

ISP CB Pubblico S.r.l.

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

2020 Annual Report

INTESA  SANPAOLO

ISP CB Pubblico S.r.l.

ISP CB Pubblico S.r.l.

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

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Company bodies

Board of directors

Chairperson	Paola Fandella
Director	Roberta Carla Antonia Crespi
Director	Vanessa Gemmo

Board of statutory auditors

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

Independent Auditors

KPMG S.p.A.

Calling of quotaholders' meeting

2020 Annual Report

Directors' report

General information

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

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

The vehicle does not have employees and, in accordance with applicable regulations issued by Bank of Italy, it has assigned the management of its loan portfolio to the servicer of the securitisation, BISS S.p.A., now Intesa Sanpaolo S.p.A., since 20 May 2009. It has also assigned its administrative, accounting, corporate and tax services to its administrative services provider, Intesa Sanpaolo S.p.A..

Performance

In 2020, there were two payment dates: the first (31 March 2020) relating to cash flows from loan collections from 1 August 2019 to 31 January 2020; and the second (30 September 2020) relating to cash flows from loan collections from 1 February 2020 to 31 July 2020.

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

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

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

Issues (Programme maximum amount: €20 billion)						
Series	Date of issue	Legal maturity date	Issue Amount	Rate	Listing exchange	Type
3	27/01/2011	27/01/2021	1,500,000,000	5.00%	Luxembourg	market
10	23/10/2015	06/10/2022	250,000,000	6-month Euribor +0.25%	Luxembourg	retained
12	22/04/2016	06/10/2023	1,275,000,000	6-month Euribor +0.23%	Luxembourg	retained
13	17/05/2017	06/10/2024	1,050,000,000	6-month Euribor +0.20%	Luxembourg	retained
			4,075,000,000			

On 7 September 2020, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the vehicle, in relation to several loans identified as a block pursuant to article 1331 of the Italian Civil Code.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €132,412,887.63.

By means of private agreement notarised at the Office of the Notaries Pietro Sormani and Stefano Ajello, the deed of sale was signed on 7 September 2020 with deed no. 67124, file no. 14131 registered at the Italian Revenue Agency, Milan Provincial Department, on 7 September 2020, under no. 65697, Series 1T.

The subordinated loan was repaid during the year, in the amount of €700 million on the guarantor payment date of 31 March 2020 and €300 million on the guarantor payment date of 30 September 2020, using the cash and cash equivalents posted during the period, deriving from the collection of the principal from the assets of the underlying portfolio.

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

Transactions with Group Companies

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

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

- €1,805,557 for servicing fees
- €12,000 for receivable account bank fees
- €50,000 for administrative services fees
- €10,000 for cash management fees
- €68,723 for account bank fees
- €500 for fees for the performance of services required by the EMIR.

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

The notes to the financial statements provide more information about the vehicle's cash transactions and commitments with the other group companies.

Related-party transactions

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

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

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

Research and development

The vehicle does not carry out research and development.

Composition of the Quota Capital

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

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

Management and coordination activities

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

Key events of the year

The health crisis at the beginning of the year linked to the spread of the COVID-19 pandemic put the real economy and the financial markets under severe strain. The countries affected by the crisis saw a drop in their main macroeconomic indicators. Although the global economy improved in the second half of the year, linked to the easing of restrictive measures introduced to contain the pandemic and the timely and strong economic policy response, the pre-crisis level of economic activity will not be reached until 2021 at global level, and later in several European countries, including Italy. The economic slowdown has affected the ability of companies and individuals to meet their obligations to credit institutions, despite the measures introduced by governments and financial institutions to support the economy through moratoria and suspensions of mortgage and loan repayments, aimed at addressing the liquidity crises faced by borrowers.

With regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty has not had an impact on the management of the vehicle. Also with regard to the segregated assets, due to the type of assets securitised (loans and securities to government entities), there were no increases in adjustments to loans during the year and there were no effects on the performance of operations. In this regard, you are reminded that the individual and collective valuations of the securitised assets, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

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

Nicola Bruni, also appointed chairperson of the Board of Statutory Auditors;
Elena Fornara;
Giuseppe Dalla Costa

and the following as Alternate Auditors:

Claudia Motta;
Renzo Mauri.

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

Events after the reporting date

On 27 January 2021, at the legal maturity date, the third series of covered bonds, amounting to €1,500 million, with a fixed rate of 5%, issued on 27 January 2011, was fully redeemed.

The fourteenth series of covered bonds was issued on 18 February 2021, in the amount of €1,000 million, maturing on 6 October 2026, at a floating six-month Euribor plus 0.04%. The bonds pay six-monthly coupons on 6 April and 6 October. They were listed on the Luxembourg stock exchange and were rated A2 by Moody's.

Outlook

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

Going concern

The Board of Directors – despite the current uncertainty related to the COVID-19 pandemic and its evolution in the coming months – has a reasonable expectation that the vehicle's operations will continue in a stable manner, also considering that its viability is guaranteed by the chargeback of costs to the segregated assets. The 2020 financial statements have therefore been prepared on a going concern basis.

The management of the segregated assets should also not be particularly affected by the pandemic crisis, given the nature of the securitised assets, consisting of loans and securities with government entities, and the presence of hedging in the form of asset swaps on the segregated assets.

Profit/(loss) for the year

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

Proposal to the quotaholders to approve the financial statements and the allocation of the profit/(loss) for the year

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

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

Milan, 26 February 2021

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Report of the board of statutory auditors

ISP CB PUBBLICO S.R.L.

Registered Office: Via Monte di Pietà, 8 - 20121 Milan
Company incorporated pursuant to Law no. 130 of 30 April 1999
Quota Capital €120,000

Tax Code and Registration number in the Milan Monza Brianza Lodi Company Register 05936150969
Member of the Intesa Sanpaolo VAT Group no.
11991500015 (IT11991500015)
ABI Code 16831, Electronic Code 335075

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

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

Distinguished Shareholders,

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

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

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

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

The financial statements at 31 December 2020, which are being submitted for examination and approval by the Shareholders’ Meeting, pursuant to Legislative Decree no. 38 of 28 February 2005, have been prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) applicable at 31 December 2020 issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission in accordance with Regulation (EC) No. 1606 of 19 July 2002. The accounting policies applied to prepare these financial statements are consistent with those used for the 2019 financial statements.

In their introduction, the notes to the financial statements state that the IAS/IFRS accounting treatment for financial assets and/or groups of financial assets and financial liabilities arising from “covered bank bond issues” is still subject to further examination by the bodies responsible for interpreting the accounting standards. They then set out the accounting policies adopted in preparing the Financial Statements at 31 December 2020, noting that there were no significant impacts or exemptions from the application of the IAS/IFRS.

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

The sole business purpose of the vehicle is the acquisition for consideration from banks of loans and securities, also issued through securitisations, within one or more covered bond issues in accordance with article 7-bis of Law no. 130 of 30 April 1999 and the related implementing measures. As a result, the layouts that apply to financial intermediaries have been used in these financial statements, in accordance with the guidance set out in the document "*The IFRS financial statements of intermediaries other than banking intermediaries*" issued by the Bank of Italy on 30 November 2018.

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

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

ASSETS	€	225,225
LIABILITIES	€	56,295
QUOTA CAPITAL	€	120,000
RESERVES	€	48,930
TOTAL LIABILITIES AND EQUITY	€	225,225

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

REVENUE	€	123,412
COSTS	€ -	122,580
INCOME TAXES	€ -	832
PROFIT FOR THE YEAR	€	//

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

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

The Board of Statutory Auditors reports and notes the following.

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

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

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

b. Compliance with the principles of proper management

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

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

c. Adequacy of the organisational structure

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

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

d. Supervision of outsourced activities

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

The Directors' Report states that:

- the vehicle does not have employees and its loan portfolio has been managed by the servicer of the securitisation BIIS S.p.A., now Intesa Sanpaolo S.p.A., since 20 May 2009. Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it administrative, accounting, corporate and tax services;
- the vehicle has current accounts with Intesa Sanpaolo S.p.A., which bear agreed interest rates;
- the following costs for services provided by Intesa Sanpaolo S.p.A. through its Administrative and Tax Department and Corporate Affairs and Consultancy Department, and through its Banca dei Territori Division, have been recognised: servicing (€1,805,557); receivable account bank services (€12,000); administrative services (€50,000); cash management services (€10,000); account bank services (€68,723); and fees for EMIR settlement services (€500).

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

The parties involved in the securitisation are the following:

- Intesa Sanpaolo S.p.A., which took over from Banca Infrastrutture Innovazione e Sviluppo S.p.A. on 1 December 2012 and acts as servicer of the securitisation in accordance with Law no. 130/99. Intesa Sanpaolo S.p.A. provides IT infrastructure, including via Intesa Sanpaolo Group Services (now merged into Intesa Sanpaolo S.p.A.), and performs the back office activities for collections on the securitised loans, as per the Group's regulations. As servicer, it is also responsible for ensuring that the transaction activities comply with the law and the Prospectus, in accordance with article 2.6 of Law no. 130/99;
- Following enactment of the EMIR, which imposes specific disclosure obligations on parties to OTC derivative contracts, in February 2014 Intesa Sanpaolo Group Services S.c.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Intesa Sanpaolo S.p.A. were engaged to perform certain of these mandatory activities as representatives of the vehicle (specifically, Intesa Sanpaolo Group Services S.c.p.A. – now merged into Intesa Sanpaolo S.p.A. – is responsible for reconciling the portfolios and managing disputes, while Intesa Sanpaolo S.p.A. is in charge of reporting);
- Intesa Sanpaolo S.p.A., as servicer, also acts as account bank and cash manager, which involves crediting the amounts collected on the accounts opened with it and managing the funds while they are deposited in the current account before being used to make the payments on the dates set by the vehicle. It receives a fee in line with market conditions for these services;
- Deutsche Bank is the paying agent for the covered bonds issued;
- Finanziaria Internazionale Securitisation Group S.p.A. (now FISG S.r.l.) is the bondholder representative;
- Securitisation Services S.p.A. is the calculation agent;
- Deutsche Bank Luxembourg S.A. is the Luxembourg listing agent;
- As arranger of the first issue, Banca IMI S.p.A. assisted Intesa Sanpaolo S.p.A. in structuring the securitisation.
- Mazars S.p.A. is the asset monitor.

e. Supervision of the adequacy of the internal control system

In performing its guidance, management and coordination activities, Intesa Sanpaolo S.p.A., as the Parent Company, is required to fulfil the regulatory obligations imposed on it as a listed company or aimed at ensuring the Group's stability. To this end, it has issued directives over time, in implementation of the instructions given by the Supervisory Authorities, that the subsidiaries are required to comply with. The Board of Statutory Auditors acknowledges in this regard that the Board of Directors of ISP CB Pubblico S.r.l. has adopted the Guidelines, Policies and Processes, and their updates, approved by the Parent Company Intesa Sanpaolo S.p.A..

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

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

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

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

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

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

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

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

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

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

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

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

l. Going concern

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

In the Directors' Report, the directors stated that – despite the current uncertainty related to the COVID-19 pandemic and its evolution in the coming months – they had a reasonable expectation that the vehicle's operations will continue in a stable manner, also considering that its viability is guaranteed by the chargeback of costs to the segregated assets. The 2020 financial statements have therefore been prepared on a going concern basis. The directors also reported that the segregated assets should also not be particularly affected by the pandemic crisis in view of (i) the nature of the securitised assets, consisting of loans and securities with government entities and (ii) the presence of hedging in the form of asset swaps on the segregated assets.

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

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

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

m.1. Most significant financial transactions

The financial statements and the directors' report provide a detailed description of the transactions carried out by the vehicle. The Board of Statutory Auditors has acquired sufficient information on these transactions to determine their compliance with the law, the articles of association and the principles of

proper management. None of these transactions have any features that warrant any specific observations or remarks.

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

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

Nothing to report.

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

Nothing to report.

m.2.3 Intragroup transactions and related-party transactions:

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

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

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

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

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

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

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

m.6. Any claims submitted

No claims were submitted.

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

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

Service	Service provider	Fees
Audit	KPMG S.p.A.	51,480
Other non-audit services	KPMG S.p.A.	72,193

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

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

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

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

None.

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

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

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

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

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

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

m.13. Adequacy of the internal control system

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

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

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

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

ISP CB Pubblico S.r.l. does not have any subsidiaries.

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

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

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

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

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

m.18. Concluding remarks on the supervision carried out

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

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

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

Milan, 11 March 2021

The Board of Statutory Auditors

signed by Nicola Bruni (Chairperson)

signed by Elena Fornara (Standing Statutory Auditor)

signed by Giuseppe Dalla Costa (Standing Statutory Auditor)

Report of the independent auditors



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

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

*To the quotaholders of
ISP CB Pubblico S.r.l.*

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

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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



Emphasis of matter

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

Other matters

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

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

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

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

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

Auditors’ responsibilities for the audit of the financial statements

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



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

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

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

Report on other legal and regulatory requirements

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

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

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

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



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

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

Verona, 5 March 2021

KPMG S.p.A.

(signed on the original)

Vito Antonini
Director

Financial statements

Statement of financial position

(amounts in Euros)

	Assets	31/12/2020	31/12/2019
40.	Financial assets at amortised cost	177,219	169,083
	a) loans and receivables with banks	177,219	169,083
100.	Tax assets:	1,510	1,703
	a) current	1,510	1,703
120.	Other assets	46,496	56,756
	TOTAL ASSETS	225,225	227,542

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of financial position

(amounts in Euros)

	Liabilities and equity	31/12/2020	31/12/2019
60.	Tax liabilities:	6	357
	a) current	6	357
80.	Other liabilities	56,289	58,255
110.	Quota capital	120,000	120,000
150.	Reserves	48,930	48,930
170.	Profit for the year	-	-
	TOTAL LIABILITIES AND EQUITY	225,225	227,542

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Income statement

(amounts in Euros)

	Income statement items	31/12/2020	31/12/2019
10.	Interest and similar income	-	67
	of which: interest income calculated using the effective interest method	-	67
30.	NET INTEREST INCOME	-	67
120.	TOTAL INCOME	-	67
150.	NET FINANCIAL INCOME (EXPENSE)	-	67
160.	Administrative expenses:	-122,580	-122,128
	a) personnel expense	-40,139	-39,947
	b) other administrative expenses	-82,441	-82,181
200.	Other net operating income	123,412	122,806
210.	OPERATING COSTS	832	678
260.	PRE-TAX PROFIT FROM CONTINUING OPERATIONS	832	745
270.	Income taxes	-832	-745
280.	POST-TAX PROFIT FROM CONTINUING OPERATIONS	-	-
300.	PROFIT FOR THE YEAR	-	-

on behalf of the BOARD OF DIRECTORS
 Chairperson
 Paola Fandella

Statement of comprehensive income

	(amounts in Euros)	
	31/12/2020	31/12/2019
10. Profit for the year	-	-
Other comprehensive income, net of tax, that will not be reclassified to profit or loss		
20. Equity instruments at FVOCI	-	-
30. Financial liabilities at FVTPL (change in credit rating)	-	-
40. Hedges of equity instruments at FVOCI	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and disposal groups	-	-
90. Portion of valuation reserves of equity-accounted investees	-	-
Other comprehensive income, net of tax, that will be reclassified to profit or loss		
100. Hedges of investments in foreign operations	-	-
110. Exchange rate gains (losses)	-	-
120. Cash flow hedges	-	-
130. Hedging instruments (elements not designated)	-	-
140. Financial assets (other than equity instruments) at FVOCI	-	-
150. Non-current assets held for sale and disposal groups	-	-
160. Portion of valuation reserves of equity-accounted investees	-	-
170. Total other comprehensive income	-	-
180. Comprehensive income (captions 10+170)	-	-

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of changes in equity

31 December 2020

(amounts in Euros)

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Profit for the year	Equity
	ordinary quotas	savings quotas		- income-related	other					
BALANCE AT 1/1/2020	120,000	-	-	48,930	-	-	-	-	-	168,930
ALLOCATION OF PRIOR YEAR PROFIT										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-	-	-	-	-
CHANGES OF THE YEAR										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
EQUITY AT 31/12/2020	120,000	-	-	48,930	-	-	-	-	-	168,930

31 December 2019

(amounts in Euros)

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

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Statement of cash flows

	(amounts in Euros)	
	31/12/2020	31/12/2019
A. OPERATING ACTIVITIES		
1. Operations	8,136	-64,664
- interest income collected (+)	-	62
- interest expense paid (-)	-	-
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+)	-	-
- personnel expense (-)	-38,501	-35,451
- other costs (-)	-89,593	-100,038
- other revenue (+)	137,220	71,853
- taxes and duties (-)	-990	-1,090
- 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	8,136	-64,664
B. INVESTING ACTIVITIES		
1. Cash flows generated by:	-	-
- sales of equity investments	-	-
- dividends from equity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash flows used to acquire:	-	-
- equity investments	-	-
- property, equipment and investment property	-	-
- intangible assets	-	-
- business units	-	-
Net cash flows generated by/used in investing activities	-	-
C. FINANCING ACTIVITIES		
- issue/repurchase of treasury quotas	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
Net cash flows generated by/used in financing activities	-	-
NET CASH FLOWS FOR THE YEAR	8,136	-64,664
RECONCILIATION		
Opening cash and cash equivalents	169,083	233,747
Net cash flows for the year	8,136	-64,664
Closing cash and cash equivalents	177,219	169,083

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

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Notes to the financial statements

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 - Statement of compliance with the IFRS

In compliance with Legislative Decree no. 38 of 28 February 2005, the vehicle has prepared its financial statements in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) applicable at 31 December 2020 issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force at the reporting date, in accordance with Regulation (EC) No. 1606 of 19 July 2002.

SECTION 2 - Basis of presentation

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

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

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

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

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

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

No departures from the IFRS have been made.

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

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

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

The financial statements are prepared with the intention of presenting a true and fair view of the assets and liabilities, financial position, results of operations and cash flows, according to the following basis of presentation:

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

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

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

SECTION 3 - Events after the reporting date

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

SECTION 4 - Other aspects

KPMG S.p.A. performs the legally-required audit of the vehicle's financial statements.

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

Risks, uncertainties and impacts of the COVID-19 epidemic

With regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty has not had an impact on the management of the vehicle. Also with regard to the segregated assets, due to the type of assets securitised (loans and securities to government entities), there were no increases in adjustments to loans during the year and there were no effects on the performance of operations. In this regard, you are reminded that the individual and collective valuations of the securitised assets, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

Newly adopted accounting standards

a) Accounting standards newly adopted in 2020

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

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

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

b) Accounting standards newly adopted after 2020

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

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

A.2 - ACCOUNTING POLICIES

This section sets out the accounting policies adopted in preparing the financial statements at 31 December 2020, solely for the statement of financial position and income statement captions presented in the financial statements. The recognition, measurement and derecognition criteria are given for each asset and liability caption.

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

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

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

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

Loans and receivables are initially recognised at their fair value.

They are subsequently measured at amortised cost.

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

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

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

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

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

Other assets

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

Other liabilities

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

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

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

Financial and other liabilities are derecognised when they are settled.

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

Tax assets and liabilities

Current and deferred taxes are recognised using ruling rates.

Income taxes are recognised in profit or loss.

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

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

Deferred tax liabilities are recognised.

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

Recognition of costs and revenue

Costs and revenue are recognised on an accruals basis.

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

Other information

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

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

A.3 – DISCLOSURE ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

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

A.4 - DISCLOSURE ON FAIR VALUE

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2020				31/12/2019			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	177,219	-	177,219	-	169,083	-	169,083	-
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	177,219	-	177,219	-	169,083	-	169,083	-
1. Financial liabilities at amortised cost	-	-	-	-	-	-	-	-
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

CA=Carrying amount

L1= Level 1

L2= Level 2

L3= Level 3

The vehicle has loans and receivables due from the Parent Company, Intesa Sanpaolo S.p.A., comprised of cash and cash equivalents and amounts payable on demand amounting to €177,219, classified at level 2 of the fair value hierarchy.

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

A.5 Information on day one profit/loss

There is no information to be provided on the day one profit/loss, because the vehicle did not use any financial instruments during 2020 in its ordinary operations.

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

PART B - NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

Section 4 - Financial assets at amortised cost - Caption 40

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

	31/12/2020						31/12/2019					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stages	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3	First and second stages	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3
1. Deposits and current accounts:												
- held with Intesa Sanpaolo S.p.A.	177,219	-	-	-	177,219	-	169,083	-	-	-	169,083	-
2. Financing												
2.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
2.3 Factoring												
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other financing	-	-	-	-	-	-	-	-	-	-	-	-
3. Debt instruments												
3.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
3.2 other debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
4. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	177,219	-	-	-	177,219	-	169,083	-	-	-	169,083	-

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

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

	Gross amount				Total value adjustments			Total partial write-offs
	First stage	of which: low credit risk instruments	Second stage	Third stage	First stage	Second stage	Third stage	
Debt instruments	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-
Other assets	177,219	-	-	-	-	-	-	-
Total 31/12/2020	177,219	-	-	-	-	-	-	-
Total 31/12/2019	169,083	-	-	-	-	-	-	-

of which: purchased or originated credit-impaired financial assets

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

10.1 Caption 100 “Tax assets: current and deferred”

Current tax assets: breakdown	31/12/2020	31/12/2019
Withholdings on bank interest	-	17
IRES payments on account and assets	1,510	1,686
Total	1,510	1,703

10.2 Caption 60 “Tax liabilities: current and deferred”

Current and deferred tax liabilities: breakdown	31/12/2020	31/12/2019
- Current taxes	6	357
IRAP liabilities	6	357
Total	6	357

Section 12 - Other assets - Caption 120

12.1 Caption 120 “Other assets”

	31/12/2020	31/12/2019
- receivables from the securitised assets	42,053	56,756
- VAT receivables	4,443	-
Total	46,496	56,756

LIABILITIES

Section 6 - Tax liabilities - Caption 60

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

Section 8 - Other liabilities - Caption 80

8.1 Caption 80 “Other liabilities”

	31/12/2020	31/12/2019
Statutory auditors' fees	12,173	12,793
Suppliers and beneficiaries	43,470	44,575
IRPEF tax for self-employed workers	576	787
INAIL (accident at work insurance)	70	59
Securitised assets for interest	-	41
Total	56,289	58,255

Section 11 - Equity - Captions 110 and 150

11.1 Caption 110 “Quota capital”

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

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

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

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

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

Other information**1. Commitments and financial guarantees given**

There are no commitments and financial guarantees given.

2. Other commitments and other guarantees given

There are no other commitments and guarantees given.

Part C - NOTES TO THE INCOME STATEMENT

Section 1 - Interest - Caption 10

1.1 Caption 10 “Interest and similar income”

	Debt instruments	Financing	Other transactions	31/12/2020	31/12/2019
1. Financial assets at FVTPL:					
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets at fair value	-	-	-	-	-
1.3. Financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets at FVOCI:					
	-	-	X	-	-
3. Financial assets at amortised cost:					
3.1 Loans and receivables with banks					
Intesa Sanpaolo S.p.A.	-	-	X	-	67
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	-	-	-	-	67
of which: interest income on impaired financial assets					
of which: interest income on leases					

Section 10 - Administrative expenses - Caption 160

10.1 Caption 160.a “Personnel expense”

	31/12/2020	31/12/2019
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) post-employment benefits	-	-
d) pension costs	-	-
e) accrual for post-employment benefits	-	-
f) accrual for pension and similar provisions:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	40,139	39,947
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	40,139	39,947

10.2 Average number of employees by category

The vehicle does not have any employees.

10.3 Caption 160.b “Other administrative expenses”

	31/12/2020	31/12/2019
Consultancy	6,877	6,052
Audit fees	72,496	70,674
Notary fees	2,001	2,119
Other taxes and duties	512	433
Expense reimbursement - Vehicle bodies	452	2,722
Other	103	181
Total	82,441	82,181

Section 14 - Other net operating income - Caption 200

14.2 Caption 200 “Other net operating income”

	31/12/2020	31/12/2019
Contractually provided-for income	123,412	122,806
Total	123,412	122,806

The income reported above relates entirely to the 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 each securitisation carried out.

Section 19 - Income taxes - Caption 270

19.1 Caption 270 “Income taxes”

	31/12/2020	31/12/2019
1. Current taxes (-)	832	748
2. Change in current taxes from previous years (+/-)	-	-3
3. Decrease in current taxes for the year (+)	-	-
3. bis Decrease in current taxes for the year due to tax assets as per Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	-	-
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the year (-) (-1+/-2+3+ 3 bis+/-4+/-5)	832	745

Current taxes for the year consist of €193 for IRES (income tax) and €639 for IRAP (business tax).

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

	31/12/2020	31/12/2019
Pre-tax profit from continuing operations	832	745
Theoretical taxable profit	832	745
	Income taxes	Income taxes
Income taxes - theoretical IRES tax expense	200	179
Increases	82	25
Non-deductible costs (contingent liabilities, directors' fees, contractors IRAP, etc.)	82	25
Decreases	-89	-89
Other (taxable base reduction as per Article 11 of Legislative Decree 446/1997, ACE subsidy, etc.)	-89	-89
Total changes	-7	-64
Total	193	115
IRAP	639	630
Theoretical tax expense (IRES + IRAP)	832	745

Part D - OTHER DISCLOSURES

Section 1 - Operations

D. GUARANTEES AND COMMITMENTS

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

Transactions	31/12/2020	31/12/2019
1. First demand financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2. Other financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3. Commercial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
4. Irrevocable loan commitments		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third-party commitments	-	-
7. Other irrevocable commitments		
a) to issue guarantees	-	-
b) other	5,146,231,307	6,178,831,610
Total	5,146,231,307	6,178,831,610

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

H. COVERED BONDS

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

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

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

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

Securitised assets - Loans and receivables

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

Securitised assets - Securities

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

Investment of liquidity - Loans and receivables with banks

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

Subordinated loan

The subordinated loan is recognised at its nominal amount.

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

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

Derivatives

Thirteen asset swaps are in place to protect the vehicle. As they are similar to the related hedged assets and liabilities, the swaps are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

Interest, fees and commissions, income and expense

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

Tax treatment of the segregated assets

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

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

Summary of the securitised assets

	(amounts in Euros)	
	31/12/2020	31/12/2019
Securitized assets	4,270,963,594	4,849,769,386
Loans and receivables	2,274,726,410	2,707,522,064
Securities	1,563,412,418	1,725,935,199
Other assets	432,824,766	416,312,123
- accrued interest income on IRS	70,342,132	71,488,509
- accrued interest income on securities	5,776,687	6,374,208
- accrued interest income on loans	11,953,702	13,249,891
- accrued interest income on subordinated	342,887,908	323,966,272
- tax and other assets	1,864,337	1,233,243
Utilisation of cash deriving from the management of loans and receivables	875,267,713	1,329,062,224
Cash and cash equivalents	875,267,713	1,329,062,224
Loans received	4,967,987,445	5,971,273,779
Other liabilities	178,243,862	207,557,831
Liabilities for services	851,026	1,052,660
- of which due to originators	711,070	821,476
Liabilities for Additional Interest Amount	118,971,824	120,126,149
Due to securitisation vehicles	42,053	-
Accrued interest expense on IRS	58,378,959	86,379,022
Fees and commissions borne by the transaction	2,068,171	2,243,643
For servicing	1,805,557	2,005,462
For other services	262,614	238,181
Other expense	216,053,833	222,488,732
Interest expense on subordinated loan	27,233,858	31,971,892
Additional Interest Amount	52,809,129	13,400,202
Interest expense on IRS	134,203,570	166,224,000
Expected losses on loans	16,953	473,180
Expected losses on securities	1,123,982	9,753,282
Other expense	666,341	666,176
Interest generated by the securitized assets	111,786,925	131,390,174
Other revenue	106,335,079	93,342,201
Interest income on IRS	94,926,024	93,064,278
reversals of impairment losses on securities	9,738,068	69,426
reversals of impairment losses on loans	1,670,987	-
Other revenue	-	208,497

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

QUALITATIVE INFORMATION

Description of the Issue Programme and its performance

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

Banca Intesa Infrastrutture e Sviluppo S.p.A. (BIIS S.p.A.), now ISP S.p.A. (following the partial spin-off to the latter on 1 December 2012 with deed no. 1,655, file no. 564 notarised by notary Morone on 21 November 2012), sold the vehicle the first loan portfolio on 20 May 2009. The transaction became effective on 1 May 2009 and cost approximately €3.8 billion (the carrying amount of the loans at 1 May 2009).

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

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

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

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

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

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

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

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

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

The consideration paid for the assets was determined using their carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date. Reconta Ernst & Young S.p.A. performed an appraisal of some of the assets that did not have a carrying amount at 31 December 2009.

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

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

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

The consideration paid for the assets was determined using their carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date. Reconta Ernst & Young S.p.A. performed an appraisal of the carrying amounts at 31 December 2010 as the originator's financial statements had not been approved at the date the fourth portfolio was sold and when the covered bonds were issued.

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

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

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

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

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

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

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

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

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

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

The vehicle funded the acquisition using the principal available funds.

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

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

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

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

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

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

On 7 September 2020, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the vehicle, in relation to several loans identified as a block pursuant to Article 1331 of the Italian Civil Code.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €132,412,887.63.

By means of a private agreement notarised at the Office of the Notaries Pietro Sormani and Stefano Ajello, the deed of sale was signed on 7 September 2020 with deed no. 67124, file no. 14131.

The deed of sale was registered at the Italian Revenue Agency, Milan Provincial Department, on 7 September 2020, under no. 65697, Series 1T.

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

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

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

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

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

Twenty-first payment date (31 March 2020)

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

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

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

The following payments were made:

- €1.1 million as remuneration to the third parties that provided services to the vehicle
- €235 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €70.3 million as payment to the swap counterparty
- €17.1 million as interest for the subordinated loan
- €41.7 million as premium interest for the subordinated loan
- €11.3 million as a provision for the CB swap accumulation amount
- €79.1 million as the reserve amount.

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

Detailed information on the cash flows from the loans and to pay the service providers is set out in the annex.

Twenty-second payment date (30 September 2020)

On 30 September 2020, the vehicle made the payments in accordance with the Prospectus for the collections received from 1 February 2020 to 31 July 2020.

The funds available for distribution by the vehicle amounted to €152.3 million, of which:

- €56 million as collections on the portfolio for interest payments
- €0 in interest received on current accounts
- €5.9 million from swap contracts
- €11.3 million as the CB swap accumulation amount
- €79.1 million as the reserve amount.

The following payments were made:

- €967 thousand as remuneration to the third parties that provided services to the vehicle
- €120 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €55.9 million as payment to the swap counterparty
- €13.4 million as interest to Intesa Sanpaolo S.p.A. for the subordinated loan
- €12.3 million as premium interest for the subordinated loan
- €12.3 million as a provision for the CB swap accumulation amount
- €57.4 million as the reserve amount.

The amount of €300 million was also used from the principal available funds to partially repay the subordinated loan.

Detailed information on the cash flows from the loans and to pay the service providers is set out in the annex.

Parties involved

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

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

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

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

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

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

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

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

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

Issue characteristics

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

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

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

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

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

The fourth issue of 30 March 2011 amounted to €2.4 billion and was fully subscribed by Banca IMI S.p.A. and then sold to BIIS S.p.A.. The bonds had a two-year term (bullet payment on 6 April 2013), which could have been extended by one year to 6 April 2014. The bonds paid a six-monthly coupon at a floating rate six-month

Euribor plus a spread. The payment dates were 6 April and 6 October of each year, starting from 6 October 2011. The bonds were rated AAA by Moody's. They matured and were fully redeemed on 6 April 2013.

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

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

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

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

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

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

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

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

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

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

The tenth issue of 23 October 2015 of €1.7 billion was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds have an approximate seven-year term (bullet payment on 6 October 2022), which may be extended by one year to 6 April 2023. The bonds paid a six-monthly coupon at a floating six-month Euribor plus a spread. The

payment dates are 6 April and 6 October of each year, starting from 6 April 2016. The bonds were rated A1 by Moody's.

The nominal amount of the bonds was partially reduced by €500 million on 27 January 2017, by €100 million on 29 July 2019, by €550 million on 24 January 2020, and by €300 million on 31 July 2020, resulting in a new nominal amount of €250 million.

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

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

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

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

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

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

Related financial transactions

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

The vehicle's operating powers

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

QUANTITATIVE INFORMATION

Cash flows from securitised assets

Loans and receivables

Carrying amount

	1 May 2009	Changes in previous years	Changes In Current Year	31 December 2020
a) Opening balance	3,790,358,323			
b) Increases		8,266,408,086	74,812,043	
b.1 interest		1,847,336,206	71,816,366	
b.2 default/legal interest		1,246,607	28,500	
b.3 acquisitions		6,393,128,233	-	
b.4 other increases		24,697,040	2,967,177	
c) Decreases		9,349,224,345	507,627,697	
c.1 collections		8,526,755,177	359,128,250	
c.2 sales		487,573,424	132,412,888	
c.3 other decreases in loans		334,895,744	16,086,559	
Closing balance				2,274,726,410

Securities

Carrying amount

	1 April 2010	Changes in previous years	Changes in Current Year	31 December 2020
a) Opening balance	446,261,021			
b) Increases		4,938,523,976	50,277,648	
b.1 interest on securities		631,172,989	39,942,059	
b.3 acquisitions		4,240,599,184	-	
b.2 other increases		66,751,803	10,335,589	
c) Decreases		3,658,849,798	212,800,429	
c.1 collections on securities		3,508,118,564	207,516,644	
c.2 sales		29,813,618	-	
c.3 other decreases		120,917,616	5,283,785	
Closing balance				1,563,412,418

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

Past due loans

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

	1 May 2009	Changes in previous years	Changes in Current Year	31 December 2020
a) Opening balance	-			
b) Increases		582,218,232	2,113,419	
b.1 interest accrued		115,369,584	1,105,403	
b.2 default/legal interest accrued		1,240,147		
b.3 legal and other costs		-	-	
b.4 principal		465,608,501	1,008,016	
c) Decreases		572,975,219	9,243,013	
c.1 collections		572,849,676	9,243,013	
c.2 other decreases		125,543	-	
Closing balance				2,113,419

They mainly consist of past due performing loans. Therefore, the vehicle expects they will be collected in the near future.

With regard to the classification of the loans in accordance with the provisions of Bank of Italy Circular no. 262/2005 and the IAS/IFRS and the EU supervisory regulations, 99.98% of the loans net of value adjustments consist of performing exposures.

Past due securities

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

	1 April 2010	Changes in previous years	Changes in Current Year	31 December 2020
a) Opening balance	-			
b) Increases		7,752,800	2,924,129	
b.1 interest accrued		2,373,813	796,352	
b.2 default/legal interest accrued		-	-	
b.3 legal and other costs		-	-	
b.4 principal		5,378,987	2,127,777	
c) Decreases		5,540,430	2,212,370	
c.1 collections		5,540,430	2,212,370	
c.2 other decreases		-	-	
Closing balance				2,924,129

They mainly consist of past due performing securities. Therefore, the vehicle expects they will be collected in the near future.

With regard to the classification of the securities, in accordance with the provisions of Bank of Italy Circular no. 262/2005 and the IAS/IFRS and the EU supervisory regulations, 99.74% of the securities net of value adjustments consist of performing exposures.

Cash flows

Collections (from 1 January to 31 December 2020)

Description	Amount
Loans and receivables	359,128,250
Securities	207,516,644
Repayment of loans September 2020	132,412,888
Total	699,057,782

Other cash inflows related to:

CC expenses	57,474
VAT refund	122,407
net interest on current accounts	207
derivatives for interest collected	60,098,862

Cash outflows related to:

management fees	2,417,502
interest on subordinated loan	30,520,192
additional return on subordinated loan	53,963,454
derivatives for interest paid	126,230,094
repayment of subordinated loan - Intesa Sanpaolo S.p.A	1,000,000,000

Collections are expected to be in line with the portfolio's performance in 2021.

Status of guarantees and credit facilities

The vehicle does not have credit facilities.

Breakdown by residual life

	up to 3 months	from 3 months to 1 year	from 1 to 5 years	after 5 years	past due	Total
1. Securitised assets						
1.1 loans	2,335,644	190,795,092	521,754,982	1,557,650,953	2,189,739	2,274,726,410
1.2 securities	-	514,824	166,400,316	1,393,573,149	2,924,129	1,563,412,418
1.3 other assets	-	-	-	-	-	-
Total	2,335,644	191,309,916	688,155,298	2,951,224,102	5,113,868	3,838,138,828
2. Financial liabilities						
2.1 securities	-	-	-	-	-	-
2.2 financing	-	-	-	4,967,987,445	-	4,967,987,445
2.3 other liabilities	-	-	-	-	-	-
Total	-	-	-	4,967,987,445	-	4,967,987,445

Breakdown by geographical location

Securitised loans

Country	Amount
Italy	2,274,726,410
Total	2,274,726,410

Securitised securities

Country	Amount
France	39,108,286
Italy	1,524,304,132
Total	1,563,412,418

Risk concentration

Breakdown of loan portfolio by amount

Bracket	No. of transactions	%	Amount	%
0 - €25,000	29	8.98%	-	0.000%
€25,000 - €75,000	1	0.31%	59,317	0.003%
€75,000 - €250,000	12	3.72%	2,258,687	0.099%
more than €250,000	281	87.00%	2,272,408,406	99.898%
Total	323	100.00%	2,274,726,410	100.00%

Breakdown of securities portfolio by amount

Bracket	No. of transactions	%	Amount	%
0 - €25,000	2	0.35%	43,476	0.003%
€25,000 - €75,000	6	1.06%	297,203	0.019%
€75,000 - €250,000	95	16.78%	15,345,727	0.982%
more than €250,000	463	81.80%	1,547,726,012	98.997%
Total	566	100.00%	1,563,412,418	100.00%

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

No. of transactions	Amount
1	63,133,992
1	55,367,584
1	49,625,907
1	66,829,948
1	49,291,654
1	95,582,805
1	60,999,208
1	98,090,617
1	47,756,404
1	131,250,000
1	78,300,000
1	88,484,353
12	884,712,473

Indication of each security that individually exceeds 2% of the total amount of securities in the portfolio

No. of transactions	Amount
1	97,635,000
1	94,209,099
1	80,826,933
1	41,554,771
4	314,225,803

Section 3 - Risks and related hedging policies

3.1 Credit risk

1. General aspects

Qualitative disclosure

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

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

Impacts resulting from the Covid-19 pandemic

With regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty has not had an impact on the management of the vehicle. Also with regard to the segregated assets, due to the type of assets securitised (loans and securities to government entities), there were no increases in adjustments to loans during the year and there were no effects on the performance of operations. In this regard, you are reminded that the individual and collective valuations of the securitised assets, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

Quantitative disclosure

The tables below refer to the vehicle's operations.

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

	Bad loans	Unlikely-to-pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets at amortised cost	-	-	-	-	177,219	177,219
2. Financial assets at FVOCI	-	-	-	-	-	-
3. Financial assets at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-
5. Financial assets held for sale	-	-	-	-	-	-
Total 31/12/2020	-	-	-	-	177,219	177,219
Total 31/12/2019	-	-	-	-	169,083	169,083

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

	Non-performing			Total partial write-offs	Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure		Gross exposure	Total value adjustments	Net exposure	
1. Financial assets at amortised cost	-	-	-	-	177,219	-	177,219	177,219
2. Financial assets at FVOCI	-	-	-	-	-	-	-	-
3. Financial assets at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	-
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 31/12/2020	-	-	-	-	177,219	-	177,219	177,219
Total 31/12/2019	-	-	-	-	169,083	-	169,083	169,083

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

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

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

6. Credit exposures to customers, banks and financial companies

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

	Gross exposure		Total adjustments and total provisions for credit risk	Net exposure	Total partial write-offs
	Non-performing	Performing			
A. ON-BALANCE SHEET EXPOSURES					
a) Bad loans	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
b) Unlikely to pay	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
c) Non-performing past due exposures	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
d) Performing past due exposures	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
e) Other performing exposures	-	177,219	-	177,219	-
-of which: forborne exposures	-	-	-	-	-
TOTAL A	-	177,219	-	177,219	-
B. OFF-BALANCE SHEET EXPOSURES					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
TOTAL B	-	-	-	-	-
TOTAL (A+B)	-	177,219	-	177,219	-

3.2 Market risk

3.2.1 Interest rate risk

Qualitative disclosure

1. General aspects

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

With regard to the segregated assets, the interest rate risk mainly consists of the potential loss arising from changes in interest rates between the securitised assets and the covered bonds and only occurs when the Issuer is no longer able to meet its commitments arising from the covered bond issues. This risk is mitigated by the vehicle by entering into derivative contracts with the counterparty Intesa Sanpaolo S.p.A. For more details, see the “Quantitative disclosure” in Part H – Covered Bonds.

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	177,219	-	-	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities								
2.1 Financial liabilities	-	-	-	-	-	-	-	-
2.2 Debt instruments	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
Options								
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives								
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

3.2.2 Price risk

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

3.2.3 Foreign Exchange risk

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

3.3 Operational risk

Qualitative disclosure

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

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

3.4 Liquidity risk

Qualitative disclosure

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

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

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

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

Quantitative disclosure

The tables below refer to the vehicle's operations.

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

Captions/Residual maturity	On-demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 3 years	3 - 5 years	After 5 years	unspecified maturity
On-balance sheet assets											
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	-	-	-	-	-	-	-	-	-	-	-
A.4 Other assets	177,219	-	-	-	-	-	-	-	-	-	-
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., non-payment of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The risk of partial or total non-collection of the cover pool assets included in the segregated assets has been transferred to the originator BIIS S.p.A. (subsequently spun off to Intesa Sanpaolo S.p.A.) which granted ISP CB Pubblico S.r.l. a subordinated loan which it used to fully finance the transaction.

Section 4 - Equity

4.1 Equity

4.1.1 Qualitative disclosure

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

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

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

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

4.1.2 Quantitative disclosure

4.1.2.1 Equity: breakdown

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

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

4.2 Own Funds and Capital Ratios

4.2.1 Own funds

4.2.2 Qualitative disclosure

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

Section 5 - Breakdown of comprehensive income

	31/12/2020	31/12/2019
10. Profit for the year	-	-
Other comprehensive income that will not be reclassified to profit or loss		
20. Equity instruments at FVOCI:		
a) fair value gains (losses)	-	-
b) transfers to other equity components	-	-
30. Financial liabilities at FVTPL (change in credit rating):		
a) fair value gains (losses)	-	-
b) transfers to other equity components	-	-
40. Hedges of equity instruments at FVOCI:		
a) fair value gains (losses) (hedged item)	-	-
b) fair value gains (losses) (hedging instrument)	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and disposal groups	-	-
90. Portion of valuation reserves of equity-accounted investees	-	-
100. Income tax expense related to other comprehensive income not reclassified to profit or loss	-	-
Other comprehensive income that will be reclassified to profit or loss		
110. Hedges of investments in foreign operations:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
120. Exchange rate gains (losses):		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
130. Cash flow hedges:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
of which: net positions		
140. Hedging instruments (elements not designated):		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
150. Financial assets (other than equity instruments) at FVOCI:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
- impairment losses	-	-
- gains/losses on sales	-	-
c) other changes	-	-
160. Non-current assets held for sale and disposal groups:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
170. Portion of valuation reserves of equity-accounted investees:		
a) fair value gains (losses)	-	-
b) reclassification to profit or loss	-	-
- impairment losses	-	-
- gains/losses on sales	-	-
c) other changes	-	-
180. Income tax expense related to other comprehensive income reclassified to profit or loss	-	-
190. Total other comprehensive income	-	-
200. Comprehensive income (captions 10+190)	-	-

Section 6 - Related-party transactions

6.1 Information on remuneration of key management personnel

31/12/2020	Directors and Statutory Auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	23,391
- Statutory auditors	16,748
Total	40,139

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

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

6.3 Related-party transactions

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

Assets and liabilities at 31/12/2020	Loans and receivables with	Other liabilities
- Directors and statutory auditors	-	12,173
- Parent: Intesa Sanpaolo S.p.A.	177,219	-
Total	177,219	12,173

Income and expense for the period ended 31/12/2020	Interest and similar income	Personnel expense	Other administrative expenses	Fee and commission income expense
- Directors and statutory auditors	-	40,139	452	-
- Parent: Intesa Sanpaolo S.p.A.	-	-	-	-
Total	-	40,139	452	-

Section 7 - Other information

7.1 Other

- Equity at 31 December 2020.

	Amount at 31/12/2020	Possible use (*)	Portion of earnings in tax suspension	Summary of use in past three years	
				to cover losses	for other reasons
Equity:					
Quota capital	120,000		-	-	-
Legal reserve	2,448	A (1), B, C (1)	-	-	-
Extraordinary reserve (Other reserves)	46,482	A, B, C	-	-	-
Total quota capital and reserves	168,930				

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

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

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

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

Service	Service provider	Fees
Audit	KPMG S.p.A.	51,480
Other non-audit services	KPMG S.p.A.	72,193

- Parent that prepares consolidated financial statements

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

Milan, 26 February 2021

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

Annexes

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

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

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

Intesa Sanpaolo Financial Statements – Balance sheet

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

Intesa Sanpaolo Financial Statements – Income statement

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