



ISP CB Pubblico S.r.l.

Review report on the interim financial statements

(Translation from the original Italian text)

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To the Board of Directors of
ISP CB Pubblico S.r.l.

Introduction

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

Scope of Review

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

Conclusion

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

Emphasis of matter

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

Milan, 27 July 2021

EY S.p.A.

Signed by: Giovanni Pesce, Auditor

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

ISP CB Pubblico S.r.l.

Half-Yearly Financial Report
as at 30 June 2021

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

EY S.p.A.

Half-yearly report on operations

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 the Bank of Italy, it has assigned the management of its loan portfolio to the servicer of the securitisation, BIIS S.p.A., now Intesa Sanpaolo S.p.A., since 20 May 2009. It has also assigned its administrative, accounting, corporate and tax services to its administrative services provider, Intesa Sanpaolo S.p.A..

Performance

During the first half of 2021, cash flows for the collection of the loans for the period from 1 August 2020 to 31 January 2021 were received on the Payment Date of 31 March 2021.

There were no new asset securitisations during the half year.

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.

On the same date, the swap contract entered into with the Parent Company for the above-mentioned covered bond to hedge the vehicle against the interest rate risk arising from any default by the Issuer, was also terminated.

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.

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 30 June 2021.

Issues (Programme maximum amount: €20 billion)						
Series	Date of issue	Legal maturity date	Issue Amount	Rate	Listing exchange	Type
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
14	18/02/2021	06/10/2026	1,000,000,000	6-month Euribor +0.04%	Luxembourg	retained
			3,575,000,000			

The subordinated loan was repaid during the half year, in the amount of €400 million, on the Guarantor Payment Date of 31 March 2021, using the cash and cash equivalents posted during the period, deriving from the collection of the principal from the assets of the underlying portfolio.

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

Profit for the period

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

Transactions with Group Companies

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

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

- €774,222 for servicing fees
- €6,000 for receivable account bank fees
- €25,000 for administrative services fees
- €5,000 for cash management fees
- €31,810 for account bank fees
- €250 for fees for the performance of services required by the EMIR.

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

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

Related-party transactions

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

Related-party transactions

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

Significant and non-recurring transactions

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

Atypical and/or unusual transactions

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

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

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

Research and development

The vehicle does not carry out research and development.

Composition of the Quota Capital

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

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

Management and coordination activities

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

Key events of the period

The recovery of the global economy from the health crisis, linked to the spread of the COVID-19 pandemic, continued in the first half of 2021, but with differing geographical patterns and intensity. The key factors were the speed of vaccination campaigns, the efficiency of infection prevention mechanisms and, lastly, the level of support for recovery provided by the economic policies.

Despite the optimism generated by the effectiveness of vaccines, the path to recovery is still marked by uncertainties linked to the evolution of the pandemic and its repercussions on the economy. In particular, the delay in the delivery of vaccines and the spread of new variants could lead to the need to extend the restrictive measures to contain infections, with inevitable repercussions for the attempted recovery of the real economy. Governments and central banks are still showing strong willingness to continue supporting the real economy and the markets in order to avoid repercussions similar to those seen after the Great Recession.

That said, with regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty have not had an impact on the management of the vehicle. Also for the segregated assets, in view of the type of assets securitised (loans and securities to government entities), there were no increases in adjustments to loans during the period and there were no significant effects on the performance of operations. In this context, the main focus of attention for the financial intermediaries continues to be the monitoring and proactive management of credit risk, both with regard to the classification of credit exposures and their consequent assessment, to meet the need to promptly identify all possible signs of impairment of exposures in order to ensure the implementation of early interventions in order to avoid, or at least reduce, their transition to non-performing status.

In this regard, you are reminded that the individual and collective valuations of the securitised loans, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

Subsequent events

There were no significant events after the reporting date.

Outlook

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

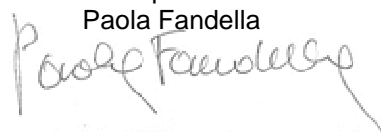
Going concern

Despite the continued uncertainty regarding the evolution of the pandemic and its repercussions on the economy, the Board Of Directors has a reasonable expectation that the vehicle's operations will continue in a stable manner, also considering that its viability is guaranteed by the chargeback of costs to the segregated assets. The Interim financial statements as at 30 June 2021 has therefore been prepared on a going concern basis.

The management of the segregated assets should also not be particularly impacted by the effects of 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.

Milan, 26 July 2021

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Interim financial statements as at 30 June 2021

Financial statements

Statement of financial position

(amounts in Euros)

	Assets	30/06/2021	31/12/2020
40.	Financial assets measured at amortised cost	220,775	177,219
	a) due from banks	220,775	177,219
100.	Tax assets:	1,412	1,510
	a) current	1,412	1,510
120.	Other assets	4,181	46,496
	TOTAL ASSETS	226,368	225,225

on behalf of the BOARD OF DIRECTORS

Chairperson

Paola Fandella



Statement of financial position

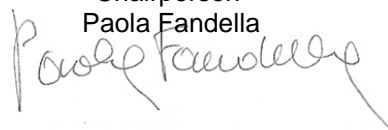
(amounts in Euros)

	Liabilities and equity	30/06/2021	31/12/2020
60.	Tax liabilities:	54	6
	a) current	54	6
80.	Other liabilities	57,384	56,289
110.	Quota capital	120,000	120,000
150.	Reserves	48,930	48,930
170.	Net income (loss)	-	-
	TOTAL LIABILITIES AND EQUITY	226,368	225,225

on behalf of the BOARD OF DIRECTORS

Chairperson

Paola Fandella

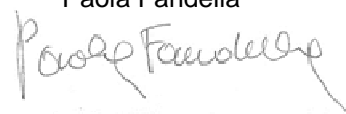


Statement of income

(amounts in Euros)

	Income statement items	30/06/2021	30/06/2020
160.	Administrative expenses:	-50,914	-62,957
	a) personnel expenses	-20,870	-19,966
	b) other administrative expenses	-30,044	-42,991
200.	Other operating expenses/income	51,322	63,498
210.	OPERATING EXPENSES	408	541
260.	INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	408	541
270.	Taxes on income from continuing operations	-408	-541
280.	INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS	-	-
300.	NET INCOME (LOSS)	-	-

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of comprehensive income

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

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of changes in equity

30 June 2021

(amounts in Euros)

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Net income (loss)	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1/1/2021	120,000	-	-	48,930	-	-	-	-	-	168,930
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2021	120,000	-	-	48,930	-	-	-	-	-	168,930

31 December 2020

(amounts in Euros)

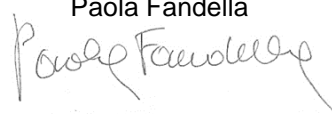
	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Net income (loss)	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1/1/2020	120,000	-	-	48,930	-	-	-	-	-	168,930
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
CHANGES IN 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

30 June 2020

(amounts in Euros)

	Quota capital		Quota premium	Reserves		Valuation reserves	Equity instruments	Treasury quotas	Net income (loss)	Equity
	ordinary quotas	savings quotas		income-related	other					
BALANCE AT 1/1/2020	120,000	-	-	48,930	-	-	-	-	-	168,930
ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
CHANGES IN THE PERIOD										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions										
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30/06/2020	120,000	-	-	48,930	-	-	-	-	-	168,930

on behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



Statement of cash flows

	(amounts in Euros)	
	30/06/2021	30/06/2020
A. OPERATING ACTIVITIES		
1. Operations	43,556	54,774
- interest income collected (+)	-	-
- interest expense paid (-)	-	-
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+)	-	-
- personnel expenses (-)	-10,421	-10,990
- other costs (-)	-49,382	-50,846
- other revenue (+)	103,621	117,220
- taxes and duties (-)	-262	-610
- 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	43,556	54,774
B. INVESTING ACTIVITIES		
1. Cash flows generated by:	-	-
- sales of equity investments	-	-
- dividends from equity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash flows used to acquire:	-	-
- equity investments	-	-
- property, equipment and investment property	-	-
- intangible assets	-	-
- business units	-	-
Net cash flows generated by/used in investing activities	-	-
C. FINANCING ACTIVITIES		
- issue/repurchase of treasury quotas	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
Net cash flows generated by/used in financing activities	-	-
NET CASH FLOWS FOR THE PERIOD	43,556	54,774
RECONCILIATION		
Opening cash and cash equivalents	177,219	169,083
Net cash flows for the period	43,556	54,774
Closing cash and cash equivalents	220,775	223,857

on behalf of the BOARD OF DIRECTORS
Chairperson

Paola Fandella



Explanatory notes

PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

SECTION 1 - Statement of compliance with the IFRS

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

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

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

SECTION 2 - Basis of presentation

The Company has the sole purpose of acquiring loans and securities through funding pursuant to Law n. 130 of 30 April 1999, in connection with covered bonds transactions. The Company has recorded the acquired receivables, the securities purchased and the other transactions connected with the covered bonds in the explanatory notes consistently with the provisions of Law n. 130 of 30 April 1999 according to which the receivables and securities involved in each securitisation are, in all respect, separated from the assets of the Company and from those related of the other securitisation transactions.

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

The Interim financial statements comprises a statement of financial position, a statement of income, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and these Explanatory notes. They are accompanied by a Half-yearly report on operations which comments on the vehicle's performance, results, financial position and cash flows for the year.

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

The amounts in the financial statements, these notes and the Half-yearly report on operations are presented in Euros.

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

No departures from the IAS/IFRS have been made.

The interim financial statements and the notes include the corresponding figures as at 31 December 2020 (statement of financial position) and for the six months ended 30 June 2020 (statement of income and statement of comprehensive income).

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

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

The Interim financial statements has been 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 Interim financial statements has been prepared on a going concern basis. In particular, despite the continued uncertainty regarding the evolution of the pandemic and its repercussions on the economy, the Board Of Directors has a reasonable expectation that the vehicle's operations will continue in a stable manner, also considering that its viability is guaranteed by the chargeback of costs to the segregated assets. The Interim financial

statements as at 30 June 2021 has therefore been prepared on a going concern basis. The management of the segregated assets should also not be particularly impacted by the effects of 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;

- Accrual basis of accounting (IAS 1 paragraphs 27 and 28): except for the cash flow reporting, the Interim financial statements is prepared on the basis of accrual of costs and revenues, irrespective of the time of their monetary settlement and according to the matching principle;
- Consistency of presentation (IAS 1 paragraph 29): the criteria for the presentation and classification of items in the Interim financial statements are retained from one period 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 period for all the amounts recorded in the Interim financial statements.

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

SECTION 3 – Subsequent events

There were no significant events after the reporting date.

SECTION 4 - Other aspects

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

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

As duly approved by the Board of Directors on 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 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 for the segregated assets, in view of the type of assets securitised (loans and securities to government entities), there were no increases in adjustments to loans during the period and there were no significant effects on the performance of operations.

In this regard, you are reminded that the individual and collective valuations of the securitised loans, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding securitisation.

A.2 – ACCOUNTING POLICIES

This section sets out the accounting policies adopted in preparing the Interim financial statements as at 30 June 2021, solely for the statement of financial position and statement of income captions presented in the financial statements. The recognition, measurement and derecognition criteria are given for each asset and liability caption.

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

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

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

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

Loans and receivables are initially recognised at their fair value.

They are subsequently measured at amortised cost.

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

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

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

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

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

Other assets

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

Other liabilities

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

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

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

Financial and other liabilities are derecognised when they are settled.

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

Tax assets and liabilities

Current and deferred taxes are recognised using ruling rates.

Income taxes are recognised in profit or loss.

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

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

Deferred tax liabilities are recognised.

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

Recognition of costs and revenue

Costs and revenue are recognised on an accruals basis.

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

Other information

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

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

A.3 – DISCLOSURE ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

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

A.4 - DISCLOSURE ON FAIR VALUE

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	30/06/2021				31/12/2020			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	220,775	-	-	220,775	177,219	-	-	177,219
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	220,775	-	-	220,775	177,219	-	-	177,219
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 €220,775, classified at level 3 of the fair value hierarchy.

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

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

A.5 Information on day one profit/loss

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

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

PART B - EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

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

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

	30/06/2021						31/12/2020					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage one and two	Stage three	of which: purchased or originated credit-impaired	L1	L2	L3	Stage one and two	Stage three	of which: purchased or originated credit-impaired	L1	L2	L3
1. Deposits and current accounts:												
- held with Intesa Sanpaolo S.p.A.	220,775	-	-	-	-	220,775	177,219	-	-	-	-	177,219
2. Financing												
2.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
2.3 Factoring												
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
3. Debt instruments												
3.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
3.2 other debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
4. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	220,775	-	-	-	-	220,775	177,219	-	-	-	-	177,219

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
	Stage one	of which: low credit risk instruments	Stage two	Stage three	Stage one	Stage two	Stage three	
Debt instruments	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-
Other assets	220,775	-	-	-	-	-	-	-
Total 30/06/2021	220,775	-	-	-	-	-	-	-
Total 31/12/2020	177,219	-	-	-	-	-	-	-

of which: purchased or originated credit-impaired financial assets

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

10.1 Caption 100 “Tax assets: current and deferred”

Current tax assets: breakdown	30/06/2021	31/12/2020
IRES payments on account and assets	1,412	1,510
Total	1,412	1,510

10.2 Caption 60 “Tax liabilities: current and deferred”

Current and deferred tax liabilities: breakdown	30/06/2021	31/12/2020
- Current taxes	54	6
IRAP liabilities	54	6
Total	54	6

Section 12 - Other assets - Caption 120

12.1 Caption 120 “Other assets”

	30/06/2021	31/12/2020
- receivables from the securitised assets	-	42,053
- tax credits for withholdings to be offset	3,867	4,443
- prepayments	314	-
Total	4,181	46,496

LIABILITIES

Section 6 - Tax liabilities - Caption 60

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

Section 8 - Other liabilities - Caption 80

8.1 Caption 80 “Other liabilities”

	30/06/2021	31/12/2020
Directors' fees	11,505	-
Statutory auditors' fees	9,271	12,173
Suppliers and beneficiaries	26,302	43,470
IRPEF tax for self-employed workers	-	576
Accrued expense	-	70
Securitized assets	10,306	-
Total	57,384	56,289

Section 11 - Equity - Captions 110 and 150

11.1 Caption 110 “Quota capital”

	30/06/2021	31/12/2020
1. Quota capital		
1.1 Ordinary quotas	-	-
1.2 Quotas	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 01/01/21	2,448	-	46,482	48,930
B. Increases				
B.1 Allocation of profits	-	-	-	-
B.2 Other increases	-	-	-	-
C. Decreases				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
- for dividend distribution	-	-	-	-
- for conversion into capital	-	-	-	-
C.2 Other decreases	-	-	-	-
D. Closing balance	2,448	-	46,482	48,930

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

There are no commitments and financial guarantees given.

2. Other commitments and other guarantees given

There are no other commitments and guarantees given.

Part C – EXPLANATORY NOTES TO THE STATEMENT OF INCOME

Section 10 - Administrative expenses - Caption 160

10.1 Caption 160.a “Personnel expenses”

	30/06/2021	30/06/2020
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) post-employment benefits	-	-
d) pension costs	-	-
e) accrual for post-employment benefits	-	-
f) accrual for pension and similar provisions:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits	-	-
2. Other personnel	-	-
3. Directors and statutory auditors	20,870	19,966
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
Total	20,870	19,966

10.2 Average number of employees by category

The vehicle does not have any employees.

10.3 Caption 160.b “Other administrative expenses”

	30/06/2021	30/06/2020
Consultancy	3,438	3,438
Audit fees	25,179	36,401
Notary fees	1,118	1,686
Other taxes and duties	215	215
Reimbursement of costs incurred by corporate bodies	-	1,172
Other	94	79
Total	30,044	42,991

Section 14 - Other operating expenses/income- Caption 200

14.2 Caption 200 “Other operating expenses/income”

	30/06/2021	30/06/2020
Contractually provided-for income	51,322	63,498
Total	51,322	63,498

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 - Taxes on income from continuing operations - Caption 270

19.1 Caption 270 “Taxes on income from continuing operations”

	30/06/2021	30/06/2020
1. Current taxes (-)	408	541
2. Change in current taxes from previous years (+/-)	-	-
3. Decrease in current taxes for the period (+)	-	-
3. bis Decrease in current taxes for the period due to tax assets as per Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	-	-
5. Change in deferred tax liabilities (+/-)	-	-
6. Tax expense for the period (-) (-1+/-2+3+ 3 bis+/-4+/-5)	408	541

Current taxes for the period consist of €98 for IRES (income tax) and €310 for IRAP (business tax).

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

	(amounts in Euros)	
	30/06/2021	30/06/2020
Income (Loss) before tax from continuing operations	408	541
Theoretical taxable profit	408	541
	Income taxes	Income taxes
Income taxes - theoretical IRES tax expense	98	130
Increases	-	82
Non-deductible costs (contingent liabilities, directors' fees, contractors IRAP, etc.)	-	82
Decreases	-	-
Other (taxable base reduction as per Article 11 of Legislative Decree 446/1997, ACE subsidy, etc.)	-	-
Total changes	-	82
Total	98	212
Irap	310	329
Theoretical tax expense (Ires + Irap)	408	541

Part D - OTHER DISCLOSURES

Section 1 - Operations

D. GUARANTEES AND COMMITMENTS

As at 30 June 2021, the vehicle had not given guarantees to third parties nor does it have commitments other than those specifically provided for and regulated by the contracts for the covered bond transactions and the segregated assets.

Transactions	30/06/2021	31/12/2020
1. First demand financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2. Other financial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3. Commercial guarantees issued		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
4. Irrevocable loan commitments		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third-party commitments	-	-
7. Other irrevocable commitments	-	-
a) to issue guarantees	-	-
b) other	4,690,598,884	5,146,231,307
Total	4,690,598,884	5,146,231,307

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.

Interest, fees and commissions, income and expense

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

Derivatives

Fifteen derivative contracts have been agreed to protect the vehicle. As they are similar to the related hedged assets and liabilities, these contracts are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

Tax treatment of the segregated assets

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

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

Additional Interest Amount

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

Summary of the securitised assets

(amounts in Euros)

	30/06/2021	31/12/2020
Securitized assets	4,057,245,878	4,270,963,594
Loans and receivables	2,213,372,455	2,274,726,410
Securities	1,478,585,727	1,563,412,418
Other assets	365,287,696	432,824,766
- accrued interest income on IRS	84,575	70,342,132
- accrued interest income on securities	4,247,347	5,776,687
- accrued interest income on loans	13,178,536	11,953,702
- accrued interest income on subordinated loan adjustment	347,204,903	342,887,908
- other prepayments and accrued income	25,000	-
- due from securitisation vehicles	10,306	-
- tax and other assets	537,029	1,864,337
Utilisation of cash deriving from the management of securitized assets	633,353,006	875,267,713
Cash and cash equivalents	633,353,006	875,267,713
Loans received	4,567,407,423	4,967,987,445
Other liabilities	123,191,461	178,243,862
Liabilities for services	750,451	851,026
- of which due to originators	644,782	711,070
Liabilities for Additional Interest Amount	83,913,462	118,971,824
Due to securitisation vehicles	-	42,053
Accrued interest expense on IRS	38,527,548	58,378,959
	30/06/2021	30/06/2020
Fees and commissions borne by the transaction	907,125	1,057,035
For servicing	774,222	925,923
For other services	132,903	131,112
Other expense	62,461,260	110,202,370
Interest expense on subordinated loan	11,961,747	14,175,102
Additional Interest Amount	-2,171,431	23,679,467
Interest expense on IRS	52,330,703	71,777,247
Expected losses on loans	-	47,866
Expected losses on securities	20,504	187,208
Losses on securities	268,475	271,976
Other expense	51,262	63,504
Interest generated by the securitized assets	49,983,516	56,893,323
Other revenue	13,384,869	54,366,082
Interest income on IRS	10,641,290	44,143,046
Reversals of impairment losses on securities	1,130,672	8,670,771
Reversals of impairment losses on loans	1,612,907	1,552,092
Other revenue	-	173

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

On behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella



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 Intesa Sanpaolo 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 the notary Morone on 21 November 2012), sold the vehicle the first loan portfolio on 20 May 2009. The transaction became effective on 1 May 2009 and cost approximately €3.8 billion (the carrying amount of the loans at 1 May 2009).

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

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

BIIS S.p.A. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now EY 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now EY 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo 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. (now Intesa Sanpaolo S.p.A.) sold the vehicle a sixth portfolio of securities on 1 March 2012 for approximately €286.8 million (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. (now Intesa Sanpaolo S.p.A.), with loans that 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. (now Intesa Sanpaolo 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, Banca Finint S.p.A. (into which the subsidiary Securitisation Services S.p.A. was merged by absorption in 2020), performs tests of the portfolio. To check whether the nominal amount, present value and interest flows (considering the hedging swaps 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 the first half of 2021 is set out below.

Twenty-third payment date (31 March 2021)

On 31 March 2021, the vehicle made the payments in accordance with the Prospectus for the collections received from 1 August 2020 to 31 January 2021.

The funds available for distribution by the vehicle amounted to €166.3 million, of which:

- €43.9 million as collections on the portfolio for interest payments
- €0 in interest received on current accounts
- €1.4 million from swap contracts
- €0 remaining amount in the investment current account
- €0 as the interest accumulation amount
- €12.3 million as the CB swap accumulation amount
- €57.3 million as the reserve amount
- €51.4 million as the CB swap interest amount in the transaction.

The following payments were made with these funds:

- €1 million as remuneration to the third parties that provided services to the vehicle
- €167 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €44.1 million as payment to the swap counterparty
- €12.5 million as interest for the subordinated loan
- €32.9 million as premium interest for the subordinated loan
- €12.3 million as a provision for the CB swap accumulation amount
- €63.4 million as the reserve amount.

The amount of €400 million was also used from the principal available funds to partially repay the subordinated loan.

Parties involved

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

Originator and Subordinated Loan Provider	Intesa Sanpaolo S.p.A.
Issuer	Intesa Sanpaolo S.p.A.
Servicer	Intesa Sanpaolo S.p.A.
Administrative Services Provider	Intesa Sanpaolo S.p.A.
Account Bank	Intesa Sanpaolo S.p.A.
Cash Manager	Intesa Sanpaolo S.p.A.
Paying Agent	Deutsche Bank S.p.A.
Representative of the Covered Bondholders	Banca Finint S.p.A. (*)
Calculation Agent	Banca Finint S.p.A. (*)
Asset Monitor	BDO Italia S.p.A.
Luxembourg Listing Agent	Deutsche Bank Luxembourg S.A.
Rating Agency	Moody's Investors Service (Moody's or the Rating Agency).
Swap Service Providers	Intesa Sanpaolo S.p.A.
CB Hedging Counterparty:	Intesa Sanpaolo S.p.A.
TBG Hedging Counterparty:	Intesa Sanpaolo S.p.A.

(*) Securitisation Services S.p.A. was merged into Banca Finanziaria Internazionale S.p.A. ("Banca Finint S.p.A.") on 28 October 2020

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

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

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

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

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

Intesa Sanpaolo S.p.A. selected Deutsche Bank as the paying agent for the covered bonds. Banca Finint S.p.A. (into which the subsidiaries Securitisation Services S.p.A. and FISG S.r.l. were merged by absorption in 2020) acts as the calculation agent and representative of the noteholders, and 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. (now merged into Intesa Sanpaolo 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 bond was fully repaid with a value date of 27 January 2021.

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

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

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

April 2012. The bonds were rated Aa3 by Moody's. The bonds were partially redeemed (€1 billion) on 24 March 2014, with the remainder (€1.4 billion) redeemed on 3 April 2014.

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

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

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

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

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

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

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

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

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

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 paid a six-monthly coupon at a floating rate 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.

The fourteenth issue of 18 February 2021 for €1,000 billion, maturing on 6 October 2026 (with possibility of extension to 6 October 2027), was fully subscribed by Intesa Sanpaolo S.p.A.. The bonds paid a six-monthly coupon at a floating rate six-month Euribor plus a spread. The payment dates are 6 April and 6 October of each year. The bonds were rated A2 by Moody's.

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 15 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 13 total balance guaranteed swaps and two fixed/floating IRS.

The 13 total balance guaranteed swaps hedge the fixed- and floating-rate assets.

The two fixed/floating-rate IRS hedged the vehicle against interest rate risk arising from the issuer's default.

On 27 January 2021, the fixed/floating-rate IRS hedging the covered bond, series 3, naturally expired, having reached maturity on that date.

The vehicle's operating powers

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

Section 3 – Risks and related hedging policies

3.1 Credit risk

1. General aspects

Qualitative disclosure

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

With regard to the segregated assets, the vehicle is subject to risks arising from the failure to collect amounts due from debtors and the servicer's failure to perform its duties and commitments to collect sufficient funds to meet its payment obligations under the Programme. These risks are mitigated by the issue of covered bonds by Intesa Sanpaolo S.p.A. for a total amount that is lower than the value of the portfolios of Securitised loans. As at 30 June 2021, all the covered bonds issued under the Programme were subscribed by Intesa Sanpaolo S.p.A..

Impacts resulting from the Covid-19 pandemic

With regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty 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	-	-	-	-	220,775	220,775
2. Financial assets at FVOCI	-	-	-	-	-	-
3. Financial assets at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-
5. Financial assets held for sale	-	-	-	-	-	-
Total 30/06/2021	-	-	-	-	220,775	220,775
Total 31/12/2020	-	-	-	-	177,219	177,219

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

	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets at amortised cost	-	-	-	-	220,775	-	220,775	220,775
2. Financial assets at FVOCI	-	-	-	-	-	-	-	-
3. Financial assets at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	-
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 30/06/2021	-	-	-	-	220,775	-	220,775	220,775
Total 31/12/2020	-	-	-	-	177,219	-	177,219	177,219

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	-	220,775	-	220,775	-
-of which: forborne exposures	-	-	-	-	-
TOTAL A	-	220,775	-	220,775	-
B. OFF-BALANCE SHEET EXPOSURES					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
TOTAL B	-	-	-	-	-
TOTAL (A+B)	-	220,775	-	220,775	-

3.2 Market risk

3.2.1 Interest rate risk

Qualitative disclosure

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

With regard to the segregated assets, the interest rate risk mainly consists of the potential loss arising from changes in interest rates between the securitised assets and the covered bonds and only occurs when the Issuer is no longer able to meet its commitments arising from the covered bond issues.

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. As at 30 June 2021, all the covered bonds issued under the Programme were subscribed by Intesa Sanpaolo S.p.A..

Quantitative disclosure

The vehicle is not exposed to interest rate risk.

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	220,775	-	-	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities								
2.1 Financial liabilities	-	-	-	-	-	-	-	-
2.2 Debt instruments	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
Options								
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives								
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

3.2.2 Price risk

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

3.2.3 Foreign Exchange risk

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

3.3 Operational risk

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

3.4 Liquidity risk

Qualitative disclosure

The vehicle believes that it has sufficient available cash to meet its commitments, because the contractual provisions establish that, on the payment dates, the vehicle will be reimbursed from the 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 table below refers 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	220,775	-	-	-	-	-	-	-	-	-	-
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. (now 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).

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

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

Section 6 - Related-party transactions

6.1 Information on remuneration of key management personnel

30/06/2021	Directors and Statutory Auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	11,599
- Statutory auditors	9,271
Total	20,870

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

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

6.3 Related-party transactions

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

Assets and liabilities at 30/06/2021	Loans and receivables with	Other liabilities
- Directors and statutory auditors	-	20,776
- Parent: Intesa Sanpaolo S.p.A.	220,775	5
Total	220,775	20,781

Income and expense for 2021	Interest and similar income	personnel expenses	Other administrative expenses	Fee and commission expense
- Directors and statutory auditors	-	20,870	-	-
- Parent: Intesa Sanpaolo S.p.A.	-	-	15	-
Total	-	20,870	15	-

Section 7 - Other information

7.1 Other

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

(amounts in Euros)

	Amount at 30/06/2021	Possible use (*)	Portion of earnings in tax suspension	Summary of use in past three years	
				to cover losses	for other reasons
Equity:					
Quota capital	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

- Parent that prepares consolidated financial statements

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

Milan, 26 July 2021

On behalf of the BOARD OF DIRECTORS
Chairperson
Paola Fandella

