



KPMG S.p.A.
Revisione e organizzazione contabile
Via Pancaldo, 70
37138 VERONA VR
Telefono +39 045 8115111
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Report on review of condensed interim financial statements

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

Introduction

We have reviewed the accompanying condensed interim financial statements of ISP OBG S.r.l. (the “company”), comprising the statement of financial position as at 30 June 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 OBG 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 OBG S.r.l. does not extend to such data.

Verona, 4 August 2020

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director of Audit

ISP OBG S.r.l.

Half-Yearly Financial Report
as at 30 June 2020

INTESA  SANPAOLO

ISP OBG S.r.l.

ISP OBG S.r.l.

Registered Office: Via Monte di Pietà 8, 20121 Milan. Company incorporated pursuant to Law no. 130 of 30 April 1999. Quota capital €42,038. Tax code and Registration number in the Milan Monza Brianza Lodi Company Register 05936010965. Member of the Intesa Sanpaolo VAT Group no. 11991500015 (IT11991500015). ABI Code 16832 and Electronic Code 335083. Company subject to management and coordination by Intesa Sanpaolo S.p.A., and member of the Intesa Sanpaolo Banking Group, included in the register of banking groups.

Contents

Company bodies	4
Directors' report	
General information	6
Performance	6
Profit for the period	7
Transactions with Group Companies	7
Related-party transactions	8
Treasury quotas and/or shares or quotas and/or shares in parent companies	8
Research and development	8
Composition of the Quota Capital	8
Management and coordination activities	8
Key events of the period	8
Events after the reporting date	9
Outlook	9
Going concern	9
Condensed interim financial statements as at 30 June 2020	
Financial statements	
Statement of financial position	11
Income statement	13
Statement of comprehensive income	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the condensed interim financial statements	
Part A: Accounting policies	18
Part B: Notes to the statement of financial position	22
Part C: Notes to the income statement	26
Part D: Other disclosures	30
Annexes	
Financial statements of the Parent Company Intesa Sanpaolo S.p.A. at 31 December 2019	60

Company bodies

Board of directors

Chairperson	Paola Fandella
Director	Vanessa Gemmo
Director	Mario Masini

Board of statutory auditors

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

Independent Auditors

KPMG S.p.A..

Directors' report

General information

ISP OBG S.r.l. was incorporated on 14 November 2007 and its sole business object is the acquisition for consideration from banks of loans and securities (also issued through securitisations) within one or more covered bond issues in accordance with article 7-bis of Law no. 130 of 30 April 1999 and related implementing measures.

Its registered office is in Via Monte di Pietà 8, Milan.

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

Performance

There were two payment dates in the first six months of 2020. The first (20 February 2020) related to cash flows from loan collections from 1 October 2019 to 31 December 2019 and the second (20 May 2020) related to cash flows from loan collections from 1 January 2020 to 31 March 2020.

The following covered bonds were issued during the period:

On 17 February 2020:

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

On 27 March 2020:

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

On 27 April 2020:

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

On 24 June 2020:

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

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

The following bonds were cancelled and redeemed in advance with value date on 12 February 2020:

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

A nineteenth sale of loans was made to the vehicle on 25 March 2020, effective from 23 March 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle for €6,022,846,935.94 by Intesa Sanpaolo S.p.A..

The sales notice was published in the Italian Official Journal, Part 2, no. 41 of 4 April 2020.

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

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

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

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

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

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

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

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

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

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

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

Profit for the period

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

Transactions with Group Companies

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

In accordance with the contractual documentation signed for the completion of the Transaction and valid until its termination, the vehicle recognised the following amounts, 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:

- €15,518,666 for servicing and monitoring fees
- €10,000 for receivable account bank fees
- €50,000 for administrative services fees
- €5,000 for cash management fees
- €1,500 for account bank fees
- €6,012 for securities depository 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 €42,038, is divided into quotas and is held as follows:

- Intesa Sanpaolo S.p.A. holds a nominal amount of €25,222.8, equal to 60% of the Quota Capital;
- Stichting Viridis 2 holds a nominal amount of €16,815.20, equal to 40% of the Quota Capital.

Management and coordination activities

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

Key events of the period

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

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

With reference to the vehicle's operations, the current emergency situation resulting from the COVID-19 pandemic had no impact on the management of the vehicle, however it did lead to an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities as a result of

the outbreak of the COVID-19 pandemic. In this regard, you are reminded that the individual and collective valuations of the securitised loans are provided by Intesa Sanpaolo, the Originator and Servicer of the transaction.

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

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

Giuseppe Dalla Costa, also appointed chairperson of the board of statutory auditors;
Claudia Motta;
Eugenio Mario Braja
and the following as Alternate Auditors:

Elena Fornara;
Carlo Maria Augusto Bertola.

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, due to the presence of an adequate cash reserve and additional liquid assets held in the vehicle's current accounts to service the segregated assets. 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



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	309,062	212,192
	a) loans and receivables with banks	309,062	212,192
	b) loans and receivables with financial companies	-	-
	c) loans and receivables with customers	-	-
50.	Hedging derivatives	-	-
60.	Macro-hedging adjustments to financial assets (+/-)	-	-
70.	Equity investments	-	-
80.	Property, equipment and investment property	-	-
90.	Intangible assets	-	-
	- goodwill	-	-
100.	Tax assets:	7,742	8,374
	a) current	175	344
	b) deferred	7,567	8,030
110.	Non-current assets held for sale and disposal groups	-	-
120.	Other assets	893	84,812
	TOTAL ASSETS	317,697	305,378

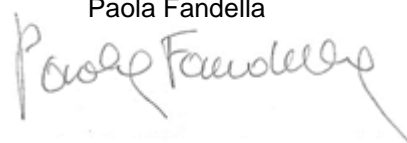
on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



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.	Macro-hedging adjustments to financial liabilities (+/-)	-	-
60.	Tax liabilities:	-	-
	a) current	-	-
	b) deferred	-	-
70.	Liabilities associated with assets held for sale	-	-
80.	Other liabilities	188,494	176,175
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	42,038	42,038
120.	Treasury quotas (-)	-	-
130.	Equity instruments	-	-
140.	Quota premium	-	-
150.	Reserves	87,165	87,165
160.	Valuation reserves	-	-
170.	Profit for the period	-	-
TOTAL LIABILITIES AND EQUITY		317,697	305,378

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	-	2
	of which: interest income calculated using the effective interest method	-	2
20.	Interest and similar expense	-	-
30.	NET INTEREST INCOME	-	2
40.	Fee and commission income	-	-
50.	Fee and commission expense	-	-
60.	NET FEE AND COMMISSION INCOME (EXPENSE)	-	-
70.	Dividends and similar income	-	-
80.	Net trading income (expense)	-	-
90.	Net hedging income (expense)	-	-
100.	Net profit (loss) on sale or repurchase of:		
	a) financial assets at amortised cost	-	-
	b) financial assets at FVOCI	-	-
	c) financial liabilities	-	-
110.	Net gains (losses) on financial assets and liabilities at FVTPL		
	a) financial assets and liabilities at fair value	-	-
	b) other financial assets mandatorily measured at fair value	-	-
120.	TOTAL INCOME	-	2
130.	Net impairment losses/gains for credit risk on:		
	a) financial assets at amortised cost	-	-
	b) financial assets at FVOCI	-	-
140.	Modification gains/losses	-	-
150.	NET FINANCIAL EXPENSE	-	2
160.	Administrative expenses:	-170,392	-164,000
	a) personnel expense	-15,919	-16,522
	b) other administrative expenses	-154,473	-147,478
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	171,023	164,233
210.	OPERATING COSTS	631	233
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	631	235
270.	Income taxes	-631	-235
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
	ordinary quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2020	42,038	-	-	87,165	-	-	-	-	-	129,203
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2020	42,038	-	-	87,165	-	-	-	-	-	129,203

31 December 2019

(amounts in Euros)

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

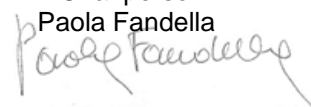
30 June 2019

(amounts in Euros)

	Quota capital			Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the period	Equity
	ordinary quotas	savings quotas	Quota premium	income-related	other					
BALANCE AT 1/1/2019	42,038	-	-	85,489	-	-	-	-	1,676	129,203
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	1,676	-	-	-	-	-1,676	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2019	42,038	-	-	87,165	-	-	-	-	-	129,203

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	96,870	-52,455
- interest income collected (+)	-	14
- interest expense paid (-)	-5	-
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+)	-	-
- personnel expense (-)	-14,187	-7,391
- other costs (-)	-168,944	-223,580
- other revenue (+)	280,006	179,282
- taxes and duties (-)	-	-780
- 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	96,870	-52,455
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	96,870	-52,455
RECONCILIATION		
Opening cash and cash equivalents	212,192	271,875
Net cash flows for the period	96,870	-52,455
Closing cash and cash equivalents	309,062	219,420

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

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

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

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

No departures from the IFRS have been made.

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

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

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

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

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

SECTION 3 - Events after the reporting date

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

SECTION 4 - Other aspects

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

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

A.2 - ACCOUNTING POLICIES

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

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

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

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

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

Loans and receivables are initially recognised at their fair value. They are subsequently measured at amortised cost. This method does not apply to loans and receivables whose current nature makes the effect of discounting negligible. These loans and receivables are measured at historical cost.

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

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

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

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

Other assets

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

Other liabilities

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

Tax assets and liabilities

Current and deferred taxes are recognised using ruling rates.

Income taxes are recognised in profit or loss.

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

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

Deferred tax liabilities are recognised.

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

Recognition of costs and revenue

Costs and revenue are recognised on an accruals basis.

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

Other information

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

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

A.3 – DISCLOSURE ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

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

A.4 - DISCLOSURE ON FAIR VALUE

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

	30/06/2020				31/12/2019			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	309,062	-	309,062	-	212,192	-	212,192	-
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	309,062	-	309,062	-	212,192	-	212,192	-
1. Financial liabilities at amortised cost	-	-	-	-	-	-	-	-
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

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

The vehicle has loans and receivables due from the Parent Company, Intesa Sanpaolo S.p.A., comprised of cash and cash equivalents and amounts payable on demand amounting to €309,062, 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 2019 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.	309,062	-	-	-	309,062	-	212,192	-	-	-	212,192	-
2. Financing												
2.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
2.3 Factoring												
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other financing	-	-	-	-	-	-	-	-	-	-	-	-
3. Debt instruments												
3.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
3.2 other debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
4. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	309,062	-	-	-	309,062	-	212,192	-	-	-	212,192	-
L1= Level 1												
L2= Level 2												
L3= Level 3												

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

10.1 Caption 100 “Tax assets: current and deferred”

	30/06/2020	31/12/2019
Current tax assets: breakdown		
Withholdings on bank interest	-	1
IRES payments on account and assets	-	-
IRAP payments on account and assets	175	343
VAT payments on account and assets	-	-
Total	175	344
Deferred tax assets: breakdown		
Receivables for IRES deferred tax assets	7,567	8,030
Receivables for IRAP deferred tax assets	-	-
Total	7,567	8,030

10.2 Caption 60 “Tax liabilities: current and deferred”

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

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

	30/06/2020	31/12/2019
1. Opening balance	8,030	8,205
2. Increases	-	-
2.1 Deferred tax assets recognised in the period	-	-
(a) related to previous years	-	-
(b) due to changes in accounting policies	-	-
(c) reversals of impairment losses	-	-
(d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	463	175
3.1 Deferred tax assets derecognised in the period	463	175
(a) reversals	463	175
(b) impairment losses due to non-recoverability	-	-
(c) due to changes in accounting policies	-	-
(d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
(a) conversion into tax assets, including as per Law no. 214/2011	-	-
(b) other	-	-
4. Closing balance	7,567	8,030.00

Deferred tax assets arising on carryforward tax losses without time limits amount to €2,565.

Section 12 - Other assets - Caption 120

12.1 Caption 120 “Other assets”

	30/06/2020	31/12/2019
- receivables from the securitised assets	-	83,796
- prepaid expenses	322	-
- receivables for credit notes to be received	571	-
- receivables to the Parent for VAT advance	-	1,016
Total	893	84,812

LIABILITIES

Section 6 - Tax liabilities - Caption 60

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

Section 8 - Other liabilities - Caption 80

8.1 Caption 80 “Other liabilities”

	30/06/2020	31/12/2019
Directors' fees	6,345	-
Statutory auditors' fees	8,021	14,126
Suppliers and beneficiaries	148,917	161,045
IRPEF tax for self-employed workers	-	997
INAIL (accident at work insurance)	-	2
Securitized assets for interest	-	5
Securitized assets for advances received	25,211	-
Total	188,494	176,175

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	42,038	42,038
Total	42,038	42,038

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

- Intesa Sanpaolo S.p.A. holds a nominal amount of €25,222.8, equal to 60% of the Quota Capital;
- Stichting Viridis 2 holds a nominal amount of €16,815.20, equal to 40% of the Quota Capital.

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

	Legal reserve	Losses carried forward	Other extraordinary	Total
A. Opening balance 01/01/20	4,473	-	82,692	87,165
B. Increases				
B.1 Allocation of profits	-	-	-	-
B.2 Other increases	-	-	-	-
C. Decreases				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
- for dividend distribution	-	-	-	-
- for conversion into capital	-	-	-	-
C.2 Other decreases	-	-	-	-
D. Closing balance	4,473	-	82,692	87,165

Other information

1. Commitments and financial guarantees given

There are no commitments and financial guarantees given.

2. Other commitments and other guarantees given

There are no other commitments and guarantees given.

Part C - NOTES TO THE INCOME STATEMENT

Section 1 - Interest - Caption 10

1.1 Caption 10 “Interest and similar income”

	Debt instruments	Financing	Other transactions	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	-	2
3.2 Loans and receivables with financial companies	-	-	X	-	-
3.3 Loans and receivables with customers	-	-	X	-	-
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	-	-	-
6. Financial liabilities	X	X	X	-	-
Total	-	-	-	-	2

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) post-employment benefits	-	-
d) pension costs	-	-
e) accrual for post-employment benefits	-	-
f) accrual for pension and similar provisions:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	15,919	16,522
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	15,919	16,522

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	147,234	140,400
Notary fees	2,983	1,606
Other taxes and duties	224	226
Expense reimbursement - Vehicle bodies	515	1,861
Other	79	359
Total	154,473	147,478

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	171,023	164,233
Total	171,023	164,233

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

Section 19 - Income taxes - Caption 270

19.1 Caption 270 "Income taxes"

	30/06/2020	30/06/2019
1. Current taxes	168	114
2. Change in current taxes from previous years (+/-)	-	-4
3. Decrease in current taxes for the period (+)	-	-
3.bis Decrease in current taxes for the period due to tax assets as per Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	463	125
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the period (-) (-1 +/-2+3+ 3 bis +/-4 +/-5)	631	235

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

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

	(amounts in Euros)
	30/06/2020
Pre-tax profit from continuing operations	631
Pre-tax profit (loss) from discontinued operations	-
	Theoretical taxable profit 631
	Income taxes
Income taxes - theoretical tax expense	176
Increases	1,076
Higher effective tax rate and higher tax base for IRAP purposes	-
Non-deductible costs (contingent liabilities, directors' fees, contractors IRAP, etc.)	613
Other - prior year	463
Decreases	-621
Untaxed gains on equity investments	-
Non-taxable dividends	-
Income at reduced rate	-
Other (taxable base reduction as per Article 11 of Legislative Decree 446/1997, ACE subsidy, etc.)	-621
Other - prior year	-
Total changes	455
	Effective tax expense for the period 631

Part D - OTHER DISCLOSURES

Section 1 - Operations

D. GUARANTEES AND COMMITMENTS

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

Transactions	30/06/2020	31/12/2019
1. First demand financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2. Other financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3. Commercial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
4. Irrevocable loan commitments		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third-party commitments	-	-
7. Other irrevocable commitments	-	-
a) to issue guarantees	-	-
b) other	54,833,420,504	45,667,566,445
Total	54,833,420,504	45,667,566,445

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

H. COVERED BONDS

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

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

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

Securitised assets - Loans and receivables

Loans and receivables are recognised at their residual value at the securitisation date, net of collections received up to the reporting date and any adjustments calculated to determine the estimated realisable value, according to the valuation method used by the servicer Intesa Sanpaolo S.p.A..

Investment of liquidity - Loans and receivables with banks

They are recognised at their nominal amount, which is the same as their estimated realisable value.

Subordinated loans

They are recognised at their nominal amount.

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

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

Interest, fees and commissions, income and expense

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

Derivatives

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

Summary of the securitised assets

(amounts in Euros)

	30/06/2020	31/12/2019
Securitised assets	48,370,069,230	40,022,909,705
Loans and receivables	47,741,048,864	39,476,380,309
Securities	-	-
Other assets	629,020,366	546,529,396
- accrued interest income on IRS	-	18,451,231
- accrued interest income on securities	-	-
- accrued interest income on loans	84,018,328	55,340,189
- other prepayments and accrued income	55,039	-
- loans and receivables with vehicle comp	25,211	-
- tax and other assets	544,921,788	472,737,976
Utilisation of cash deriving from the management of securitised assets	6,463,351,274	5,644,656,740
Debt instruments	-	-
Cash and cash equivalents	6,463,351,274	5,644,656,740
Loans received	54,793,492,972	45,462,980,359
Other liabilities	39,927,532	204,586,086
Liabilities for services	39,927,532	152,077,975
of which: with Intesa Sanpaolo	38,213,689	95,926,585
Additional return on subordinated loan	-	-
Accrued interest expense on IRS	-	52,508,111
	30/06/2020	30/06/2019
Fees and commissions borne by the transaction	15,931,548	11,644,747
For servicing	15,518,666	10,954,713
For other services	412,882	690,034
Other expense	372,332,644	465,448,363
Interest expense on subordinated loan	319,404,259	304,634,104
Interest expense on IRS	-	121,417,433
Expected losses on loans	52,307,429	30,825,626
Other expense	620,956	8,571,200
Interest generated by the securitised assets	362,024,020	326,522,731
Other revenue	26,240,172	150,570,379
Interest income	22,532,386	145,008,786
Other revenue	3,707,786	5,561,593

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



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

	30/06/2020				31/12/2019			
	Gross amount	Impairment losses	Carrying amount	% coverage	Gross amount	Impairment losses	Carrying amount	% coverage
Past-due non-performing	114,837,784	10,276,768	104,561,016	8.95%	133,855,258	8,803,965	125,051,293	6.58%
Unlikely-to-pay	160,975,020	19,726,926	141,248,094	12.25%	66,990,826	8,298,295	58,692,531	12.39%
Bad loans	4,132,881	1,115,858	3,017,023	27.00%	2,575,787	882,523	1,693,264	34.26%
Total non-performing loan:	279,945,685	31,119,552	248,826,133	11.12%	203,421,871	17,984,783	185,437,088	8.84%

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

During the first half of the year, a total of €52,307,429 of adjustments to loans were recorded (of which €20,445,748 on non-performing loans and €31,861,681 on performing loans) compared with adjustments to loans recorded in the first half of 2019 amounting to €30,825,626 (of which €1,544,713 on non-performing loans and €29,280,912 on performing loans).

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

QUALITATIVE INFORMATION

Description of the Issue Programme and its performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A third portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 30 November 2012, effective from 29 November 2012, for a total amount of €3,228,938,084.52, of which €650,655,428.37 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €2,578,282,656.15 by Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.). The sales notice was

published in the Italian Official Journal no. 144 of 11 December 2012.

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

On 14 December 2012, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

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

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

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

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

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

A fifth portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold without recourse to the vehicle on 30

May 2014, effective from 26 May 2014, for a total amount of €2,243,183,788.78, of which €1,028,277,479.56 by Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and €1,214,906,309.22 by Cassa di Risparmio in Bologna S.p.A. (now merged into Sanpaolo S.p.A.), as an additional originator of the Programme. The sales notice was published in the Italian Official Journal no. 67 of 7 June 2014.

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

On 10 June 2014, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

On 15 June 2015, Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.) granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

changes made up until the sale's effective date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 29 October 2019, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 28 October 2019 and legal effect from 30 October 2019, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.

The loans, consisting of mortgage loans in “bad loan” or “unlikely-to-pay” status, were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €650,373,895.23.

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

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

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

On 21 November 2019, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

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

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

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

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

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

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

A twentieth sale of loans was made to the vehicle on 19 June 2020, effective from 15 June 2020. The portfolio of mortgage loans (secured by mortgages on buildings granted to consumer households and family businesses resident in Italy) was sold without recourse for €5,104,847,846.29 by Intesa Sanpaolo S.p.A.. The sales notice was published in the Italian Official Journal, Part 2, no. 74 of 25 June 2020.

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

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

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

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

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

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

Thirtieth payment date (20 February 2020)

On 20 February 2020, payments were made for collections from 1 October 2019 to 31 December 2019.

The funds available for distribution by the vehicle amounted to €367.6 million, of which:

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

The following payments were made:

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

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

Thirty-first payment date (20 May 2020)

On 20 May 2020, payments were made for collections from 1 January 2020 to 31 March 2020.

The funds available for distribution by the vehicle amounted to €267.8 million, of which:

- €180.5 million as collections on the loan portfolio of Intesa Sanpaolo S.p.A..
- €27 as interest received on current accounts and investments of Intesa Sanpaolo S.p.A.
- €567 thousand from swap contracts with Intesa Sanpaolo S.p.A. as the counterparty

- €86.7 million as the reserve fund required amount
- €56 thousand as the remaining funds available on the investment account

The following payments were made:

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

Parties involved

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

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

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

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

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

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

As a result of the changes made to the servicing agreement of 29 July 2010, by the amendment agreement of 20 December 2019, at the reporting date, Intesa Sanpaolo S.p.A. (following the merger of Intesa Sanpaolo Group Services S.c.p.A. into the Parent Company on 11 January 2019) acts as the first special servicer, and DoValue S.p.A. (formerly DoBank, following the partial demerger, on 1 January 2019, of the business unit of Italfondionario S.p.A. relating to the management, recovery and collection of loans from the loan portfolio managed by Italfondionario and assigned to Dobank, now known as DoValue) acts as the second special servicer.

On 12 March 2019, Intesa Sanpaolo S.p.A. signed a sub-servicing agreement with Intrum Italy S.p.A., through which it delegated the management of bad loans with effect from 2 December 2018 (except for the management of the Excluded Loans managed directly by Intesa Sanpaolo S.p.A.).

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

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

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

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

Issue characteristics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The thirteenth series of covered bonds was issued on 20 May 2014 and amounted to €1.5 billion, maturing on 20 August 2019, at a floating three-month Euribor plus 0.70%. These bonds paid a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They were unrated, but used the Intesa

Sanpaolo's issuer rating and were listed on the Luxembourg stock exchange; they were also eligible for transactions in the Eurosystem. On 23 October 2014, their nominal amount was reduced by €125 million to €1.375 million. These bonds were cancelled and redeemed in advance with value date on 14 February 2019.

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

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

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

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

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

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

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

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

The twenty-second series of covered bonds was issued on 16 September 2016 and amounted to €1,750 million, maturing on 20 August 2025, at a floating three-month Euribor plus 0.26%. These bonds pay a three-monthly coupon on 20 November, 20 February, 20 May and 20 August of each year. They are listed on the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Related financial transactions

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

The amount was included in the interest available fund at the payment date of 20 November 2014 and was funded by the issuer which credited €217 million to the vehicle's account, as contractually provided for. At the payment date of 20 November 2020, the cash reserve amounted to €85.4 million and is subject to recalculation and possible adjustment at each payment date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The vehicle's operating powers

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

Section 3 - Risks and related hedging policies

3.1 Credit risk

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)

	Bad loans	Unlikely-to-pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets at amortised cost	-	-	-	-	309,062	309,062
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	-	-	-	-	309,062	309,062
Total 31/12/2019	-	-	-	-	212,192	212,192

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

	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets at amortised cost	-	-	-	-	309,062	-	309,062	309,062
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	-	-	-	-	309,062	-	309,062	309,062
Total 31/12/2019	-	-	-	-	212,192	-	212,192	212,192

	Assets of evidently low credit quality		Other assets
	Cumulative capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	-
2. Hedging derivatives	-	-	-
Total 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	-	309,062	-	309,062	-
-of which: forborne exposures	-	-	-	-	-
TOTAL A	-	309,062	-	309,062	-
B. OFF-BALANCE SHEET EXPOSURES					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
TOTAL B	-	-	-	-	-
TOTAL (A+B)	-	309,062	-	309,062	-

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	309,062	-	-	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities								
2.1 Financial liabilities	-	-	-	-	-	-	-	-
2.2 Debt instruments	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
Options								
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives								
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

3.2.2 Price risk

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

3.2.3 Foreign Exchange risk

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

3.3 Operational risk

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

3.4 Liquidity risk

Qualitative disclosure

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

Quantitative disclosure

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

Captions/Residual maturity	On-demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 3 years	3 - 5 years	After 5 years	open term
On-balance sheet assets											
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	-	-	-	-	-	-	-	-	-	-	-
A.4 Other assets	309,062	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities											
B.1 Due to:	-	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-	-
- Financial companies	-	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt instruments	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions											
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-	-
- Positive difference	-	-	-	-	-	-	-	-	-	-	-
- Negative difference	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable loan commitments	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

Disclosure on risks

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first-demand autonomous, irrevocable and unconditional guarantee to the bondholders with limited recourse to the cover pool assets (the covered bonds guarantee). In accordance with the covered bonds guarantee, if the issuer defaults (i.e., insolvency of Intesa Sanpaolo S.p.A., non-payment by the Issuer of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The risk of partial or total non-collection of the cover pool assets included in the segregated assets has been transferred to the originators Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio del Veneto S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Cassa di Risparmio in Bologna S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Banca CR Firenze S.p.A. (now merged into Intesa Sanpaolo S.p.A.), which granted ISP OBG S.r.l. subordinated loans which it used to fully finance the acquisition.

Section 4 - Equity

4.1 Equity

4.1.1 Qualitative disclosure

4.1.2 Quantitative disclosure

4.1.2.1 Equity: breakdown

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

	30/06/2020	31/12/2019
1. Quota capital	42,038	42,038
2. Quota premium	-	-
3. Reserves	87,165	87,165
- income-related	87,165	87,165
a) legal	4,473	4,473
b) statutory	-	-
c) treasury quotas	-	-
d) other	82,692	82,692
- other	-	-
4. (Treasury quotas)	-	-
5. Valuation reserves	-	-
- Equity instruments at FVOCI	-	-
- Hedges of equity instruments at FVOCI	-	-
- Financial assets (other than equity instruments) at FVOCI	-	-
- Property, equipment and investment property	-	-
- Intangible assets	-	-
- Hedges of investments in foreign operations	-	-
- Cash flow hedges	-	-
- Hedging instruments (elements not designated)	-	-
- Exchange rate differences	-	-
- Non-current assets held for sale and disposal groups	-	-
- Financial liabilities at FVTPL (change in credit rating)	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit plans	-	-
- Portion of valuation reserves of equity-accounted investees	-	-
6. Equity instruments	-	-
7. Profit for the period	-	-
Total	129,203	129,203

4.2 Own Funds and Capital Ratios

4.2.1 Own funds

4.2.2 Qualitative disclosure

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

Section 5 - Breakdown of comprehensive income

(amounts in Euros)

	30/06/2020	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	6,439
- Statutory auditors	9,480
Total	15,919

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

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

6.3 Related-party transactions

Assets and liabilities at 30/06/2020	Loans and receivables with banks	Other assets	Other liabilities
- Directors and statutory auditors	-	-	14,366
- Parent: Intesa Sanpaolo S.p.A.	309,062	-	-
Total	309,062	-	14,366

Income and expense for the first half of 2020	Interest and similar income	Personnel expense	Other administrative expenses	Fee and commission expense
- Directors and statutory auditors	-	15,919	515	-
- Parent: Intesa Sanpaolo S.p.A.	-	-	-	-
Total	-	15,919	515	-

Section 7 - Other information

7.1 Other

- Equity at 30 June 2020

(amounts in Euros)

	Amount at 30/06/2020	Capital portion	Earnings portion	Portion of earnings in tax suspension	Possible use (*)	Summary of use in past three years	
						to cover losses	for other reasons
Equity:							
Quota capital	42,038	42,038	-			-	-
Legal reserve	4,473	-	4,473		A (1), B	-	-
Extraordinary reserve (Other reserves)	82,692	-	82,692		A, B, C	-	-
Total quota capital and reserves	129,203						
Non-distributable portion	4,473						

(*) A = for capital increase; B = to cover losses; C = for distribution to 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 at 31/12/2019.

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

Assets	31.12.2019	31.12.2018	(euro)	
			Change 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	195,028,504	197,753,301	-2,724,797	-1.4
c) other financial assets mandatorily measured at fair value	2,000,383,194	7,660,397,150	-4,754,013,956	-62.1
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	122,454,005,098	154,500,837,735	-32,136,231,737	-20.8
b) loans to customers	317,478,183,030	255,011,593,572	62,466,590,058	24.5
50. Hedging derivatives	2,830,373,955	2,877,547,472	-47,173,517	-1.6
60. Fair value change of financial assets in hedged portfolios (+/-)	1,525,813,562	77,275,285	1,448,538,277	
70. Equity Investments	24,410,762,610	26,257,677,770	-1,846,915,160	-7.0
80. Property and equipment	6,688,430,072	4,598,266,116	2,090,163,956	45.5
90. Intangible assets	4,551,602,210	2,767,601,935	1,784,000,275	64.5
of which:				
- goodwill	1,242,487,402	1,160,336,910	82,150,492	7.1
100. Tax assets	14,016,892,094	14,334,819,665	-317,927,571	-2.2
a) current	1,480,230,804	2,000,573,278	-1,510,330,414	-50.0
b) deferred	12,530,055,230	11,338,240,387	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	152,978,451,667	161,719,030,885	-8,740,579,218	-5.4
b) due to customers	247,937,370,294	208,532,004,893	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	75,887,340	-52,294,660	-68.0
b) deferred	905,355,533	1,370,667,976	-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	384,001,008	350,010,141	34,990,867	10.0
b) post-employment benefits	205,670,392	223,290,421	-17,620,029	-7.9
c) other allowances for risks and charges	2,509,177,700	2,861,375,557	-352,197,857	-12.3
110. Valuation reserves	1,374,623,166	1,080,919,802	293,703,364	27.2
120. Redeemable shares	-	-	-	-
130. Equity instruments	4,102,664,631	4,102,664,631	-	-
140. Reserves	3,399,458,545	4,369,749,752	-970,291,207	-22.2
150. Share premium reserve	25,233,266,887	24,925,954,843	307,312,044	1.2
160. Share capital	9,085,663,010	9,085,469,852	193,158	-
170. Treasury shares (-)	-60,813,066	-39,659,294	21,153,772	53.3
180. Net Income (loss) (+/-)	2,136,974,390	3,685,594,819	-1,548,620,429	-42.0
Total liabilities and shareholders' equity	560,428,629,640	528,553,094,307	31,875,535,333	6.0

Intesa Sanpaolo Financial Statements – Income statement

	2019	2018	(euro)	
			Changes amount	%
10. Interest and similar income	7,282,086,219	7,036,468,661	245,617,558	3.5
of which: interest income calculated using the effective interest rate method	7,600,716,682	7,046,312,007	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	-22,244,300	14,455,144	65.0
100. Profits (Losses) on disposal or repurchase of:	357,904,493	100,711,617	257,192,876	
a) financial assets measured at amortised cost	-26,917,041	-64,232,606	-38,314,664	-69.6
b) financial assets measured at fair value through other comprehensive income	214,497,933	214,993,962	-496,029	-0.2
c) financial liabilities	169,324,601	-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	280,721,336	-263,058,749	-93.7
a) financial assets and liabilities designated at fair value	-96,462,666	29,612,966	-126,065,610	
b) other financial assets mandatorily measured at fair value	113,116,141	261,108,380	-137,992,239	-66.0
120. Net interest and other banking income	11,417,824,422	11,884,203,348	-466,378,924	-4.8
130. Net losses/recoveries for credit risks associated with:	-1,965,432,618	-1,820,970,596	144,462,022	7.9
a) financial assets measured at amortised cost	-1,963,866,693	-1,821,932,120	131,925,666	7.2
b) financial assets measured at fair value through other comprehensive income	-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	-879,468,480	-8.7
160. Administrative expenses:	-7,155,003,404	-7,014,160,148	140,843,256	2.0
a) personnel expenses	-4,490,946,193	-3,699,664,020	829,291,366	22.6
b) other administrative expenses	-2,660,067,221	-3,344,606,320	-688,448,099	-20.6
170. Net provisions for risks and charges	-65,645,408	-39,701,232	-25,944,176	65.3
a) commitments and guarantees given	-663,090	9,969,716	-10,632,813	
b) other net provisions	-64,782,310	-49,670,947	-15,111,363	30.4
180. Net adjustments to / recoveries on property and equipment	-391,583,737	-125,285,249	-266,298,488	
190. Net adjustments to / recoveries on intangible assets	-536,880,647	-14,591,319	522,289,328	
200. Other operating expenses (income)	807,164,212	518,187,937	288,976,275	55.8
210. Operating expenses	-7,341,848,884	-8,676,660,011	888,388,873	10.0
220. Profits (Losses) on equity investments	-56,028,166	127,339,460	-183,367,626	
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	3,679,874,611	-1,634,648,263	-42.9
270. Taxes on income from continuing operations	34,130,294	64,177,552	-30,047,258	-46.8
280. Income (Loss) after tax from continuing operations	2,073,268,642	3,837,862,063	-1,684,686,621	-43.0
290. Income (Loss) after tax from discontinued operations	63,717,848	47,742,756	15,975,092	33.5
300. Net income (loss)	2,138,974,380	3,686,684,819	-1,648,820,428	-42.0