: breakdown		30/06/2021	31/12/2020
IRAP payments on account and assets		9	77
	Total	**9**	**77**

Deferred tax assets: breakdown		30/06/2021	31/12/2020
Receivables for IRES deferred tax assets		7,506	7,536
	Total	**7,506**	**7,536**

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)

	30/06/2021	31/12/2020
1. Opening balance	**7,536**	**8,030**
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	**31**	**494**
3.1 Deferred tax assets derecognised in the period	31	494
(a) reversals	31	494
(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	**7,506**	**7,536**

Deferred tax assets arising on carryforward tax losses without time limits amount to €2,503.

Section 12 – Other assets – Caption 120

12.1 Caption 120 "Other assets"

	30/06/2021	31/12/2020
- receivables from the securitised assets	24,801	139,909
- tax credits	1,342	2,801
- prepayments	323	-
Total	**26,466**	**142,710**

LIABILITIES

Section 6 - Tax liabilities - Caption 60

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

Section 8 - Other liabilities - Caption 80

8.1 Caption 80 "Other liabilities"

	30/06/2021	31/12/2020
Directors' fees	6,328	-
Statutory auditors' fees	8,890	7,232
Suppliers and beneficiaries	89,722	160,470
IRPEF tax for self-employed workers	-	1,458
INAIL (accident at work insurance)	-	65
Securitised assets for interest	-	31
Total	**104,940**	**169,256**

Section 11 - Equity - Captions 110 and 150

11.1 Caption 110 "Quota capital"

	30/06/2021	31/12/2020
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 €25,222.80, 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 reserve	Total
A. Opening balance 01/01/2021	**4,473**	**-**	**82,692**	**87,165**
B. Increases				
B.1 Allocation of profits	-	-	-	-
B.2 Other increases	-	-	-	-
Total 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 - EXPLANATORY NOTES TO THE STATEMENTS OF INCOME

Section 10 - Administrative expenses - Caption 160

10.1 Caption 160.a "Personnel expenses"

	30/06/2021	30/06/2020
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	15,313	15,919
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	**15,313**	**15,919**

10.2 Average number of employees by category

The vehicle does not have any employees.

10.3 Caption 160.b "Other administrative expenses"

	30/06/2021	30/06/2020
Consultancy	3,438	3,438
Audit fees	88,553	147,234
Notary fees	1,118	2,983
Other taxes and duties	223	224
Reimbursement of costs incurred by corporate bodies	-	515
Other	238	79
Total	**93,570**	**154,473**

Section 14 - Other operating expenses/income - Caption 200

14.2 Caption 200 “Other operating expenses/income”

	30/06/2021	30/06/2020
Contractually provided-for income	109,011	171,023
Total	**109,011**	**171,023**

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 - Taxes on income from continuing operations- Caption 270

19.1 Caption 270 “Taxes on income from continuing operations”

	30/06/2021	30/06/2020
1. Current taxes	97	168
2. Change in current taxes from previous years (+/-)	-	-
3. Decrease in current taxes for the period (+)	-	-
3.bis Decrease in current taxes for the period due to tax assets as per Law no. 214/2011	-	-
4. Change in deferred tax assets (+/-)	31	463
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the period (-) (-1+/-2+3+ 3 bis+/-4+/-5)	**128**	**631**

Current taxes for the half year consist entirely of IRAP (business tax), while the changes in deferred tax assets relate to IRES (income tax).

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

(amounts in Euros)

		30/06/2021	30/06/2020
Income (Loss) before tax from continuing operations		128	631
	Theoretical taxable profit	**128**	**631**
		Income taxes	**Income taxes**
Income taxes - theoretical IRES tax expense		**31**	**151**
Increases		**-**	**312**
Higher effective tax rate and higher tax base for IRAP purposes		-	-
Non-deductible costs (contingent liabilities, etc.)		-	312
Other - prior year			-
Decreases		**-**	**-**
Untaxed gains on equity investments		-	-
Non-taxable dividends		-	-
Income at reduced rate		-	-
Other (taxable base reduction as per Article 11 of Legislative Decree 446/1997, ACE subsidy, etc.)			-463
Other - prior year		-	463
Total changes		**-**	**312**
	Total	**31**	**463**
	IRAP	**97**	**168**
	Effective tax expense (IRES + IRAP)	**128**	**631**

Part D - OTHER DISCLOSURES

Section 1 - Operations

D. GUARANTEES AND COMMITMENTS

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

Transactions	30/06/2021	31/12/2020
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	53,889,740,840	54,852,289,950
Total	**53,889,740,840**	**54,852,289,950**

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

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

Derivatives

Asset swaps have been taken out to protect the vehicle from interest rate risk; these are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

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.

Additional Interest Amount

The reporting of the performance of the transaction requires the recognition, in the event of a positive result, of an additional interest amount to be paid to the Issuer of the subordinated loan/Originator (as a balancing entry to a debt), while, in the event of a negative result, an adjustment is made to the additional interest amount, as a balancing entry to a reduction of the debt, up to the amount of the debt, secondly, the recognition of a receivable from the Issuer of the subordinated loan/Originator up to the amount of the subordinated loan received, and thirdly, the recognition of the negative result in “open” balances, with a note at the foot of the “Summary of the securitised assets” regarding any general negative performance of the transaction.

Summary of the securitised assets

(amounts in Euros)

		30/06/2021			31/12/2020	
Securitised assets			**47,765,598,961**			**47,031,284,152**
Loans and receivables		47,143,991,598			46,391,076,716	
Other assets		621,607,363			640,207,436	
- accrued interest income on loans	67,141,261			74,770,025		
- other prepayments and accrued income	50,000			1,361		
- prepayments to originator for additional interest amount	553,742,700			564,773,761		
- tax and other assets	673,402			662,289		
Utilisation of cash deriving from the management of securitised assets			**6,124,141,879**			**7,821,005,798**
Cash and cash equivalents		6,124,141,879			7,821,005,798	
Loans received			**53,855,727,117**			**54,756,100,435**
Other liabilities			**34,013,723**			**96,189,515**
Liabilities for services		33,988,922			96,049,606	
- of which due to originators	32,638,945			37,223,869		
Due to securitisation vehicles		24,801			139,909	

	30/06/2021		30/06/2020	
Fees and commissions borne by the transaction		**19,062,686**		**15,931,548**
For servicing	18,677,765		15,518,666	
For other services	384,921		412,882	
Other expense		**358,562,399**		**372,332,644**
Interest expense on subordinated loan	135,472,273		119,101,773	
Additional Interest Amount	215,244,718		200,302,486	
Losses on sales of loans	88,395		260,710	
Expected losses on loans	7,449,638		52,307,429	
Other expense	307,375		360,246	
Interest generated by the securitised assets		**354,080,622**		**362,024,020**
Other revenue		**23,544,463**		**26,240,172**
Interest income on IRS	-		22,532,386	
Reversals of impairment losses on loans	19,020,773		-	
Other revenue	4,523,690		3,707,786	

Some of the figures as at 30 June 2020 have been reclassified for the purpose of comparability with the figures as at 30 June 2021.

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Paola Fandella

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.

	30/06/2021				31/12/2020			
	Gross amount	Impairment losses	Carrying amount	% coverage	Gross amount	Impairment losses	Carrying amount	% coverage
Performing exposures	**46,585,388,909**	**180,973,933**	**46,404,414,976**	**0.39%**	**45,862,389,837**	**194,886,406**	**45,667,503,431**	**0.42%**
Non-performing past due exposu	69,888,465	6,375,752	63,512,713	9.12%	82,483,684	7,365,248	75,118,436	8.93%
Unlikely-to-pay	265,016,758	29,835,201	235,181,557	11.26%	232,263,841	27,025,843	205,237,998	11.64%
Bad loans	29,982,028	8,414,782	21,567,246	28.07%	12,932,180	3,785,454	9,146,726	29.27%
Non-performing exposures	**364,887,251**	**44,625,735**	**320,261,516**	**12.23%**	**327,679,705**	**38,176,545**	**289,503,160**	**11.65%**
IAS difference	419,315,106	-	419,315,106		434,070,125	-	434,070,125	
Total loans	**47,369,591,266**	**225,599,668**	**47,143,991,598**		**46,624,139,667**	**233,062,951**	**46,391,076,716**	
%non-performing exposures on total loans	**0.77%**		**0.68%**		**0.70%**		**0.62%**	

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

During the first half of the year, a total of €11,571,135 of reversals of impairment losses were recorded (of which €19,020,773 of reversals of impairment losses on performing loans and €7,449,638 of impairment losses on non-performing loans) compared with impairment losses recorded in the first half of 2020 totalling €52,307,429 (of which €20,445,748 on non-performing loans and €31,861,681 on performing loans).

COVID-19 support measures

The table below shows the breakdown as at 30 June 2021 of the remaining principal and past due payments of the loans subject to moratoria and showing the Covid-related moratoria.

	30/06/2021				31/12/2020			
	Gross amount	%	No. of loans	%	Gross amount*	%	No. of loans	%
Remaining principal of performing loans	46,456,121,499		573,834		45,751,706,945		570,397	
of which: loans subject to moratoria	**1,596,433,829**	**3.44%**	**10,998**	**1.92%**	**3,939,403,350**	**8.61%**	**31,349**	**5.50%**
Breakdown by type of moratorium								
Performing loans subject to moratoria	**1,596,433,829**	**100.00%**			**3,939,403,350**	**100.00%**		
- of which Covid related	**1,228,477,224**	**76.95%**			**3,480,467,225**	**88.35%**		
- of which principal and interest	1,075,393,986	67.36%			3,230,022,221	81.99%		
- of which principal only	153,083,238	9.59%			250,445,004	6.36%		
- of which other	**367,956,606**	**23.05%**			**458,936,124**	**11.65%**		

* The Gross amount as at 31 December 2020 consists solely of the remaining principal.

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 securitised loans, the originators became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originators for a consideration of €7,412,664.45 paid by Intesa Sanpaolo S.p.A. 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. (now merged into Intesa Sanpaolo 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.

On 29 January 2021, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 25 January 2021 and legal effect from 29 January 2021, 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 €321,096,578.73.
The sales notice was published in the Italian Official Journal, Part 2, no. 15 of 4 February 2021.

A twenty-second sale of loans was made to the vehicle on 19 March 2021, effective from 15 March 2021. 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 €4,168,686,834.21 by Intesa Sanpaolo S.p.A..
The sales notice was published in the Italian Official Journal, Part 2, no. 37 of 27 March 2021.

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 29 March 2021, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €1,000,000,000 to finance part of the acquisition of the respective loans and the remainder, amounting to €3,168,686,834.21, was financed using the Principal Available Funds.

On 20 May 2021, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 18 May 2021 and legal effect from 20 May 2021, 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 €121,274.56.
The sales notice was published in the Italian Official Journal, Part 2, no. 68 of 10 June 2021.

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, Banca Finint S.p.A. (into which the subsidiary Securitisation Services S.p.A. was merged by absorption in 2020), 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 the first half of 2021 is set out below.

Thirty-fourth payment date (22 February 2021)

On 22 February 2021, payments were made for collections from 1 October 2020 to 31 December 2020.
The funds available for distribution by the vehicle amounted to €221.1 million, of which:

- €192.8 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.
- €28.3 million as the reserve fund required amount
- €4 thousand as the remaining funds available on the investment account.

The following payments were made with these funds:

- €9.1 million as remuneration to the third parties that provided services to the vehicle
- €653 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €23.6 million as the accrual of the reserve fund required amount
- €4.7 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €71.3 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €111.7 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. (€1.9 billion) using the Principal Available Funds.

Thirty-fifth payment date (20 May 2021)

On 20 May 2021, payments were made for collections from 1 January 2021 to 31 March 2021.
The funds available for distribution by the vehicle amounted to €190.6 million, of which:
- €167 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.
- €23.6 million as the reserve fund required amount.
- €643 thousand as the remaining funds available on the investment account

The following payments were made with these funds:
- €9.9 million as remuneration to the third parties that provided services to the vehicle
- €0 as the reimbursement of corporate costs and advances to organise the transaction
- €23.6 million as the accrual of the reserve fund required amount
- €64.6 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €92.5 million as the additional interest amount also to Intesa Sanpaolo S.p.A.

In addition, the vehicle partially paid the price of the twenty-second sale of loans to Intesa Sanpaolo S.p.A. (€3.2 billion) using the Principal Available Funds.

Parties involved

In addition to ISP OBG S.r.l. (the Covered Bond Guarantor), the main parties involved in the Covered Bank Bond Programme are:

Originator and Subordinated Loan Providers	Intesa Sanpaolo S.p.A. Banco di Napoli S.p.A. (***) CR Veneto S.p.A. (**) Banca dell'Adriatico S.p.A. (*) Cassa di Risparmio in Bologna S.p.A. (****)
Issuer	Intesa Sanpaolo S.p.A.
Servicers	Intesa Sanpaolo S.p.A. Banco di Napoli S.p.A. (***) CR Veneto S.p.A. (**) Banca dell'Adriatico S.p.A. (*) Cassa di Risparmio in Bologna S.p.A. (****)
Special Servicers	Intesa Sanpaolo S.p.A. (first special servicer), DoValue S.p.A. (second special servicer)
Sub Servicer	Intrum Italy S.p.A.
Asset Swap Counterparty	Intesa Sanpaolo S.p.A.
Administrative Services Provider	Intesa Sanpaolo S.p.A.
Account Bank	Intesa Sanpaolo S.p.A.
Cash Manager	Intesa Sanpaolo S.p.A.
Portfolio Manager	Intesa Sanpaolo S.p.A.
Paying Agent	Intesa Sanpaolo S.p.A.
Representative of the Covered Bondholders	Banca Finint S.p.A.
Calculation Agent	Banca Finint S.p.A.
Asset Monitor	Deloitte & Touche S.p.A.
Luxembourg Listing Agent	Deutsche Bank Luxembourg S.A.
Rating Agency	DBRS Ratings GmbH
Swap Service Providers	Intesa Sanpaolo S.p.A.
Asset Hedging Counterparty	Intesa Sanpaolo S.p.A. Banco di Napoli S.p.A. (***) CR Veneto S.p.A. (**) Banca dell'Adriatico S.p.A. (*) Cassa di Risparmio in Bologna S.p.A. (****)

(*) Banca dell'Adriatico S.p.A. was merged into Intesa Sanpaolo S.p.A. on 16 May 2016
(**) CR Veneto S.p.A. was merged into Intesa Sanpaolo S.p.A. on 23 July 2018
(***) Banco di Napoli S.p.A. ("BdN") was merged into Intesa Sanpaolo S.p.A. on 26 November 2018
(****) Cassa di Risparmio in Bologna S.p.A. ("CARISBO") was merged into Intesa Sanpaolo S.p.A. on 25 February 2019

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. (now merged into Intesa Sanpaolo S.p.A.), and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo 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 Italfondiario S.p.A. relating to the management, recovery and collection of loans from the loan portfolio managed by Italfondiario and assigned to Dobank, now known as DoValue) acts as the second special servicer.
On 12 March 2019, Intesa Sanpaolo S.p.A. signed a sub-servicing agreement with Intrum Italy S.p.A., through which it delegated the management of bad loans with effect from 2 December 2018 (except for the management of the Excluded Loans managed directly by Intesa Sanpaolo S.p.A.).

Following 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. Banca Finint S.p.A. (into which the subsidiaries Securitisation Services S.p.A. and FISG S.r.l. were merged by absorption in 2020) acts as the calculation agent and representative of the noteholders. 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. (now merged into Intesa Sanpaolo 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. These bonds were cancelled and redeemed in advance with value date on 14 January 2021.

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 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 €143 million to €1.572 billion. These bonds were cancelled and redeemed in advance with value date on 14 January 2021.

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.

The forty-fifth series of covered bonds was issued on 18 January 2021 and amounted to €1,350 million, maturing on 20 August 2036, 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 forty-sixth series of covered bonds was issued on 18 January 2021 and amounted to €1,350 million, maturing on 20 February 2037, 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.

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. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo 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. (now merged into Intesa Sanpaolo 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. (now merged into Intesa Sanpaolo 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 30 June 2021.

The vehicle’s operating powers

The vehicle invests the available cash collected during each collection period until the next payment date via the cash manager.

Section 3 – Risks and related hedging policies

3.1 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 regard 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, since the beginning of the health emergency, 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, which provided guidance on the matter on several occasions during 2020, setting out framework that still applies to this day.

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	-	-	-	-	200,162	**200,162**
2. Financial assets at FVOCI	-	-	-	-	-	**-**
3. Financial assets at fair value	-	-	-	-	-	**-**
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	**-**
5. Financial assets held for sale	-	-	-		-	**-**
Total 30/06/2021	**-**	**-**	**-**	**-**	**200,162**	**200,162**
Total 31/12/2020	**-**	**-**	**-**	**-**	**148,136**	**148,136**

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

	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets at amortised cost	-	-	-	-	200,162	-	200,162	**200,162**
2. Financial assets at FVOCI	-	-	-	-	-	-	-	**-**
3. Financial assets at fair value	-	-	-	-	X	X	-	**-**
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	**-**
5. Financial assets held for sale	-	-	-	-	-	-	-	**-**
Total 30/06/2021	**-**	**-**	**-**	**-**	**200,162**	**-**	**200,162**	**200,162**
Total 31/12/2020	**-**	**-**	**-**	**-**	**148,136**	**-**	**148,136**	**148,136**

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	-	200,162	-	200,162	-
-of which: forborne exposures	-	-	-	-	-
TOTAL A	**-**	**200,162**	**-**	**200,162**	**-**
B. OFF-BALANCE SHEET EXPOSURES					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
TOTAL B	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B)	**-**	**200,162**	**-**	**200,162**	**-**

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	200,162	-	-	-	-	-	-	-
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	200,162	-	-	-	-	-	-	-	-	-	-
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

4.1.1 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).

	30/06/2021	31/12/2020
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. Net income (loss)	-	-
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

(amounts in Euros)

		30/06/2021	30/06/2020
10.	**Net income (loss)**	**-**	**-**
	Other comprehensive income (net of tax) that may not be reclassified to the income statement		
20.	Equity instruments designated at FVOCI		
	a) fair value gains (losses)	-	-
	b) transfers to other equity components	-	-
30.	Financial liabilities designated at FVTPL (change in own credit rating)		
	a) fair value gains (losses)	-	-
	b) transfers to other equity components	-	-
40.	Hedging of equity instruments designated at FVOCI		
	a) fair value gains (losses) (hedged item)	-	-
	b) fair value gains (losses) (hedging instrument)	-	-
50.	Property and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non current assets classified as held for sale	-	-
90.	Share of valuation reserves connected with investments carried at equity	-	-
100.	Income tax expense related to other comprehensive income	-	-
	not reclassified to profit or loss	-	-
	Other comprehensive income (net of tax) that may be reclassified to the income statement		
110.	Hedges of foreign investments		
	a) fair value gains (losses)	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
120.	Foreign exchange differences		
	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 (not designated elements)		
	a) fair value gains (losses)	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
150.	Financial assets (other than equities) measured 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 discontinued operations		
	a) fair value gains (losses)	-	-
	b) reclassification to profit or loss	-	-
	c) other changes	-	-
170.	Share of valuation reserves connected with investments carried at equity		
	a) fair value gains (losses)	-	-
	b) reclassification to profit or loss		
	- impairment losses	-	-
	- gains/losses on sales	-	-
	c) other changes	-	-
180.	Income tax expense related to other comprehensive income reclassified to profit or loss reclassification to profit or loss	-	-
190.	**Total other comprehensive income**	**-**	**-**
200.	**Comprehensive income (captions 10+190)**	**-**	**-**

Section 6 - Related-party transactions

6.1 Information on remuneration of key management personnel

30/06/2021	Directors and Statutory Auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	6,423
- Statutory auditors	8,890
Total	**15,313**

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

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

6.3 Related-party transactions

Assets and liabilities at 30/06/2021	Loans and receivables with banks	Other assets	Other liabilities
- Directors and statutory auditors	-	-	15,218
- Parent: Intesa Sanpaolo S.p.A.	200,162	-	52
- Subsidiary: Banca di Trento e Bolzano S.p.A.			
Total	**200,162**	**-**	**15,270**

Income and expense for the period ended 30/06/2021	Interest and and similar income	Personnel expenses	Other administrative expenses	Fee and commission expense
- Directors and statutory auditors	-	15,313	-	-
- Parent: Intesa Sanpaolo S.p.A.	-	-	159	-
Total	**-**	**15,313**	**159**	**-**

Section 7 - Other information

7.1 Other

- Equity at 30 June 2021

(amounts in Euros)

	Amount at 30/06/2021	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		-	-	-
Quota premium					
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**				
Non-distributable portion	**4,473**				

(*) 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

- Parent that prepares consolidated financial statements

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

Milan, 26 July 2021

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella