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Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim financial statements

To the board of directors of
ISP CB Pubblico S.r.l.

Introduction

We have reviewed the accompanying condensed interim financial statements of ISP CB Pubblico S.r.l. (the “company”), comprising the statement of financial position as at 30 June 2020, the income statement and statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The company’s directors are responsible for the preparation of these condensed interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of ISP CB Pubblico S.r.l. as at and for the six months ended 30 June 2020 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.



Emphasis of matter

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

Other matters

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

Verona, 31 July 2020

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit

ISP CB Pubblico S.r.l.

Half-Yearly Financial Report
as at 30 June 2020

INTESA  SANPAOLO

ISP CB Pubblico S.r.l.

ISP CB Pubblico S.r.l.

Registered Office: Via Monte di Pietà 8, 20121 Milan. Company incorporated pursuant to Law no. 130 of 30 April 1999. Quota capital €120,000. Tax code and Registration number in the Milan Monza Brianza Lodi Company Register 05936150969. Member of the Intesa Sanpaolo VAT Group no. 11991500015 (IT11991500015). ABI Code 16831 and Electronic Code 335075. Company subject to management and coordination by Intesa Sanpaolo S.p.A., and member of the Intesa Sanpaolo Banking Group, included in the register of banking groups.

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Company bodies

Board of directors

Chairperson	Paola Fandella
Director	Roberta Carla Antonia Crespi
Director	Vanessa Gemmo

Board of statutory auditors

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

Independent Auditors

KPMG S.p.A.

Directors' report

General information

ISP CB Pubblico 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, in accordance with applicable regulations issued by Bank of Italy, it has assigned the management of its loan portfolio to the servicer of the securitisation, BIIS S.p.A., now Intesa Sanpaolo S.p.A., since 20 May 2009. It has also assigned its administrative, accounting, corporate and tax services to its administrative services provider, Intesa Sanpaolo S.p.A..

Performance

During the first half of 2020, on the Payment Date of 31 March 2020, cash flows for the collection of the loans for the period from 1 August 2019 to 31 January 2020 were received.

There were no new asset securitisations or new covered bond issues during the half-year.

The subordinated loan was repaid during the period, in the amount of €700 million, on the Guarantor Payment Date of 31 March 2020, 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 part H - Qualitative information in the Notes, for more information on the vehicle's operations.

Profit for the period

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

Transactions with Group Companies

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

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

- €975,923 for servicing fees
- €6,000 for receivable account bank fees
- €25,000 for administrative services fees
- €5,000 for cash management fees
- €75,003 for account bank fees
- €250 for fees for the performance of services required by the EMIR.

The contractual documentation includes the Servicing Agreement, the Cash Allocation Management and Payment Agreement, the Administrative Services Agreement, and the Mandate Agreement (and any amendments and/or additions thereto subsequent to the finalisation of the Transaction).

The Notes provide more information about the vehicle's cash transactions and commitments with the other group companies.

Related-party transactions

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

Related-party transactions

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

Significant and non-recurring transactions

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

Atypical and/or unusual transactions

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

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

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

Research and development

The vehicle does not carry out research and development.

Composition of the Quota Capital

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

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

Management and coordination activities

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

Key events of the period

The health crisis at the beginning of the year linked to the spread of the COVID-19 pandemic put the real economy and the financial markets under severe strain and the countries affected by the crisis have seen a drop in their main macroeconomic indicators.

The economic slowdown is affecting the ability of companies and individuals to meet their obligations to credit institutions, despite the measures introduced by governments and financial institutions to support the economy through moratoria and suspensions of mortgage and loan repayments, aimed at addressing the liquidity crises faced by borrowers.

With reference to the vehicle's operations, the current emergency situation resulting from the COVID-19 pandemic had no impact on the management of the vehicle. Also with regard to the segregated assets, due to the type of assets securitised (loans and securities to government entities), there were no increases in adjustments to loans in the half-year. In this regard, you are reminded that the individual and collective valuations of the securitised loans are provided by Intesa Sanpaolo, the Originator and Servicer of the transaction.

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

Nicola Bruni;
Elena Fornara;
Giuseppe Dalla Costa

and the following as Alternate Auditors:

Claudia Motta;
Renzo Mauri.

Events after the reporting date

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

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

Milan, 31 July 2020

on behalf of the BOARD OF DIRECTORS

Chairperson
Paola Fandella



Condensed interim financial statements as at 30 June 2020

Financial statements

Statement of financial position

(amounts in Euros)

Assets	30/06/2020	31/12/2019
10. Cash and cash equivalents	-	-
20. Financial assets at FVTPL	-	-
a) financial assets held for trading	-	-
b) financial assets at fair value	-	-
c) other financial assets mandatorily measured at fair value	-	-
30. Financial assets at FVOCI	-	-
40. Financial assets at amortised cost	223,857	169,083
a) loans and receivables with banks	223,857	169,083
b) loans and receivables with financial companies	-	-
c) loans and receivables with customers	-	-
50. Hedging derivatives	-	-
60. Fair value change of financial assets in hedge accounting (+/-)	-	-
70. Equity investments	-	-
80. Property, equipment and investment property	-	-
90. Intangible assets	-	-
- goodwill	-	-
100. Tax assets:	1,491	1,703
a) current	1,491	1,703
b) deferred	-	-
110. Non-current assets held for sale and disposal groups	-	-
120. Other assets	3,344	56,756
TOTAL ASSETS	228,692	227,542

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of financial position

		(amounts in Euros)	
Liabilities and equity		30/06/2020	31/12/2019
10.	Financial liabilities at amortised cost	-	-
	a) financial liabilities	-	-
	b) securities issued	-	-
20.	Financial liabilities held for trading	-	-
30.	Financial liabilities at fair value	-	-
40.	Hedging derivatives	-	-
50.	Fair value change of financial liabilities in hedge accounting (+/-)	-	-
60.	Tax liabilities:	76	357
	a) current	76	357
	b) deferred	-	-
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	59,686	58,255
90.	Post-employment benefits	-	-
100.	Provisions for risks and charges:	-	-
	a) commitments and guarantees given	-	-
	b) pension and similar obligations	-	-
	c) other provisions for risks and charges	-	-
110.	Quota capital	120,000	120,000
120.	Treasury quotas (-)	-	-
130.	Equity instruments	-	-
140.	Quota premium	-	-
150.	Reserves	48,930	48,930
160.	Valuation reserves	-	-
170.	Profit for the period	-	-
TOTAL LIABILITIES AND EQUITY		228,692	227,542

on behalf of the BOARD OF DIRECTORS
 Chairperson
 Paola Fandella



Income statement

		(amounts in Euros)	
Income statement items		30/06/2020	30/06/2019
10.	Interest and similar income	-	34
	of which: interest income calculated using the effective interest method	-	34
20.	Interest and similar expense	-	-
30.	NET INTEREST INCOME	-	34
40.	Fee and commission income	-	-
50.	Fee and commission expense	-	-
60.	NET FEE AND COMMISSION INCOME	-	-
70.	Dividends and similar income	-	-
80.	Net trading income (expense)	-	-
90.	Net hedging income (expense)	-	-
100.	Net profit (loss) on sale or repurchase of:		
	a) financial assets at amortised cost	-	-
	b) financial assets at FVOCI	-	-
	c) financial liabilities	-	-
110.	Net gains (losses) on financial assets and liabilities at FVTPL		
	a) financial assets and liabilities at fair value	-	-
	b) other financial assets mandatorily measured at fair value	-	-
120.	TOTAL INCOME	-	34
130.	Net impairment losses/gains for credit risk on:		
	a) financial assets at amortised cost	-	-
	b) financial assets at FVOCI	-	-
140.	Modification gains/losses	-	-
150.	NET FINANCIAL INCOME	-	34
160.	Administrative expenses:	-62,957	-61,537
	a) personnel expense	-19,966	-20,386
	b) other administrative expenses	-42,991	-41,151
170.	Net accruals to provisions for risks and charges	-	-
	a) commitments and guarantees given	-	-
	b) other net accruals	-	-
180.	Depreciation and net impairment losses/reversals of impairment losses on property, equipment and investment property	-	-
190.	Amortisation and net impairment losses/reversals of impairment losses on intangible assets	-	-
200.	Other net operating income	63,498	61,799
210.	OPERATING COSTS	541	262
220.	Gains (losses) on equity investments	-	-
230.	Fair value gains (losses) on property, equipment and investment property and intangible assets	-	-
240.	Impairment losses on goodwill	-	-
250.	Gains (losses) on sales of investments	-	-
260.	PRE-TAX PROFIT FROM CONTINUING OPERATIONS	541	296
270.	Income taxes	-541	-296
280.	POST-TAX PROFIT FROM CONTINUING OPERATIONS	-	-
290.	Post-tax profit (loss) from discontinued operations	-	-
300.	PROFIT FOR THE PERIOD	-	-

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of comprehensive income

(amounts in Euros)

	30/06/2020	30/06/2019
10. Profit for the period	-	-
Other comprehensive income, net of tax, that will not be reclassified to profit or loss		
20. Equity instruments at FVOCI	-	-
30. Financial liabilities at FVTPL (change in credit rating)	-	-
40. Hedges of equity instruments at FVOCI	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and disposal groups	-	-
90. Portion of valuation reserves of equity-accounted investees	-	-
Other comprehensive income, net of tax, that will be reclassified to profit or loss		
100. Hedges of investments in foreign operations	-	-
110. Exchange rate gains (losses)	-	-
120. Cash flow hedges	-	-
130. Hedging instruments (elements not designated)	-	-
140. Financial assets (other than equity instruments) at FVOCI	-	-
150. Non-current assets held for sale and disposal groups	-	-
160. Portion of valuation reserves of equity-accounted investees	-	-
170. Total other comprehensive income	-	-
180. Comprehensive income (captions 10+170)	-	-

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of changes in equity

30 June 2020

(amounts in Euros)

	Quota capital			Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the period	Equity
	quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2020	120,000	-	-	48,930	-	-	-	-	-	168,930
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2020	120,000	-	-	48,930	-	-	-	-	-	168,930

31 December 2019

(amounts in Euros)

	Quota capital			Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2019	120,000	-	-	47,762	-	-	-	-	1,168	168,930
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	1,168	-	-	-	-	-1,168	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES OF THE YEAR										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 31/12/2019	120,000	-	-	48,930	-	-	-	-	-	168,930

30 June 2019

(amounts in Euros)

	Quota capital			Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the period	Equity
	quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2019	120,000	-	-	47,762	-	-	-	-	1,168	168,930
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	1,168	-	-	-	-	-1,168	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2019	120,000	-	-	48,930	-	-	-	-	-	168,930

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of cash flows (direct method)

	(amounts in Euros)	
	30/06/2020	30/06/2019
A. OPERATING ACTIVITIES		
1. Operations	54,774	-29,295
- interest income collected (+)	-	18
- interest expense paid (-)	-	-
- dividends and similar income (+)	-	-
- net fee and commission income (+)	-	-
- personnel expense (-)	-10,990	-12,201
- other costs (-)	-50,846	-68,364
- other revenue (+)	117,220	51,853
- taxes and duties (-)	-610	-601
- costs/revenue related to disposal groups net of the tax effect (+/-)	-	-
2. Cash flows generated by/used for financial assets	-	-
- financial assets held for trading	-	-
- financial assets at fair value	-	-
- financial assets mandatorily measured at fair value	-	-
- financial assets at FVOCI	-	-
- financial assets at amortised cost	-	-
- other assets	-	-
3. Cash flows generated by/used for financial liabilities	-	-
- financial liabilities at amortised cost	-	-
- financial liabilities held for trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	-	-
Net cash flows generated by/used in operating activities	54,774	-29,295
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	54,774	-29,295
RECONCILIATION		
Opening cash and cash equivalents	169,083	233,747
Net cash flows for the period	54,774	-29,295
Closing cash and cash equivalents	223,857	204,452

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

on behalf of the BOARD OF DIRECTORS
Chairperson

Paola Fandella



Notes to the condensed interim financial statements

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 - Statement of compliance with the IFRS

The vehicle has prepared its condensed interim financial statements as at 30 June 2020 in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force at the reporting date.

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

SECTION 2 - Basis of presentation

As required by the Bank of Italy instructions issued in compliance with the IAS/IFRS, these notes present disclosures concerning the vehicle's own assets and the securitised assets separately. This treatment also complies with Law no. 130/99, according to which the loans and receivables related to individual transactions are assets segregated to all intents and purposes from those of the vehicle and those relating to other transactions.

For purpose of full disclosure, we note that the IAS/IFRS accounting treatment to be applied to financial assets and/or groups of financial assets and financial liabilities arising from "covered bank bond issues" is still subject to further examination by the bodies responsible for interpreting the accounting standards.

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

As required by the current regulations, the vehicle has prepared the financial statements using the Euro as its functional currency.

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

The condensed interim financial statements have been prepared in line with the general guidance set out in IAS 1 and the standards endorsed by the European Commission presented in Part A.2 of these notes. They also comply with the general assumptions set out in the Framework for the preparation and presentation of financial statements issued by the IASB.

No departures from the IFRS have been made.

The condensed interim financial statements and the notes include the corresponding figures as at 31 December 2019 (statement of financial position) and for the six months ended 30 June 2019 (income statement and statement of comprehensive income).

Pursuant to the provisions of Legislative decree no. 38 of 28 February 2005, the company opted to prepare its financial statements in accordance with the IFRS, as it is included in the consolidation scope of Intesa Sanpaolo S.p.A..

To give priority to substance over form, and in view of the fact that IAS 1 does not establish rigid formats, the layouts that apply to financial intermediaries have been used in these condensed interim financial statements, in accordance with the guidance provided in the document "The IFRS financial statements of intermediaries other than banking intermediaries" issued by the Bank of Italy on 30 November 2018.

The accounting policies applied to prepare these condensed interim financial statements as at 30 June 2020 are consistent with those used for the annual financial statements as at 31 December 2019.

These condensed interim financial statements have been prepared on a going concern basis and the remarks regarding this aspect can be found in the specific section of the directors' report.

SECTION 3 - Events after the reporting date

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

SECTION 4 - Other aspects

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

As duly approved by the Board of Directors on 25 September 2018, the vehicle subscribed to the Intesa Sanpaolo VAT Group on 24 October 2018, by selecting the declaration option provided in the specific website set up by the Italian Revenue Agency. As a result, with effect from 1 January 2019, the vehicle suspended its VAT number and adopted the VAT number 11991500015 of the Intesa Sanpaolo VAT Group, accepting the "Group VAT Rules".

A.2 - ACCOUNTING POLICIES

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

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

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

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

This caption includes loans and receivables with banks arising from the vehicle's cash and cash equivalents, which consist solely of the current accounts held with Intesa Sanpaolo S.p.A..

Loans and receivables are initially recognised at their fair value.

They are subsequently measured at amortised cost.

This method does not apply to loans and receivables whose current nature makes the effect of discounting negligible. These loans and receivables are measured at historical cost.

Loans and receivables are tested for impairment at each reporting date to check whether there is objective evidence of an impairment loss due to events that have taken place since their initial recognition.

With regard to impairment, the standard requires that the estimate of impairment losses on loans and receivables be carried out based on the expected losses model using supportable information, available without undue cost or effort that includes historical, current or forward-looking data. The standard requires that this impairment model be applied to all financial instruments (financial assets measured at amortised cost and at fair value through other comprehensive income, receivables from rental contracts, and trade receivables).

In this respect, despite the significant changes from IAS 39 concerning the treatment of financial instruments, following the introduction of IFRS 9, the impact on the vehicle's loans and receivables was not deemed significant, due to the low level of counterparty risk and the on-demand nature of the specific instruments.

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

Other assets

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

Other liabilities

Financial and other liabilities are recognised at fair value, increased by any transaction costs/income.

They are subsequently measured at amortised cost using the effective interest method.

Current liabilities and other liabilities are an exception when the time value of money is negligible. They are maintained at their original amount and any related costs are taken to profit or loss on a straight line basis over the contractual term of the liability.

Financial and other liabilities are derecognised when they are settled.

The other liabilities recognised in these financial statements are all current and, moreover, relate to the vehicle's normal operations.

Tax assets and liabilities

Current and deferred taxes are recognised using ruling rates.

Income taxes are recognised in profit or loss.

They are calculated using a prudent estimate of the current tax expense, deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are determined on temporary differences (without time limits) between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets are only recognised when their recovery is certain, depending on the vehicle's ability to continuously generate taxable profit.

Deferred tax liabilities are recognised.

Deferred tax assets and liabilities are recognised in the statement of financial position without offsetting as Tax assets and Tax liabilities, respectively.

Recognition of costs and revenue

Costs and revenue are recognised on an accruals basis.

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

Other information

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

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

A.3 – DISCLOSURE ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

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

A.4 - DISCLOSURE ON FAIR VALUE

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	30/06/2020				31/12/2019			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	223,857	-	223,857	-	169,083	-	169,083	-
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	223,857	-	223,857	-	169,083	-	169,083	-
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 €223,857, classified at level 2 of the fair value hierarchy.

Considering the characteristics of such financial assets and the counterparty's standing, the nominal amount of such loans and receivables is assumed to be the best estimate of their fair value.

A.5 Information on day one profit/loss

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

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

PART B - NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

Section 4 - Financial assets at amortised cost - Caption 40

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

	30/06/2020						31/12/2019					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stages	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3	First and second stages	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3
1. Deposits and current accounts:												
- held with Intesa Sanpaolo S.p.A.	223,857	-	-	-	223,857	-	169,083	-	-	-	169,083	-
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	223,857	-	-	-	223,857	-	169,083	-	-	-	169,083	-

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

	Gross amount				Total value adjustments			Total partial write-offs
	First stage	of which: low credit risk instruments	Second stage	Third stage	First stage	Second stage	Third stage	
Debt instruments	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-
Other assets	223,857	-	-	-	-	-	-	-
Total 30/06/2020	223,857	-	-	-	-	-	-	-
Total 31/12/2019	169,083	-	-	-	-	-	-	-

of which: purchased or originated credit-impaired financial assets

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

10.1 Caption 100 "Tax assets: current and deferred"

Current tax assets: breakdown	30/06/2020	31/12/2019
Withholdings on bank interest	-	17
IRES payments on account and assets	1,491	1,686
IRAP payments on account and assets	-	-
Total	1,491	1,703

10.2 Caption 60 "Tax liabilities: current and deferred"

Current and deferred tax liabilities: breakdown	30/06/2020	31/12/2019
- Current taxes	76	357
IRAP liabilities	76	357
Total	76	357

Section 12 - Other assets - Caption 120

12.1 Caption 120 "Other assets"

	30/06/2020	31/12/2019
- receivables from the securitised assets	3,034	56,756
- prepaid expenses	310	-
Total	3,344	56,756

LIABILITIES

Section 6 - Tax liabilities - Caption 60

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

Section 8 - Other liabilities - Caption 80

8.1 Caption 80 "Other liabilities"

	30/06/2020	31/12/2019
Directors' fees	11,537	-
Statutory auditors' fees	8,021	12,793
Suppliers and beneficiaries	40,128	44,575
IRPEF tax for self-employed workers	-	787
INAIL (accident at work insurance)	-	59
Securitised assets for interest	-	41
Total	59,686	58,255

Section 11 - Equity - Captions 110 and 150

11.1 Caption 110 “Quota capital”

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

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

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

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

	Legal reserve	Losses carried forward	Other Extraordinary reserve	Total
A. Opening balance 01/01/20	2,448	-	46,482	48,930
B. Increases				
B.1 Allocation of profits	-	-	-	-
B.2 Other increases	-	-	-	-
C. Decreases				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
- for dividend distribution	-	-	-	-
- for conversion into capital	-	-	-	-
C.2 Other decreases	-	-	-	-
D. Closing balance	2,448	-	46,482	48,930

Other information

1. Commitments and financial guarantees given

There are no commitments and financial guarantees given.

2. Other commitments and other guarantees given

There are no other commitments and guarantees given.

Part C - NOTES TO THE INCOME STATEMENT

Section 1 - Interest - Caption 10

1.1 Caption 10 “Interest and similar income”

	Debt instruments	Loans	Other transactions	30/06/2020	30/06/2019
1. Financial assets at FVTPL:					
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets at fair value	-	-	-	-	-
1.3. Financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets at FVOCI:	-	-	X	-	-
3. Financial assets at amortised cost:					
3.1 Loans and receivables with banks Intesa Sanpaolo S.p.A.	-	-	X	-	34
3.2 Loans and receivables with financial companies	-	-	X	-	-
3.3 Loans and receivables with customers	-	-	X	-	-
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	-	-	-
6. Financial liabilities	X	X	X	-	-
Total	-	-	-	-	34

of which: interest income on impaired financial assets

of which: interest income on leases

Section 10 - Administrative expenses - Caption 160

10.1 Caption 160.a "Personnel expense"

	30/06/2020	30/06/2019
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) termination benefits	-	-
d) pension costs	-	-
e) accrual for post-employment benefits	-	-
f) accrual for pension and similar provisions:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	19,966	20,386
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	19,966	20,386

10.2 Average number of employees by category

The vehicle does not have any employees.

10.3 Caption 160.b "Other administrative expenses"

	30/06/2020	30/06/2019
Consultancy	3,438	3,026
Audit fees	36,401	34,482
Notary fees	1,686	1,765
Other taxes and duties	215	216
Reimbursement of costs incurred by corporate bodies	1,172	1,479
Other	79	183
Total	42,991	41,151

Section 14 - Other net operating income - Caption 200

14.2 Caption 200 "Other net operating income"

	30/06/2020	30/06/2019
Contractually provided-for income	63,498	61,799
Total	63,498	61,799

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

Section 19 - Income taxes - Caption 270

19.1 Caption 270 "Income taxes"

	30/06/2020	30/06/2020
1. Current taxes (-)	541	296
2. Change in current taxes from previous years (+/-)	-	-
3. Decrease in current taxes for the year (+)	-	-
3. bis Decrease in current taxes for the year due to tax assets as per Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	-	-
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the year (-) (-1+/-2+3+ 3 bis+/-4+/-5)	541	296

Current taxes for the period consist of €212 for IRES (income tax) and €329 for IRAP (Regional production tax).

19.2 Reconciliation of theoretical tax charge to total income tax expense for the period

	(amounts in Euros)
	30/06/2020
Pre-tax profit from continuing operations	541
Pre-tax profit (loss) from discontinued operations	-
Theoretical taxable profit	541
	Income taxes
Income taxes - theoretical tax expense	151
Increases	549
Higher effective tax rate and higher tax base for IRAP purposes	-
Non-deductible costs (contingent liabilities, directors' fees, contractors IRAP, etc.)	549
Other - prior year	-
Decreases	-159
Untaxed gains on equity investments	-
Dividend exempt amount	-
Income subject to reduced rate	-
Other (taxable base reduction as per Article 11 of Legislative Decree 446/1997, ACE s)	-159
Other - prior year	-
Total changes	390
Effective tax expense	541

Part D - OTHER DISCLOSURES

Section 1 - Operations

D. GUARANTEES AND COMMITMENTS

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

Transactions	30/06/2020	31/12/2019
1. First demand financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2. Other financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3. Commercial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
4. Irrevocable commitments to disburse funds		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third-party commitments	-	-
7. Other irrevocable commitments	-	-
a) to issue guarantees	-	-
b) other	5,432,476,795	6,178,831,610
Total	5,432,476,795	6,178,831,610

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

H. COVERED BONDS

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

The structure and layout used for the Summary are those applicable to financial intermediaries, as per the guidance set out in the “The IFRS financial statements of intermediaries other than banking intermediaries” issued by the Bank of Italy on 30 November 2018.

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

The accounting policies for the most significant captions are set out below.

Securitised assets - Loans and receivables

Loans and receivables have been 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..

Securitised assets - Securities

These are stated at their nominal value, 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 loan

The subordinated loan is recognised at its nominal amount.

Other assets - Other liabilities - Prepayments and accrued income, deferred income and accrued expenses

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

Interest, fees and commissions, income and expense

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

Derivatives

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

Summary of the securitised assets

	(amounts in Euros)	
	30/06/2020	31/12/2019
Securitized assets	4,632,815,292	4,849,769,386
Loans and receivables	2,603,455,113	2,707,522,064
Securities	1,648,949,924	1,725,935,199
Other assets	380,410,255	416,312,123
- accrued interest income on IRS	34,754,228	71,488,509
- accrued interest income on securities	4,768,475	6,374,208
- accrued interest income on loans	16,301,298	13,249,891
- accrued interest income on subordinate	323,966,272	323,966,272
- tax and other assets	619,982	1,233,243
Utilisation of cash deriving from the management of securitized assets	799,661,503	1,329,062,224
Debt instruments	-	-
Cash and cash equivalents	799,661,503	1,329,062,224
Loans received	5,268,301,868	5,971,273,779
Other liabilities	164,174,927	207,557,832
Liabilities for services	896,469	1,052,660
Additional return on subordinated loan	102,093,729	120,126,150
Due to securitisation vehicles	3,034	-
Accrued interest expense on IRS	61,181,695	86,379,022
	30/06/2020	30/06/2019
Fees and commissions borne by the transaction	1,057,035	1,161,742
For servicing	925,923	1,041,538
For other services	131,112	120,204
Other expense	110,202,370	113,302,781
Interest expense on subordinated loan	37,854,569	27,725,433
Interest expense on IRS	71,777,247	82,156,564
Expected losses on loans	47,866	46,827
Expected losses on securities	459,184	3,264,194
Other expense	63,504	109,763
Interest generated by the securitized assets	56,893,323	68,155,574
Other revenue	54,366,082	46,308,949
Interest income	-	87,429
Interest income on IRS	44,143,046	46,171,599
Other revenue	10,223,036	49,921

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



QUALITATIVE INFORMATION

Description of the Issue Programme and its performance

On 20 May 2009, the vehicle signed a “master sale agreement” (most recently revised on 19 April 2013) covering the sale of an initial portfolio of loans and subsequent portfolios as part of a single covered bond programme for which it is the guarantor.

Banca Intesa Infrastrutture e Sviluppo S.p.A. (BIIS S.p.A.), now ISP S.p.A. (following the partial spin-off to the latter on 1 December 2012 with deed no. 1.655 file 564 notarised by the notary Morone on 21 November 2012), sold the vehicle the first loan portfolio on 20 May 2009. The transaction became effective on 1 May 2009 and cost approximately €3.8 billion (the carrying amount of the loans at 1 May 2009).

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

The consideration paid for the assets was determined using their 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.

BIIS S.p.A. granted the vehicle subordinated loans to allow it to finance the acquisition of the loans. These loans partly reflect the financial profile of the bonds issued by Intesa Sanpaolo S.p.A. and allow BIIS S.p.A. to maintain an excess spread, equal to the difference between the return on the portfolio and the transaction's total cost (payment of costs and expenses of the vehicle and all the parties involved in the transaction). The vehicle will repay the subordinated loans at the last redemption date or the extended redemption date of the covered bonds, respecting the applicable priority order and funds available, although it is obliged to repay the loans early if the conditions set out in the related agreements materialise.

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

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

The consideration paid for the assets was determined using their 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.

BIIS S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loan.

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

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

The consideration paid for the assets was determined using their 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. Reconta Ernst & Young S.p.A. performed an appraisal of some of the assets that did not have a carrying amount at 31 December 2009.

BIIS S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loan.

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

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

The consideration paid for the assets was determined using their 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. Reconta Ernst & Young S.p.A. performed an appraisal of the carrying amounts at 31 December 2010 as the originator's financial statements had not been approved at the date the fourth portfolio was sold and when the covered bonds were issued.

BIIS S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loan.

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

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

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

The consideration paid for the assets was determined using their 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.

BIIS S.p.A. provided the vehicle with a subordinated loan to finance its acquisition of the portfolio at the same conditions as those for the previous loan.

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

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

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

The consideration paid for the assets was determined using their 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.

The vehicle funded the acquisition using the principal available funds.

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

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

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

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

The consideration paid for the assets was determined using their 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.

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

Pursuant to article 7-bis.1 of Law no. 130/99 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first-demand autonomous, 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., non-payment of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The guarantee agreement was also signed by Intesa Sanpaolo S.p.A. as acknowledgement of its issue by the vehicle to the bondholders and of the related terms and conditions.

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

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

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

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

Twenty-first payment date (31 March 2020)

On 31 March 2020, the vehicle made the payments in accordance with the Prospectus for the collections received from 1 August 2019 to 31 January 2020.

The funds available for distribution by the vehicle amounted to €220.9 million, of which:

- €70.3 million as collections on the portfolio for interest payments
- €48 thousand in interest received on current accounts
- €54.2 million from swap contracts
- €122 thousand remaining amount in the investment current account
- €117 thousand as the interest accumulation amount
- €12.5 million as the CB swap accumulation amount
- €83.7 million as the reserve amount.

The following payments were made:

- €1.1 million as remuneration to the third parties that provided services to the vehicle
- €235 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €70.4 million as payment to the swap counterparty
- €17.1 million as interest for the subordinated loan
- €41.7 million as premium interest for the subordinated loan
- €11.3 million as a provision for the CB swap accumulation amount
- €79.1 million as the reserve amount.

The amount of €700 million was also used from the principal available funds to partially repay the subordinated loan.

Parties involved

Up until 30 November 2012, when it was replaced by Intesa Sanpaolo S.p.A. (as per the spin-off deed of 21 November 2012), BIIS S.p.A. collected and managed the securitised loans on behalf of the vehicle. Intesa Sanpaolo S.p.A. is also the servicer as per Law no. 130/99 and it may sub-delegate activities to third parties. Intesa Sanpaolo S.p.A. provides IT infrastructure, including via Intesa Sanpaolo Group Services S.c.p.a. (now merged into Intesa Sanpaolo S.p.A.), and performs the back office activities for collections on the securitised loans, as per the Group’s regulations. As servicer, Intesa Sanpaolo S.p.A. is also responsible for ensuring that the transaction activities comply with the law and the Prospectus, as per article 2.6 of Law no. 130/99.

Intesa Sanpaolo S.p.A. and the vehicle 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).

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

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

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

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

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.

As arranger of the first issue, Banca IMI S.p.A. assisted Intesa Sanpaolo S.p.A. in structuring the securitisation.

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

Issue characteristics

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

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

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

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

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

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

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

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

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

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

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

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

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

The seventh issue of 29 April 2013 of €2 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds had a term of 2.5 years (bullet payment on 6 October 2015), which could have been extended by one year to 6 October 2016. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 7 October 2013. The bonds were rated A3 by Moody's. The bonds were fully redeemed in advance on 2 October 2015.

The eighth issue of 14 October 2013 of €2.2 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds had a term of 2.5 years (bullet payment on 6 April 2016), which could have been extended by one year to 6 April 2017. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 7 April 2014. The bonds were rated A3 by Moody's and were fully redeemed in advance on 4 April 2016.

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

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

The nominal amount of the bonds was partially reduced by €500 million on 27 January 2017, by €100 million on 29 July 2019 and by €550 million on 24 January 2020, resulting in a new nominal amount of €550 million.

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

On 30 January 2018, €600 million of the nominal amount of the bonds was partially redeemed in advance. On 27 July 2018, €250 million of the nominal amount of the bonds was partially redeemed in advance; the residual nominal amount of €250 million was redeemed upon maturity on 6 October 2018.

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

The thirteenth issue of 17 May 2017 of €1.650 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds have an approximate seven-year term (bullet payment on 6 October 2024), which may be extended by one year to 6 October 2025. The bonds pay a six-monthly coupon at a floating six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year, starting from 6 October 2017. The bonds were rated A1 by Moody's. On 25 January 2019, €600 million of the nominal amount of the bonds was partially redeemed in advance, resulting in a new nominal amount of €1,050 million.

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

Moody's downgraded the rating of the ISP CB Pubblico Programme from A1 to A2 as of 25 January 2019.

Related financial transactions

The vehicle agreed 13 swaps with the derivatives counterparty (initially BIIS S.p.A. and, subsequently, Intesa Sanpaolo S.p.A. after the spin-off of 21 November 2012), including 12 total balance guaranteed swaps and one fixed/floating IRS. The 12 total balance guaranteed swaps hedge the fixed- and floating-rate assets. The fixed/floating-rate IRS hedges the vehicle against interest rate risk arising from the issuer's default.

The vehicle's operating powers

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

Section 3 - Risks and related hedging policies

3.1 Credit risk

Qualitative disclosure

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

Quantitative disclosure

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

Portfolio/quality	Bad loans	Unlikely-to-pay	Non-performing exposures	Performing exposures	Other performing exposures	Total
1. Financial assets at amortised cost	-	-	-	-	223,857	223,857
2. Financial assets at FVOCI	-	-	-	-	-	-
3. Financial assets at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-
5. Financial assets held for sale	-	-	-	-	-	-
Total 30/06/2020	-	-	-	-	223,857	223,857
Total 31/12/2019	-	-	-	-	169,083	169,083

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

Portfolio/quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets at amortised cost	-	-	-	-	223,857	-	223,857	223,857
2. Financial assets at FVOCI	-	-	-	-	-	-	-	-
3. Financial assets at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	-
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 30/06/2020	-	-	-	-	223,857	-	223,857	223,857
Total 31/12/2019	-	-	-	-	169,083	-	169,083	169,083

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

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

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

6. Credit exposures to customers, banks and financial companies

6.1 On- and off-balance sheet credit exposures to banks and financial companies: gross and net values

	Gross exposure		Total adjustments and total provisions for credit risk	Net exposure	Total partial write-offs
	Non-performing	Performing			
A. ON-BALANCE SHEET EXPOSURES					
a) Bad loans	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
b) Unlikely to pay	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
c) Non-performing past due exposures	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
d) Performing past due exposures	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
e) Other performing exposures	-	223,857	-	223,857	-
-of which: forborne exposures	-	-	-	-	-
TOTAL A	-	223,857	-	223,857	-
B. OFF-BALANCE SHEET EXPOSURES					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
TOTAL B	-	-	-	-	-
TOTAL (A+B)	-	223,857	-	223,857	-

3.2 Market risk

3.2.1 Interest rate risk

Qualitative disclosure

The vehicle is not exposed to interest rate risk.

Quantitative disclosure

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

	On-demand	Up to 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	After 10 years	Unspecified maturity
1. Assets								
1.1 Debt instruments	-	-	-	-	-	-	-	-
1.2 Loans and receivables	223,857	-	-	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities								
2.1 Financial liabilities	-	-	-	-	-	-	-	-
2.2 Debt instruments	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
Options								
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives								
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

3.2.2 Price risk

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

3.2.3 Foreign Exchange risk

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

3.3 Operational risk

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

3.4 Liquidity risk

Qualitative disclosure

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

Quantitative disclosure

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

Captions/Residual maturity	On-demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 3 years	3 - 5 years	After 5 years	unspecified maturity
On-balance sheet assets											
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	-	-	-	-	-	-	-	-	-	-	-
A.4 Other assets	223,857	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities											
B.1 Due to:	-	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-	-
- Financial companies	-	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt instruments	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions											
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-	-
- Positive difference	-	-	-	-	-	-	-	-	-	-	-
- Negative difference	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

Disclosure on risks

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first-demand autonomous, irrevocable and unconditional guarantee to the bondholders with limited recourse to the cover pool assets (the covered bonds guarantee). In accordance with the covered bonds guarantee, if the issuer defaults (i.e., non-payment of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The risk of partial or total non-collection of the cover pool assets included in the segregated assets has been transferred to the originator BIIS S.p.A. (subsequently spun off to Intesa Sanpaolo S.p.A.) which granted ISP CB Pubblico S.r.l. a subordinated loan which it used to fully finance the transaction.

Section 4 - Equity

4.1 Equity

4.1.1 Qualitative disclosure

4.1.2 Quantitative disclosure

4.1.2.1 Equity: breakdown

The vehicle's equity consists of quota capital of €120,000, split into quotas, the legal reserve (€2,448) and the extraordinary reserve (€46,482).

	30/06/2020	31/12/2019
1. Quota capital	120,000	120,000
2. Quota premium	-	-
3. Reserves	48,930	48,930
- income-related	48,930	48,930
a) legal	2,448	2,448
b) statutory	-	-
c) treasury quotas	-	-
d) other	46,482	46,482
- other	-	-
4. (Treasury quotas)	-	-
5. Valuation reserves	-	-
- Equity instruments at FVOCI	-	-
- Hedges of equity instruments at FVOCI	-	-
- Financial assets (other than equity instruments) at FVOCI	-	-
- Property, equipment and investment property	-	-
- Intangible assets	-	-
- Hedges of investments in foreign operations	-	-
- Cash flow hedges	-	-
- Hedging instruments (elements not designated)	-	-
- Exchange rate differences	-	-
- Non-current assets held for sale and disposal groups	-	-
- Financial liabilities at FVTPL (change in credit rating)	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit plans	-	-
-Portion of valuation reserves of equity-accounted investees	-	-
6. Equity instruments	-	-
7. Profit for the period	-	-
Total	168,930	168,930

4.2 Own Funds and Capital Ratios

4.2.1 Own funds

4.2.2 Qualitative disclosure

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

Section 5 - Breakdown of comprehensive income

	30/06/2020	30/06/2019
10. Profit for the period	-	-
Other comprehensive income that will not be reclassified to profit or loss		
20. Equity instruments at FVOCI		
a) fair value gains (losses)	-	-
b) transfers to other equity components	-	-
30. Financial liabilities at FVTPL (change in credit rating):		
a) fair value gains (losses)	-	-
b) transfers to other equity components	-	-
40. Hedges of equity instruments at FVOCI:		
a) fair value gains (losses) (hedged item)	-	-
b) fair value gains (losses) (hedging instrument)	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and disposal groups	-	-
90. Portion of valuation reserves of equity-accounted investees	-	-
100. Income taxes on other comprehensive income not reclassified to profit or loss	-	-
Other comprehensive income that will be reclassified to profit or loss		
110. Hedges of investments in foreign operations:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
120. Exchange rate gains (losses):		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
130. Cash flow hedges:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
of which: net positions		
140. Hedging instruments (elements not designated):		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
150. Financial assets (other than equity instruments) at FVOCI:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss		
- impairment losses	-	-
- gains/losses on sales	-	-
c) other changes	-	-
160. Non-current assets held for sale and disposal groups:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
170. Portion of valuation reserves of equity-accounted investees:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss		
- impairment losses	-	-
- gains/losses on sales	-	-
c) other changes	-	-
180. Income tax expense related to other comprehensive income reclassified to profit or loss	-	-
190. Total other comprehensive income	-	-
200. Comprehensive income (captions 10+190)	-	-

Section 6 - Related-party transactions

6.1 Information on remuneration of key management personnel

30/06/2020	Directors and Statutory Auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	11,628
- Statutory auditors	8,338
Total	19,966

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

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

Assets and liabilities at 30/06/2020	Loans and receivables with banks	Other liabilities
- Directors and statutory auditors	-	-19,558
- Parent: Intesa Sanpaolo S.p.A.	223,857	-
Total	223,857	-19,558

Income and expense for the period ended 30/06/2020	Interest and similar income	Personnel expense	Other administrative expenses
- Directors and statutory auditors	-	19,966	1,172
- Parent: Intesa Sanpaolo S.p.A.	-	-	-
Total	-	19,966	1,172

Section 7 - Other information

7.1 Other

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

(amounts in Euros)

	Amount at 30/06/2020	Capital portion	Earnings portion	Portion of earnings in tax suspension	Possible use (*)	Summary of use in past three years	
						<i>to cover losses</i>	<i>for other reasons</i>
Equity:							
Quota capital	120,000	120,000	-			-	-
Legal reserve	2,448	-	2,448		A (1), B	-	-
Extraordinary reserve (Other reserves)	46,482	-	46,482		A, B, C	-	-
Total quota capital and reserves	168,930						
Non-distributable portion	2,448						

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

(1) available for capital increase (A) in the amount exceeding one fifth of the Quota Capital

- Parent that prepares consolidated financial statements

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

Milan, 31 July 2020

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Annexes

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

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

Assets	31.12.2019	31.12.2018	(euro)	
			Changes amount	%
10. Cash and cash equivalents	6,013,356,038	7,363,132,608	-1,349,776,570	-18.3
20. Financial assets measured at fair value through profit or loss	22,973,103,973	25,878,591,115	-2,905,487,142	-11.2
a) financial assets held for trading	19,871,092,215	18,020,440,004	1,851,251,011	10.3
b) financial assets designated at fair value	195,028,564	197,753,301	-2,724,797	-1.4
c) other financial assets mandatorily measured at fair value	2,906,983,194	7,660,397,150	-4,754,013,956	-62.1
30. Financial assets measured at fair value through other comprehensive income	33,276,643,885	31,135,690,799	2,140,953,086	6.9
40. Financial assets measured at amortised cost	439,932,789,628	409,602,431,307	30,330,358,321	7.4
a) due from banks	122,454,005,998	154,590,837,735	-32,136,231,737	-20.8
b) loans to customers	317,478,183,630	255,011,593,572	62,466,590,058	24.5
50. Hedging derivatives	2,830,373,955	2,877,547,472	-47,173,517	-1.6
60. Fair value change of financial assets in hedged portfolios (+/-)	1,525,813,562	77,275,285	1,448,538,277	
70. Equity investments	24,410,762,610	26,257,677,770	-1,846,915,160	-7.0
80. Property and equipment	6,688,430,072	4,598,266,116	2,090,163,956	45.5
90. Intangible assets	4,551,602,210	2,767,601,935	1,784,000,275	64.5
of which:				
- goodwill	1,242,487,402	1,100,330,010	82,150,402	7.1
100. Tax assets	14,016,892,094	14,334,819,665	-317,927,571	-2.2
a) current	1,480,230,864	2,000,573,278	-1,510,330,414	-50.6
b) deferred	12,536,655,230	11,338,246,387	1,198,408,843	10.6
110. Non-current assets held for sale and discontinued operations	469,027,127	672,258,249	-203,231,122	-30.2
120. Other assets	3,739,834,486	2,987,801,986	752,032,500	25.2
Total assets	560,428,629,640	528,553,094,307	31,875,535,333	6.0

Intesa Sanpaolo Financial Statements – Balance sheet

Liabilities and Shareholders' Equity	31.12.2019	31.12.2018	(euro)	
			Changes amount	%
10. Financial liabilities measured at amortised cost	476,324,527,437	447,143,398,340	29,181,129,097	6.5
a) due to banks	152,978,451,007	101,719,030,885	-8,740,579,218	-5.4
b) due to customers	247,937,370,204	208,532,094,893	39,405,275,401	18.9
c) securities issued	75,408,705,476	76,892,272,562	-1,483,567,086	-1.9
20. Financial liabilities held for trading	16,446,060,192	14,559,502,621	1,886,557,571	13.0
30. Financial liabilities designated at fair value	1,914,031,202	1,821,039,982	92,991,220	5.1
40. Hedging derivatives	7,323,119,194	5,357,675,339	1,965,443,855	36.7
50. Fair value change of financial liabilities in hedged portfolios (+/-)	521,940,321	381,865,835	140,074,486	36.7
60. Tax liabilities	928,948,213	1,446,555,316	-517,607,103	-35.8
a) current	23,592,680	75,887,346	-52,294,666	-68.9
b) deferred	905,355,533	1,370,667,970	-465,312,437	-33.9
70. Liabilities associated with non-current assets held for sale and discontinued operations	41,034,565	-	41,034,565	-
80. Other liabilities	7,500,204,651	6,352,470,569	1,147,734,082	18.1
90. Employee termination indemnities	1,057,087,202	845,215,781	211,871,421	25.1
100. Allowances for risks and charges	3,099,839,100	3,434,676,119	-334,837,019	-9.7
a) commitments and guarantees given	384,991,008	350,010,141	34,980,867	10.0
b) post-employment benefits	205,070,392	223,290,421	-17,920,029	-7.9
c) other allowances for risks and charges	2,509,777,700	2,861,375,557	-352,197,857	-12.3
110. Valuation reserves	1,374,623,166	1,080,919,802	293,703,364	27.2
120. Redeemable shares	-	-	-	-
130. Equity instruments	4,102,664,631	4,102,664,631	-	-
140. Reserves	3,399,458,545	4,369,749,752	-970,291,207	-22.2
150. Share premium reserve	25,233,266,887	24,925,964,843	307,312,044	1.2
160. Share capital	9,085,663,010	9,085,469,852	193,158	-
170. Treasury shares (-)	-60,813,066	-39,659,294	21,153,772	53.3
180. Net Income (loss) (+/-)	2,136,974,390	3,685,594,819	-1,548,620,429	-42.0
Total liabilities and shareholders' equity	560,428,629,640	528,553,094,307	31,875,535,333	6.0

Intesa Sanpaolo Financial Statements – Income statement

		(euro)			
		2019	2018	Changes amount	%
10.	Interest and similar income	7,282,086,219	7,036,468,661	245,617,558	3.5
	<i>of which: interest income calculated using the effective interest rate method</i>	7,600,716,662	7,345,312,007	323,402,066	4.6
20.	Interest and similar expense	-2,874,258,933	-2,785,287,693	88,971,240	3.2
30.	Interest margin	4,407,827,286	4,251,180,968	156,646,318	3.7
40.	Fee and commission income	5,097,939,877	4,566,781,542	531,158,335	11.6
50.	Fee and commission expense	-609,465,768	-627,795,460	-18,329,692	-2.9
60.	Net fee and commission income	4,488,474,109	3,938,986,082	549,488,027	13.9
70.	Dividend and similar income	2,144,099,724	3,491,677,892	-1,347,578,168	-38.6
80.	Profits (Losses) on trading	38,655,668	-76,830,248	115,485,916	
90.	Fair value adjustments in hedge accounting	-36,699,444	-22,344,300	14,455,144	65.0
100.	Profits (Losses) on disposal or repurchase of:	357,904,493	100,711,617	257,192,876	
	<i>a) financial assets measured at amortised cost</i>	-26,917,041	-64,232,606	-38,314,604	-69.6
	<i>b) financial assets measured at fair value through other comprehensive income</i>	214,497,933	214,993,962	-496,029	-0.2
	<i>c) financial liabilities</i>	169,324,601	-60,049,640	219,374,341	
	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	17,662,586	280,721,335	-263,058,749	-93.7
	<i>a) financial assets and liabilities designated at fair value</i>	-96,462,666	29,612,966	-126,065,610	
	<i>b) other financial assets mandatorily measured at fair value</i>	113,116,141	261,108,380	-137,992,239	-65.0
120.	Net interest and other banking income	11,417,824,422	11,884,203,348	-466,378,926	-4.8
130.	Net losses/recoveries for credit risks associated with:	-1,965,432,618	-1,820,970,596	144,462,022	7.9
	<i>a) financial assets measured at amortised cost</i>	-1,963,869,693	-1,021,932,120	-131,926,666	7.2
	<i>b) financial assets measured at fair value through other comprehensive income</i>	-11,673,926	961,632	-12,636,467	
140.	Profits (Losses) on changes in contracts without derecognition	-5,072,667	-16,347,123	-11,274,456	-69.0
150.	Net income from banking activities	8,447,418,197	10,128,886,827	-1,681,468,630	-8.7
160.	Administrative expenses:	-7,155,003,404	-7,014,160,148	140,843,256	2.0
	<i>a) personnel expenses</i>	-4,490,946,193	-3,699,664,820	-891,281,366	22.6
	<i>b) other administrative expenses</i>	-2,664,057,211	-3,314,495,328	650,438,117	-20.6
170.	Net provisions for risks and charges	-65,645,408	-39,701,232	-25,944,176	65.3
	<i>a) commitments and guarantees given</i>	-663,090	9,969,716	-10,632,813	
	<i>b) other net provisions</i>	-64,982,310	-49,670,947	-15,311,363	30.4
180.	Net adjustments to / recoveries on property and equipment	-391,583,737	-125,285,249	-266,298,488	
190.	Net adjustments to / recoveries on intangible assets	-536,880,647	-14,591,319	-522,289,328	
200.	Other operating expenses (income)	807,164,212	518,187,937	288,976,275	55.8
210.	Operating expenses	-7,341,848,884	-8,676,660,011	1,334,811,127	10.0
220.	Profits (Losses) on equity investments	-56,028,166	127,339,460	-183,367,626	
230.	Valuation differences on property, equipment and intangible assets measured at fair value	-10,204,141	-5,806,488	-4,397,653	75.7
240.	Goodwill impairment	-	-	-	-
250.	Profits (Losses) on disposal of investments	-111,598	805,923	-917,521	
260.	Income (Loss) before tax from continuing operations	2,088,128,248	3,673,874,611	-1,585,746,363	-42.9
270.	Taxes on income from continuing operations	34,130,294	64,177,552	-30,047,258	-46.8
280.	Income (Loss) after tax from continuing operations	2,073,268,642	3,837,862,063	-1,764,593,421	-48.0
290.	Income (Loss) after tax from discontinued operations	63,717,848	47,742,756	15,975,092	33.5
300.	Net income (loss)	2,138,874,390	3,885,604,819	-1,746,730,429	-42.0