



# ISP CB Ipotecario S.r.l.

Review report on the interim financial statements

*(Translation from the original Italian text)*

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

To the Board of Directors of  
ISP CB Ipotecario 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 Ipotecario S.r.l. as at 30 June 2021 and for the six months then ended. The Directors of ISP CB Ipotecario 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 Ipotecario S.r.l. as at 30 June 2021 and for the six months then ended are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.



## Emphasis of matter

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

Milan, 27 July 2021

EY S.p.A.

Signed by: Giovanni Pesce, Auditor

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

# ISP CB Ipotecario S.r.l.

Half-Yearly Financial Report  
as at 30 June 2021

INTESA  SANPAOLO

# ISP CB Ipotecario S.r.l.

## **ISP CB Ipotecario 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 05936180966. Member of the Intesa Sanpaolo VAT Group no. 11991500015 (IT11991500015). ABI Code 16830 and Electronic Code 335067. 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  
Director  
Director

Mario Masini  
Carlo Bellavite Pellegrini  
Andrea Calamanti

## Board of statutory auditors

Chairperson  
Standing Statutory Auditor  
Standing Statutory Auditor

Nicola Bruni  
Elena Fornara  
Giuseppe Dalla Costa

## Independent auditors

EY S.p.A.

## **Half-yearly report on operations**



## General information

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

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

The vehicle does not have employees and its portfolio has been managed by the servicer (Intesa Sanpaolo S.p.A.) since 29 July 2010. Intesa Sanpaolo S.p.A. (its administrative services provider) also provides it with administrative, accounting, corporate and tax services.

## Performance

There were two payment dates in the first six months of 2021. The first (12 January 2021) related to cash flows from loan collections from 1 September 2020 to 30 November 2020 and the second (12 April 2021) related to cash flows from loan collections from 1 December 2020 to 28 February 2021.

On 27 January 2021, the eleventh series of covered bonds issued on 16 July 2012, amounting to €1.35 billion, with a fixed rate of 5%, was fully redeemed.

The maximum total amount of the Programme authorised by the Board of Directors on 20 March 2019 is €25 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: €25 billion)						
Series	Date of issue	Legal maturity date	Issue Amount	Rate	Listing exchange	Type
3	17/02/2011	17/02/2031	300,000,000	5.375%	unlisted	registered
4	17/02/2011	17/02/2026	100,000,000	5.25%	unlisted	registered
5	16/09/2011	16/09/2027	210,000,000	5.25%	unlisted	registered
13	03/12/2012	05/12/2022	1,250,000,000	3.625%	Luxembourg	market
14	24/01/2013	24/01/2025	1,000,000,000	3.375%	Luxembourg	market
16	10/02/2014	10/02/2026	1,250,000,000	3.250%	Luxembourg	market
17	23/01/2015	20/01/2022	1,000,000,000	0.625%	Luxembourg	market
18	18/12/2015	18/12/2025	1,250,000,000	1.375%	Luxembourg	market
19	23/03/2016	23/03/2023	1,250,000,000	0.625%	Luxembourg	market
21	25/11/2016	12/10/2024	2,200,000,000	3-month Euribor +0.20%	Luxembourg	retained
22	16/06/2017	16/06/2027	1,000,000,000	1.125%	Luxembourg	market
23	16/02/2018	12/04/2030	2,000,000,000	3-month Euribor +0.29%	Luxembourg	retained
24	13/07/2018	14/07/2025	1,000,000,000	1.125%	Luxembourg	market
25	05/03/2019	05/03/2024	1,000,000,000	0.50%	Luxembourg	market
27	27/01/2020	12/10/2031	750,000,000	3-month Euribor +0.27%	Luxembourg	retained
			<b>15,560,000,000</b>			

On 27 January 2021, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 25 January 2021 and legal effect from 28 January 2021, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €265,101,255.41.

The sales notice was published in the Italian Official Journal, Part 2, no. 14 of 2 February 2021. A thirteenth sale of loans was made to the vehicle on 17 June 2021, effective from 14 June 2021. The portfolio of mortgage loans (mainly residential mortgages granted to consumer households and family businesses resident in Italy) was sold without recourse for €2,174,894,217.17 by Intesa Sanpaolo S.p.A. The sales notice was published in the Italian Official Journal, Part 2, no. 77 of 1 July 2021. The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective changes made up until the sale's effective date. On 1 July 2021, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

The subordinated loans were repaid on the guarantor payment dates of 12 January 2021 (€600 million) and 12 April 2021 (€850 million), using the cash and cash equivalents posted during the period, deriving from the collection of the principal from the assets of the underlying portfolio.

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

## Profit for the period

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

## Transactions with Group Companies

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

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

- €8,093,341 for servicing and monitoring fees
- €25,000 for administrative services fees
- €5,000 for cash management fees
- €10,000 for account bank fees
- €6,012 for securities depositary fees
- €250 for fees for the performance of services required by the EMIR.

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

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

## Related-party transactions

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

### *Related-party transactions*

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

### *Significant and non-recurring transactions*

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

#### *Atypical and/or unusual transactions*

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

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

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

### **Research and development**

The vehicle does not carry out research and development.

### **Composition of the Quota Capital**

The Quota Capital, subscribed and paid in for a total of €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. However, since the beginning of the health emergency, they have led to an increase in the measures to support households, moratoria and other concessions, as well as an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities, which provided guidance on the matter on several occasions during 2020, setting out framework that still applies to this day. In this context, the main focus of attention for the financial intermediaries continues to be the monitoring and proactive management of credit risk, both with regard to the classification of credit exposures and their consequent assessment, to meet the need to promptly identify all possible signs of impairment of exposures in order to ensure the implementation of early interventions in order to avoid, or at least reduce, their transition to non-performing status.

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

At its meeting of 26 February 2021, the vehicle's Board of Directors appointed Prof. Mario Masini as the new Chairperson of ISP CB Ipotecario, replacing Prof. Carlo Bellavite Pellegrini who resigned from his position as Chairperson, while maintaining his position as a member of the Board of Directors.

### **Subsequent events**

On 12 July 2021, payments were made for loan collections from 1 March 2021 to 31 May 2021.

## Outlook

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


## Going concern

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

In addition, for the segregated assets, any temporary reduction in income, caused by the suspension of payments on part of the underlying portfolio, will not affect the vehicle's operating and financial stability and the soundness of the regulatory tests, also due to the presence and the underlying operational logic of the asset swaps on the segregated assets.

Milan, 26 July 2021

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini



## **Interim financial statements as at 30 June 2021**

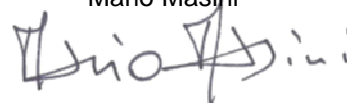
## **Financial statements**

**Statement of financial position**

(amounts in Euros)

	<b>Assets</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
40.	Financial assets measured at amortised cost	217,224	152,550
	a) due from banks	217,224	152,550
100.	Tax assets:	9,832	10,043
	a) current	388	549
	b) deferred	9,444	9,494
120.	Other assets	28,214	133,359
	<b>TOTAL ASSETS</b>	<b>255,270</b>	<b>295,952</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini

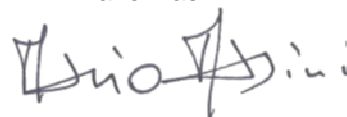


**Statement of financial position**

(amounts in Euros)

	<b>Liabilities and equity</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
80.	Other liabilities	84,034	124,716
110.	Quota capital	120,000	120,000
150.	Reserves	51,236	51,236
170.	Net income (loss)	-	-
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>255,270</b>	<b>295,952</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini





**Statement of income**

(amounts in Euros)

Income statement items	30/06/2021	30/06/2020
<b>30. INTEREST MARGIN</b>	-	-
50. Fee and commission expense	-160	-160
<b>60. NET FEE AND COMMISSION INCOME</b>	<b>-160</b>	<b>-160</b>
<b>120. NET INTEREST AND OTHER BANKING INCOME</b>	<b>-160</b>	<b>-160</b>
<b>150. NET INCOME FROM BANKING ACTIVITIES</b>	<b>-160</b>	<b>-160</b>
160. Administrative expenses:	-88,214	-124,924
a) personnel expenses	-20,623	-21,060
b) other administrative expenses	-67,591	-103,864
200. Other operating expenses/income	88,586	125,524
<b>210. OPERATING EXPENSES</b>	<b>372</b>	<b>600</b>
<b>260. INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>212</b>	<b>440</b>
270. Taxes on income from continuing operations	-212	-440
<b>280. INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>300. NET INCOME (LOSS)</b>	<b>-</b>	<b>-</b>

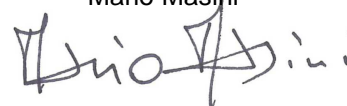
on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini



## Statement of comprehensive income

	(amounts in Euros)	
	30/06/2021	30/06/2020
<b>10. Net income (loss)</b>	-	-
<b>Other comprehensive income (net of tax) that may not be reclassified to the income statement</b>		
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	-	-
<b>Other comprehensive income (net of tax) that may be reclassified to the income statement</b>		
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	-	-
<b>170. Total other comprehensive income (net of tax)</b>	-	-
<b>180. Total comprehensive income (captions 10 + 170)</b>	-	-

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini



## 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					
<b>BALANCE AT 1/1/2021</b>	120,000	-	-	51,236	-	-	-	-	-	171,236
<b>ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR</b>										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
<b>CHANGES IN THE PERIOD</b>										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
<b>EQUITY AT 30/06/2021</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>51,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,236</b>

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					
<b>BALANCE AT 1/1/2020</b>	120,000	-	-	51,236	-	-	-	-	-	171,236
<b>ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR</b>										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
<b>CHANGES IN THE YEAR</b>										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-
<b>EQUITY AT 31/12/2020</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>51,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,236</b>

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					
<b>BALANCE AT 1/1/2020</b>	120,000	-	-	51,236	-	-	-	-	-	171,236
<b>ALLOCATION OF NET INCOME OF THE PREVIOUS YEAR</b>										
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-	-
<b>CHANGES IN THE PERIOD</b>										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Equity transactions	-	-	-	-	-	-	-	-	-	-
Issue of new quotas	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
<b>EQUITY AT 30/06/2020</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>51,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,236</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini

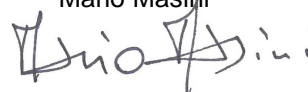


**Statement of cash flows**

(amounts in Euros)

	30/06/2021	30/06/2020
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	<b>64,674</b>	<b>12,691</b>
- interest income collected (+)	-	-
- interest expense paid (-)	-	-4
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+)	-	-
- personnel expenses (-)	-10,969	-11,437
- other costs (-)	-115,196	-117,868
- other revenue (+)	190,839	142,000
- taxes and duties (-)	-	-
- costs/revenue related to disposal groups net of the tax effect (+/-)	-	-
<b>2. Cash flows generated by/used for financial assets</b>	-	-
- 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	-	-
<b>3. Cash flows generated by/used for financial liabilities</b>	-	-
- financial liabilities at amortised cost	-	-
- financial liabilities held for trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	-	-
<b>Net cash flows generated by/used in operating activities</b>	<b>64,674</b>	<b>12,691</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flows generated by:</b>	-	-
- sales of equity investments	-	-
- dividends from equity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of business units	-	-
<b>2. Cash flows used to acquire:</b>	-	-
- equity investments	-	-
- property, equipment and investment property	-	-
- intangible assets	-	-
- business units	-	-
<b>Net cash flows generated by/used in investing activities</b>	-	-
<b>C. FINANCING ACTIVITIES</b>		
- issue/repurchase of treasury quotas	-	-
- issue/purchase of equity instruments	-	-
- dividends and other distributions	-	-
<b>Net cash flows generated by/used in financing activities</b>	-	-
<b>NET CASH FLOWS FOR THE PERIOD</b>	<b>64,674</b>	<b>12,691</b>
<b>RECONCILIATION</b>		
Opening cash and cash equivalents	152,550	222,085
Net cash flows for the period	64,674	12,691
<b>Closing cash and cash equivalents</b>	<b>217,224</b>	<b>234,776</b>

on behalf of the BOARD OF DIRECTORS  
Chairperson  
Mario Masini



## **Explanatory notes**

## **PART A - ACCOUNTING POLICIES**

### **A.1 - GENERAL PART**

#### **SECTION 1 - Statement of compliance with the IFRS**

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

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

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

#### **SECTION 2 - Basis of presentation**

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

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

The Interim financial statements comprises a statement of financial position, a 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. In addition, for the segregated assets, any temporary reduction in income, caused by the suspension of payments on part of the underlying portfolio, will not affect the vehicle's operating and financial stability and the soundness of the regulatory tests, also due to the presence and the underlying operational logic of the 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**

On 12 July 2021, payments were made for loan collections from 1 March 2021 to 31 May 2021.

### **SECTION 4 - Other aspects**

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

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

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

### ***Risks, uncertainties and impacts of the COVID-19 pandemic***

With regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty have not had an impact on the management of the vehicle. However, since the beginning of the health emergency, they have led to an increase in the measures to support households, moratoria and other concessions, as well as an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities, which provided guidance on the matter on several occasions during 2020, setting out framework that still applies to this day.

In this regard, you are reminded that the individual and collective valuations of the securitised loans, as well as their classification, are provided by Intesa Sanpaolo, the originator and servicer of the outstanding 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	217,224	-	-	217,224	152,550	-	-	152,550
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
<b>Total</b>	<b>217,224</b>	<b>-</b>	<b>-</b>	<b>217,224</b>	<b>152,550</b>	<b>-</b>	<b>-</b>	<b>152,550</b>
1. Financial liabilities at amortised cost	-	-	-	-	-	-	-	-
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 €217,224, 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.	217,224	-	-	-	-	217,224	152,550	-	-	-	-	152,550
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>217,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,224</b>	<b>152,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,550</b>

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	217,224	-	-	-	-	-	-	-
<b>Total 30/06/2021</b>	<b>217,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 31/12/2020</b>	<b>152,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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”

<b>Current tax assets: breakdown</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
IRES payments on account and assets	70	70
IRAP payments on account and assets	318	479
<b>Total</b>	<b>388</b>	<b>549</b>

<b>Deferred tax assets: breakdown</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
Receivables for IRES deferred tax assets	9,444	9,494
<b>Total</b>	<b>9,444</b>	<b>9,494</b>

### 10.2 Caption 60 “Tax liabilities: current and deferred”

There are no entries for this caption.

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

	<b>30/06/2021</b>	<b>31/12/2020</b>
<b>1. Opening balance</b>	<b>9,494</b>	<b>9,830</b>
<b>2. Increases</b>	-	-
2.1 Deferred tax assets recognised in the period	-	-
(a) related to previous years	-	-
(c) due to changes in accounting policies	-	-
(c) reversals of impairment losses	-	-
(d) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>-51</b>	<b>-336</b>
3.1 Deferred tax assets derecognised in the period	-51	-336
(a) reversals	-51	-336
(b) impairment losses due to non-recoverability	-	-
(c) due to changes in accounting policies	-	-
(d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
(a) conversion into tax assets, including as per Law no. 214/2011	-	-
(b) other	-	-
<b>4. Closing balance</b>	<b>9,444</b>	<b>9,494</b>

Deferred tax assets arising on carryforward tax losses without time limits amount to €7,992.

## Section 12 - Other assets - Caption 120

### 12.1 Caption 120 “Other assets”

	30/06/2021	31/12/2020
- receivables from the securitised assets	27,927	130,223
- prepayments	287	-
- tax credits for withholdings to be offset	-	3,136
<b>Total</b>	<b>28,214</b>	<b>133,359</b>

## 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	11,859	-
Statutory auditors' fees	8,700	12,934
Suppliers and beneficiaries	63,397	109,100
IRPEF tax for self-employed workers	59	2,636
INAIL (accident at work insurance)	-	22
Prepayments from the securitisation	19	24
<b>Total</b>	<b>84,034</b>	<b>124,716</b>

### 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
<b>Total</b>	<b>120,000</b>	<b>120,000</b>

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	Total
<b>A. Opening balance 01/01/21</b>	2,561	-	48,675	51,236
<b>B. Increases</b>				
B.1 Allocation of profits		-		-
B.2 Other increases	-	-	-	-
<b>C. Decreases</b>				
C.1 Utilisation	-	-	-	-
- to cover losses	-	-	-	-
- for dividend distribution	-	-	-	-
- for conversion into capital	-	-	-	-
C.2 Other decreases	-	-	-	-
<b>D. Closing balance</b>	2,561	-	48,675	51,236

**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 2 - Fees and commissions - Caption 50

#### 2.2 Caption 50 “Fee and commission expense”

	30/06/2021	30/06/2020
1. Guarantees received	-	-
2. Third-party services	-	-
3. Collection and payment services	-	-
4. Other	160	160
- bank fees and commissions	160	160
- Intesa Sanpaolo S.p.A.	-	-
- Crédit Agricole-CIB S.p.A.	160	160
<b>Total</b>	<b>160</b>	<b>160</b>

### 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	20,623	21,060
4. Retired personnel	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
<b>Total</b>	<b>20,623</b>	<b>21,060</b>

#### 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	62,264	95,919
Notary fees	1,478	1,847
Other taxes and duties	220	220
Reimbursement of costs incurred by corporate bodies	-	1,491
Other	191	949
<b>Total</b>	<b>67,591</b>	<b>103,864</b>

**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	88,586	125,524
<b>Total</b>	<b>88,586</b>	<b>125,524</b>

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 (-)	161	127
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	-	-
4. Change in deferred tax assets (+/-)	51	313
5. Change in deferred tax liabilities (+/-)	-	-
<b>6. Tax expense for the period (-) (-1+/-2+3+ 3 bis+/-4+/-5)</b>	<b>212</b>	<b>440</b>

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



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

	30/06/2021	30/06/2020
Income (Loss) before tax from continuing operations	212	440
<b>Theoretical taxable profit</b>	<b>212</b>	<b>440</b>
	<b>Income taxes</b>	<b>Income taxes</b>
<b>Income taxes - theoretical IRES tax expense</b>	<b>51</b>	<b>106</b>
<b>Increases</b>	<b>-</b>	<b>207</b>
Non-deductible costs (contingent liabilities, etc.)	-	207
<b>Decreases</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>51</b>	<b>313</b>
<b>IRAP</b>	<b>161</b>	<b>127</b>
<b>Theoretical tax expense (IRES + IRAP)</b>	<b>212</b>	<b>440</b>

## 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	21,640,625,884	20,855,531,902
<b>Total</b>	<b>21,640,625,884</b>	<b>20,855,531,902</b>

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

## H. COVERED BONDS

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

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

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

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

### Securitised assets - Loans and receivables

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

### Investment of liquidity - Loans and receivables with banks

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

### Subordinated loans

They are recognised at their nominal amount.

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

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

Two swaps were agreed between the vehicle and Intesa Sanpaolo S.p.A.: an asset swap for the cover pool and a liability swap for the covered bond issues. As they are similar to the related hedged assets and liabilities, the swaps are measured at cost and, accordingly, only the accrued interest income/expense is recognised.

### 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
<b>Securitised assets</b>	<b>17,409,751,854</b>	<b>16,698,443,890</b>
Loans and receivables	17,093,022,740	16,401,109,783
Other assets	316,729,114	297,334,107
- accrued interest income on IRS	141,622,246	231,780,502
- accrued interest income on loans	25,431,605	28,218,326
- other prepayments and accrued income	25,394	394
- prepayments to originator for additional interest amount	149,110,406	36,807,632
- tax and other assets	539,463	527,253
<b>Utilisation of cash deriving from the management of securitised assets</b>	<b>4,230,874,030</b>	<b>4,157,088,012</b>
Cash and cash equivalents	4,230,874,030	4,157,088,012
<b>Loans received</b>	<b>18,443,783,196</b>	<b>19,895,670,326</b>
<b>Other liabilities</b>	<b>3,196,842,688</b>	<b>959,861,576</b>
Liabilities for services	3,064,443,463	804,621,480
- of which due to originators	3,063,805,476	780,436,323
Due to securitisation vehicles	27,927	130,223
Accrued interest expense on IRS	132,371,298	155,109,873
	<b>30/06/2021</b>	<b>30/06/2020</b>
<b>Fees and commissions borne by the transaction</b>	<b>8,247,671</b>	<b>7,291,716</b>
For servicing	8,093,341	7,135,278
For other services	154,330	156,438
<b>Other expense</b>	<b>355,936,946</b>	<b>446,313,003</b>
Interest expense on subordinated loan	47,598,189	54,343,652
Additional Interest Amount	146,603,035	146,913,414
Interest expense on IRS	160,936,741	229,939,555
Losses on sales of loans	120,311	55,514
Expected losses on loans	464,138	14,840,709
Other expense	214,532	220,159
<b>Interest generated by the securitised assets</b>	<b>145,449,487</b>	<b>179,206,182</b>
<b>Other revenue</b>	<b>218,735,130</b>	<b>274,398,537</b>
Interest income	206,990,362	272,356,052
Reversals of impairment losses on loans	9,022,567	-
Other revenue	2,722,201	2,042,485

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  
Mario Masini



A summary table is provided below of the loans, as classified by the servicer, in accordance with the provisions of Bank of Italy Circular no. 262/2005 and the IAS/IFRS and the EU supervisory regulations.

	30/06/2021				31/12/2020			
	Gross amount	Impairment losses	Carrying amount	% coverage	Gross amount	Impairment losses	Carrying amount	% coverage
<b>Performing exposures</b>	<b>16,942,343,890</b>	<b>39,915,104</b>	<b>16,902,428,786</b>	<b>0.24%</b>	<b>16,267,588,143</b>	<b>47,249,358</b>	<b>16,220,338,785</b>	<b>0.29%</b>
Non-performing past due exposure	28,170,877	2,243,550	25,927,327	7.96%	38,383,110	3,233,925	35,149,185	8.43%
Unlikely-to-pay	121,525,015	11,254,852	110,270,163	9.26%	111,399,316	11,163,414	100,235,902	10.02%
Bad loans	8,264,683	2,172,611	6,092,072	26.29%	3,424,253	928,730	2,495,523	27.12%
<b>Non-performing exposures</b>	<b>157,960,575</b>	<b>15,671,013</b>	<b>142,289,562</b>	<b>9.92%</b>	<b>153,206,679</b>	<b>15,326,069</b>	<b>137,880,610</b>	<b>10.00%</b>
IAS difference	48,304,392	-	48,304,392		42,890,388	-	42,890,388	
<b>Total loans</b>	<b>17,148,608,857</b>	<b>55,586,117</b>	<b>17,093,022,740</b>		<b>16,463,685,210</b>	<b>62,575,427</b>	<b>16,401,109,783</b>	
<b>% Non-performing exposures on total loans</b>	<b>0.92%</b>		<b>0.83%</b>		<b>0.93%</b>		<b>0.84%</b>	

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

During the first half of 2021, a total of €8,558,430 of reversals of impairment losses were recorded (of which €464,138 of impairment losses on non-performing loans and €9,022,567 of impairment loss reversals on performing loans) compared with impairment losses recorded in the first half of 2020 totalling €14,840,709 (of which €6,435,198 on non-performing loans and €8,405,511 on performing loans).

### COVID-19 support measures

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

	30/06/2021				31/12/2020			
	Gross amount	%	No. of loans	%	Gross amount*	%	No. of loans	%
Remaining principal of performing loans	16,895,752,411		222,796		16,225,096,504		220,216	
<b>of which: loans subject to moratoria</b>	<b>319,464,831</b>	<b>1.89%</b>	<b>3,227</b>	<b>1.45%</b>	<b>979,448,873</b>	<b>6.04%</b>	<b>10,185</b>	<b>4.63%</b>
<i>Breakdown by type of moratorium</i>								
<b>Performing loans subject to moratoria</b>	<b>319,464,831</b>	<b>100.00%</b>			<b>979,448,873</b>	<b>100.00%</b>		
<b>- of which Covid related</b>	<b>167,158,051</b>	<b>52.32%</b>			<b>805,661,205</b>	<b>82.26%</b>		
- of which principal and interest	154,671,637	48.42%			774,242,582	79.05%		
- of which principal only	12,486,414	3.91%			31,418,623	3.21%		
<b>- of which other</b>	<b>152,306,780</b>	<b>47.68%</b>			<b>173,787,668</b>	<b>17.74%</b>		

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

## QUALITATIVE INFORMATION

### Description of the Issue Programme and its performance

On 29 July 2010, the vehicle signed a “master sale agreement” 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.

The initial sale of the class A Adriano Finance securities took place on 2 August 2010 and the vehicle paid €5,820,696,137.80 to the originator, including interest of €47,584,297.03 and principal of €5,773,111,840.77. The sales notice was published in Italian Official Journal no. 92 of 5 August 2010.

The consideration for the acquired assets (class A securities issued as part of the Adriano Finance series 1 securitisation) was equal to the securities' nominal amount, including the interest accrued at the sales date. As required by the sector regulations, the vehicle obtained a special attestation from the independent auditors Reconta Ernst & Young S.p.A. (now EY S.p.A.) on the compliance of the measurement criteria of the assets underlying the securities sold with the measurement criteria applied by Intesa Sanpaolo S.p.A. to prepare its most recent financial statements.

Against the sale of these assets, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan to allow it to finance the acquisition of the relevant securities. This loan, which bears interest at 0.50%, allows the originator to collect any additional interest amount left after paying 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 loan after the covered bonds are redeemed (or at their extended redemption date), respecting the applicable priority order and funds available, although it is obliged to repay the loans early if the conditions set out in the related agreements materialise.

On 2 April 2012, the vehicle sold the Adriano Finance Class A securities to Intesa Sanpaolo S.p.A. for €4,313,073,929.39.

The Board of Directors authorised an increase in the Programme's maximum amount to €25 billion on 20 March 2019.

A portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 30 June 2011, effective from 27 June 2011, for a total amount of €2,318,996,535.31.

The sales notice was published in Italian Official Journal no. 78 of 9 July 2011.

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

On 11 July 2011, 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.

A second portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 31 August 2011, effective from 29 August 2011, for a total amount of €4,966,586,761.98.

The sales notice was published in Italian Official Journal no. 104 of 8 September 2011.

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

On 9 September 2011, 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 loans.

A third portfolio of performing mortgage loans (secured by mortgages on residential buildings granted to consumer households and family businesses resident in Italy) was sold to the vehicle on 30 November 2011, effective from 28 November 2011, for a total amount of €2,197,403,128.48.

The sales notice was published in Italian Official Journal no. 142 of 10 December 2011.

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

On 12 December 2011, 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 loans.

On 23 May 2012, using the liquidity generated by the transaction, the vehicle also purchased one ordinary treasury bill (BOT) with a nominal amount of €912,000,000.00 and a maturity date of 14 January 2013 for which it paid €900,235,200.00. It paid for the BOT on the guarantor payment date of 12 July 2012.

A fourth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings) was sold to the vehicle on 31 October 2012, effective from 29 October 2012, for a total amount of €3,222,964,397.22.

The sales notice was published in Italian Official Journal no. 130 of 6 November 2012.

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

On 13 November 2012, 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 loans.

On 31 January 2013, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans; these loans were returned by the vehicle to the originator for a consideration of €39,320,270.96 paid by Intesa Sanpaolo S.p.A..

Due to a procedural anomaly in the loan management IT systems of Intesa Sanpaolo S.p.A., the loans benefited from the suspension of interest payments, which made it necessary to adjust downwards the consideration of the loans sold by Intesa Sanpaolo S.p.A. to the vehicle on 31 October 2012 by €1,765,826.96. This had no impact as the "IFRS accrued interest adjustment" component does not contribute to the test calculations provided for by the Covered Bond Issue Programme.

A fifth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings) was sold to the vehicle on 30 April 2013, effective from 22 April 2013, for a total amount of €4,093,511,498.10.

The sales notice was published in Italian Official Journal no. 53 of 7 May 2013.

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

Against the sale of these assets, on 16 May 2013, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €2,593,511,498.10 at the same conditions as those of the previous loans to allow it to finance the acquisition of the relevant loans. The vehicle paid the outstanding €1,500,000,000 (for the revolving sale) to Intesa Sanpaolo S.p.A. at the payment date of 12 July 2013.

On 18 July 2013, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans; these loans were returned to the originator for €740,495,629.74 paid by Intesa Sanpaolo S.p.A.. On the same date, €2,691,297.23 was repaid for the previous sale of October 2012.

On 17 April 2014, the vehicle purchased a zero coupon treasury bond (CTZ) with a nominal amount of €1,000,000,000.00 and a maturity date of 31 December 2014 for which it paid €996,127,400.00. It paid for the bond on the guarantor payment date of 14 July 2014 using cash in its accounts.

A sixth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 May 2014, effective from 26 May 2014, for a total amount of €2,463,077,830.96.

The sales notice was published in Italian Official Journal no. 67 of 7 June 2014.

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



On 10 June 2014, 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 loans.

On 28 October 2014, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €1,808,962.57 paid by Intesa Sanpaolo S.p.A..

A seventh portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 April 2015, effective from 27 April 2015, for a total amount of €1,646,898,447.48.

The sales notice was published in Italian Official Journal no. 53 of 9 May 2015.

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

Against the sale of these assets, on 12 May 2015, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan at the same conditions as those of the previous loans to allow it to finance the acquisition of the relevant loans.

An eighth portfolio of performing mostly residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 30 October 2015, effective from 26 October 2015, for a total amount of €1,337,026,661.93.

The sales notice was published in the Italian Official Journal, Part 2, no. 129 of 7 November 2015.

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

On 10 November 2015, 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 loans.

On 18 December 2015, as part of the tests performed on the loans sold, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €2,704,583.29 paid by Intesa Sanpaolo S.p.A., including €340,223.53 for the transaction of 30 April 2015 and €2,364,359.76 for the sale of 30 October 2015.

A ninth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2016, effective from 23 May 2016, for a total amount of €3,722,308,897.12.

The sales notice was published in the Italian Official Journal, Part 2, no. 68 of 9 June 2016.

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

On 10 June 2016, 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 loans.

On 27 October 2016, as part of the tests performed on the loans sold on 31 May 2016, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €1,273,651.14, paid by Intesa Sanpaolo S.p.A..

On 7 March 2017, as part of the tests performed on the loans sold on 30 June 2011 and 30 October 2015, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €279,186.74, paid by Intesa Sanpaolo S.p.A..

A tenth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2017, effective from 29 May 2017, for a total amount of €5,258,966,710.15.

The portfolio was temporarily without hedging derivatives. Restructuring of all the existing swaps after the guarantor payment date of 12 July 2017 included the new portfolio acquired in May.

The sales notice was published in the Italian Official Journal, Part 2, no. 67 of 8 June 2017.

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

On 9 June 2017, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €4,186,276,094.75 at

the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The vehicle paid the remaining €1,072,690,615.40 on the guarantor payment date of 12 July 2017 using its available funds.

On 16 November 2017, as part of the tests performed on the loans sold on 31 May 2017, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €2,222,123.67, paid by Intesa Sanpaolo S.p.A..

An eleventh portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 31 May 2018, effective from 28 May 2018, for a total amount of €2,490,991,997.82.

The portfolio was temporarily without hedging derivatives. Restructuring of all the existing fixed and floating-rate swaps after the guarantor payment date of 12 July 2018 included the new portfolio acquired in May.

The sales notice was published in the Italian Official Journal, Part 2, no. 66 of 9 June 2018.

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

On 11 June 2018, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of €850,000,000.00 at the same conditions as those of the previous loans to allow it to finance the acquisition of the portfolio. The vehicle paid the remaining €1,640,991,997.82 on the guarantor payment date of 12 July 2018 using its available funds.

On 16 October 2018, as part of the tests performed on the loans sold on 31 May 2018, the originator became aware of the existence of excluded loans as per the transaction regulation; these loans were returned to the originator for €3,521,315.10, paid by Intesa Sanpaolo S.p.A..

The twelfth portfolio of performing residential mortgage loans (secured by mortgages on buildings and originated by Intesa Sanpaolo S.p.A.) was sold to the vehicle on 22 March 2019, effective from 18 March 2019, for a total amount of €1,673,312,848.85.

The sales notice was published in the Italian Official Journal, Part 2, no. 38 of 30 March 2019.

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

On 2 April 2019, 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 loans and for the same amount.

After the guarantor payment date of 12 July 2019, the fixed-rate and floating-rate swaps on the underlying cover pool were restructured through two new derivatives, which include the new portfolio sold last March.

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

The loans, consisting of mortgage loans in "bad loan" or "unlikely-to-pay" status, were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €335,202,924.55.

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

On 27 January 2021, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 25 January 2021 and legal effect from 28 January 2021, in relation to several loans identified as a block pursuant to article 58 of the Consolidated Law on Banking.

The loans were returned by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €265,101,255.41.

The sales notice was published in the Italian Official Journal, Part 2, no. 14 of 2 February 2021.

A thirteenth sale of loans was made to the vehicle on 17 June 2021, effective from 14 June 2021. The portfolio of mortgage loans (mainly residential mortgages granted to consumer households and family businesses resident in Italy) was sold without recourse for €2,174,894,217.17 by Intesa Sanpaolo S.p.A.

The sales notice was published in the Italian Official Journal, Part 2, no. 77 of 1 July 2021.

The consideration paid for the assets was determined using the carrying amounts in the originator's financial statements as required by sector regulations, adjusted appropriately to reflect quantitative and objective

changes made up until the sale's effective date.

On 1 July 2021, Intesa Sanpaolo S.p.A. granted the vehicle a subordinated loan of the same amount to allow it to finance the acquisition of the portfolio.

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted an irrevocable and unconditional guarantee to the bondholders with limited recourse (the covered bonds guarantee). In accordance with the covered bonds guarantee, if the issuer defaults (i.e., Intesa Sanpaolo S.p.A.'s insolvency, non-payment by the Issuer of interest and/or principal on the covered 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 up to the amount 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 performs tests of the portfolio to check whether the nominal amount, present value and interest flows (considering the hedging swaps) of the portfolio allow the vehicle, where necessary, to pay the interest and principal of the issued bonds. Deloitte Consulting S.p.A. checks the tests' accuracy as the asset monitor. Management of the portfolio over the transaction term is regulated by a portfolio administration agreement signed, inter alia, by the vehicle and Intesa Sanpaolo S.p.A..

The transaction's financial structure provides for the three-monthly payment of the transaction costs, i.e., at the payment dates of 12 January, 12 April, 12 July and 12 October of each year.

Information about the cash flows and payments up to the date of approval of this Interim financial statements is set out below.

#### **Forty-first payment date (12 January 2021)**

On 12 January 2021, payments were made for loan collections from 1 September 2020 to 30 November 2020.

The funds available for distribution by the vehicle as interest amounted to €369.5 million, of which:

- €76.1 million as collections on the mortgage portfolio
- €0 in interest received on current accounts
- €116.7 million from swap contracts
- €176.7 million as the reserve fund required amount

The following payments were made with these funds:

- €3.6 million as remuneration to the third parties that provided services to the vehicle
- €239 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €75.4 million as the asset swap on the cover pool
- €23.6 million as the liability swap on the issued notional amount
- €172.4 million as the accrual of the reserve fund required amount
- €4.3 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €25.4 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €64.6 million as the additional interest amount to Intesa Sanpaolo S.p.A..

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€600 million) using the principal available funds.

#### **Forty-second payment date (12 April 2021)**

On 12 April 2021, payments were made for loan collections from 1 December 2020 to 28 February 2021.

The funds available for distribution by the vehicle as interest amounted to €480.4 million, of which:

- €76.3 million as collections on the mortgage portfolio
- €0 in interest received on current accounts
- €231.7 million from swap contracts
- €172.4 million as the reserve fund required amount

The following payments were made with these funds:

- €4.7 million as remuneration to the third parties that provided services to the vehicle
- €164 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €74.3 million as the asset swap on the cover pool
- €10.4 million as the liability swap on the issued notional amount
- €142.4 million as the accrual of the reserve fund required amount
- €30 million returned to Intesa Sanpaolo S.p.A. as the difference compared to the reserve fund required amount accrued at the previous payment date
- €24.1 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €194.3 million as the additional interest amount to Intesa Sanpaolo S.p.A..

In addition, the vehicle partially repaid the subordinated loan to Intesa Sanpaolo S.p.A. (€850 million) using the principal available funds.

## Parties involved

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

<b>Originator and Subordinated Loan Provider</b>	Intesa Sanpaolo S.p.A.
<b>Issuer</b>	Intesa Sanpaolo S.p.A.
<b>Servicer</b>	Intesa Sanpaolo S.p.A.
<b>Special Servicers</b>	Intesa Sanpaolo S.p.A. (first special servicer), DoValue S.p.A. (second special servicer)
<b>Sub Servicer</b>	Intrum Italy S.p.A.
<b>Asset Swap Counterparty</b>	Intesa Sanpaolo S.p.A.
<b>Administrative Services Provider</b>	Intesa Sanpaolo S.p.A.
<b>Account Bank</b>	Intesa Sanpaolo S.p.A.
<b>Cash Manager</b>	Intesa Sanpaolo S.p.A.
<b>Portfolio Manager</b>	Intesa Sanpaolo S.p.A.
<b>Paying Agent</b>	Deutsche Bank S.p.A.
<b>Representative of the Covered Bondholders</b>	KPMG Fides Servizi di Amministrazione S.p.A.
<b>Calculation Agent</b>	PricewaterhouseCoopers Advisory S.p.A.
<b>Asset Monitor</b>	Deloitte & Touche S.p.A.
<b>Luxembourg Listing Agent</b>	Deutsche Bank Luxembourg S.A.
<b>Rating Agency</b>	Moody's Investors Service (Moody's or the Rating Agency).
<b>Swap Service Providers</b>	Intesa Sanpaolo S.p.A.
<b>Liability Hedging Counterparty</b>	Intesa Sanpaolo S.p.A.
<b>Asset Hedging Counterparty</b>	Intesa Sanpaolo S.p.A.

Intesa Sanpaolo S.p.A. collects and manages the securitised loans on behalf of the vehicle. It acts as custodian bank and servicer as per Law no. 130/99 and may sub-delegate activities to third parties. Intesa Sanpaolo S.p.A. provides IT infrastructure, including via Intesa Sanpaolo Group Services (now Intesa Sanpaolo S.p.A.), and performs the back office activities for collections on the cover pool, as per the Group's regulations. As servicer, it is also responsible for ensuring that the transaction activities comply with the law and the Prospectus, as per article 2.6 of Law no. 130/99.

Intesa Sanpaolo S.p.A. and the vehicle signed an administrative services agreement whereby the former provides the vehicle with administrative, accounting and corporate services.

Amounts collected by Intesa Sanpaolo S.p.A. as servicer on the vehicle's behalf are paid into the accounts with Intesa Sanpaolo S.p.A., which also acts as account bank, cash manager, custodian bank and paying agent of the transaction. In addition, Intesa Sanpaolo S.p.A. manages the liquidity between the collection and payment dates established by the relevant agreements.

On 20 June 2012 and given its concerns that Moody's could downgrade the Programme bonds due to the loss of the minimum rating required for these roles, the vehicle's board of directors resolved to assign Crédit

Agricole-CIB Milano the roles of account bank and paying agent (as well as cash manager, even though this role does not have rating limits). The vehicle has kept some accounts with Intesa Sanpaolo S.p.A. for administrative services and collection of the loan payments. In order to maintain the collection account with Intesa Sanpaolo S.p.A., it opened the collection collateral account with Crédit Agricole-CIB Milano and a swap collateral account to allow Intesa Sanpaolo S.p.A. to continue to be its swap counterparty. The vehicle performed a weekly margining on the collateral account, necessary since Intesa Sanpaolo S.p.A.'s downgrading to P-2 A3 on 15 May 2012.

Intesa Sanpaolo S.p.A. and Crédit Agricole CIB receive a fee in line with market conditions for these services.

In September 2012, after some contractual amendments, Intesa Sanpaolo S.p.A. qualified again as an eligible counterparty for the above roles and the vehicle transferred its funds back to its original accounts from Crédit Agricole-CIB Milano. The margining on the swap collateral account is thus now performed on the Intesa Sanpaolo S.p.A. accounts while the vehicle closed its deposit with Crédit Agricole-CIB Milan securing the collections credited directly to the Intesa Sanpaolo S.p.A. accounts.

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

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

Following the enactment of the EMIR, which imposes specific regulatory obligations on parties to OTC derivative contracts, in December 2013, Intesa Sanpaolo Group Services S.c.p.A. (now Intesa Sanpaolo S.p.A.) and, in February 2014, 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 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).

Deutsche Bank is the paying agent for the covered bonds issued. KPMG Fides servizi di Amministrazione S.p.A. is the bondholders' representative.

Since 30 June 2016, EY S.p.A. has been the calculation agent after the non-proportionate demerger of the business unit from Ernst & Young Financial Business Advisors S.p.A. to Reconta Ernst & Young S.p.A. which subsequently changed its name to EY S.p.A..

From 28 April 2020, PricewaterhouseCoopers S.p.A. replaced EY S.p.A. as the calculation agent. The Luxembourg listing agent is Deutsche Bank Luxembourg S.A., while Deloitte Consulting S.p.A. acts as asset monitor.

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

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

## Issue characteristics

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

The first issue of Intesa Sanpaolo S.p.A. covered bonds, placed on the Eurosystem on 4 November 2010, amounted to €1 billion. They paid annual coupons at a fixed rate of 3% on 4 November of each year starting from 4 November 2011. The bonds had a five-year maturity and provided for a bullet payment at the legal due date of 4 November 2015, and could be extended by one year to 4 November 2016. The bonds were

listed on the Luxembourg stock exchange and were rated AAA by Moody's. They were redeemed on 4 November 2015.

The second series of covered bonds was issued on 16 February 2011 for €2.5 billion, with maturity date on 16 August 2016. They paid annual coupons at a fixed rate of 4.375% on 16 August of each year starting from 16 August 2012. The bonds were listed on the Luxembourg stock exchange and were rated AAA by Moody's, and they have been redeemed.

Two series of registered covered bonds (private placement) were issued on 17 February 2011 and subscribed by Deutsche Bank Frankfurt.

The two registered series of €100 million at a fixed rate of 5.25% and a 15-year maturity and €300 million at a fixed rate of 5.375% and a 20-year maturity, respectively, pay annual coupons on 17 February of each year starting from 17 February 2012. They are rated AAA by Moody's but are not listed.

The fifth series of registered covered bonds (private placement) was issued on 16 September 2011 and subscribed by Deutsche Bank Frankfurt.

The registered series of €210 million, at a fixed rate of 5.25% and maturing on 16 September 2027, pays an annual coupon on 16 September of each year starting from 16 September 2012. The bonds are rated AAA by Moody's but are not listed.

The sixth series of covered bonds was issued on 19 September 2011 and amounted to €2.3 billion, maturing on 14 October 2013, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aaa by Moody's. The bonds were redeemed in part on 13 July 2012 (€1.38 billion), with the remainder of €920 million redeemed on 24 September 2012.

The seventh series of covered bonds was issued on 26 September 2011 and amounted to €2.25 billion, maturing on 14 October 2013, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aaa by Moody's. The bonds were fully redeemed on 2 April 2012.

The eighth series of covered bonds was issued on 18 November 2011 and amounted to €1.6 billion, maturing on 12 January 2014, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aa1 by Moody's. The bonds were fully redeemed on 2 April 2012.

The ninth series of covered bonds was issued on 23 December 2011 and amounted to €2 billion, maturing on 12 January 2014, at a three-month Euribor plus 0.75%. These bonds paid three-monthly coupons on 12 January, 12 April, 12 July and 12 October of each year starting from 12 January 2012. They were listed on the Luxembourg stock exchange and were rated Aa1 by Moody's. The bonds were fully redeemed on 2 April 2012.

After Moody's downgraded Intesa Sanpaolo S.p.A. again leading to the fears that it could lose the minimum rating necessary to maintain certain roles and that the rating agency could request a higher overcollateralisation level as part of the ISP CB Pubblico Programme, on 5 June 2012, Intesa Sanpaolo S.p.A.'s management board approved an exchange offer<sup>1</sup> for the only two series of covered bonds issued as part of this programme still on the market (series 2 and 3) in order to maintain the rating of the covered bonds issued as part of the ISP CB Pubblico programme (Aa3). It offered two new issues of covered bonds, series 10 and 11 for €1,863,250,000 and €1,353,028,000, respectively, as an exchange, with the same maturity date and coupon.

The covered bonds issued as part of the ISP CB Pubblico Programme to be exchanged (series 2 and 3) are currently nearly entirely held by Intesa Sanpaolo S.p.A. in its banking book, while bonds for €136,750,000 of series 2 and €146,972,000 of series 3 are still on the market.

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<sup>1</sup> Intesa Sanpaolo S.p.A. offered institutional investors, holding ISP CB Pubblico S.r.l.'s covered bonds, the possibility of exchanging the securities with new securities issued by Intesa Sanpaolo S.p.A. guaranteed by ISP CB Ipotecario S.r.l. with the same characteristics (the "Nemo Project").

The tenth series of covered bonds was issued on 16 July 2012 and amounted to €1.8 billion, maturing on 28 April 2017, at a fixed rate of 3.25%. It was offered to the institutional investors in exchange for the bonds issued as part of the ISP CB Pubblico Programme. The bonds paid annual coupons on 28 April. They were listed on the Luxembourg stock exchange and were rated Aa2 by Moody's. They were redeemed on 28 April 2017.

The eleventh series of covered bonds was issued on 16 July 2012 and amounted to €1.3 billion, maturing on 27 January 2021, at a fixed rate of 5%. It was offered to the institutional investors in exchange for the bonds issued as part of the ISP CB Pubblico Programme. The bonds pay annual coupons on 27 January. They were listed on the Luxembourg stock exchange and were rated Aa2 by Moody's. The bonds were fully redeemed on 27 January 2021.

The twelfth series of covered bonds was issued on 25 September 2012 and amounted to €1 billion, maturing on 25 September 2019, at a fixed rate of 3.75%. The bonds paid annual coupons on 25 September. They were listed on the Luxembourg stock exchange and were rated A2 by Moody's. They were redeemed on 25 September 2019.

The thirteenth series of covered bonds was issued on 3 December 2012 and amounted to €1.25 billion, maturing on 5 December 2022, at a fixed rate of 3.625%. The bonds pay annual coupons on 5 December. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

The fourteenth series of covered bonds was issued on 24 January 2013 and amounted to €1 billion, maturing on 24 January 2025, at a fixed rate of 3.375%. The bonds pay annual coupons on 24 January. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

The fifteenth series of covered bonds was issued on 24 September 2013 and amounted to €750 million, maturing on 24 September 2018, at a fixed rate of 2.25%. The bonds paid annual coupons on 24 September. They were listed on the Luxembourg stock exchange and were rated A2 by Moody's. They were redeemed on 24 September 2018.

The sixteenth series of covered bonds was issued on 10 February 2014 and amounted to €1.25 billion, maturing on 10 February 2026, at a fixed rate of 3.25%. The bonds pay annual coupons on 10 February. They are listed on the Luxembourg stock exchange and are rated A2 by Moody's.

The seventeenth series of covered bonds was issued on 23 January 2015 and amounted to €1 billion, maturing on 20 January 2022, at a fixed rate of 0.625%. The bonds pay annual coupons on 20 January. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The eighteenth series of covered bonds was issued on 18 December 2015 and amounted to €1.25 billion, maturing on 18 December 2025, at a fixed rate of 1.375%. The bonds pay annual coupons on 18 December. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The nineteenth series of covered bonds was issued on 23 March 2016 and amounted to €1.25 billion, maturing on 23 March 2023, at a fixed rate of 0.625%. The bonds pay annual coupons on 23 March. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twentieth series of covered bonds was issued on 16 September 2016 and amounted to €1.25 billion, maturing on 12 October 2020, at a floating three-month Euribor plus 0.20%. The bonds paid three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They were listed on the Luxembourg stock exchange and were rated Aa2 by Moody's. The bonds were partially redeemed on 2 July 2020 in the amount of €700 million. These bonds were redeemed in advance with value date of 27 August 2020.

The twenty-first series of covered bonds was issued on 25 November 2016 and amounted to €2.2 billion, maturing on 12 October 2024, at a floating three-month Euribor plus 0.20%. The bonds paid three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twenty-second series of covered bonds was issued on 16 June 2017 and amounted to €1 billion, maturing on 16 June 2027, at a fixed rate of 1.125%. The bonds pay annual coupons on 16 June. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twenty-third series of covered bonds was issued on 16 February 2018 and amounted to €2 billion, maturing on 12 April 2030, at a floating three-month Euribor plus 0.29%. The bonds paid three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twenty-fourth series of covered bonds was issued on 13 July 2018 and amounted to €1 billion, maturing on 14 June 2025, at a fixed rate of 1.125%. The bonds pay annual coupons on 14 July. They are listed on the Luxembourg stock exchange and are rated Aa2 by Moody's.

The twenty-fifth series of covered bonds was issued on 5 March 2019 and amounted to €1 billion, maturing on 5 March 2024, at a fixed rate of 0.50%. The bonds pay annual coupons on 5 March. They are listed on the Luxembourg stock exchange and are rated Aa3 by Moody's.

The twenty-sixth series of covered bonds was issued on 16 April 2019 and amounted to €500 million, maturing on 12 October 2028, at a floating three-month Euribor plus 0.53%. The bonds paid three-monthly coupons on 12 October, 12 January, 12 April and 12 July. They were listed on the Luxembourg stock exchange and were rated Aa3 by Moody's. They were fully redeemed in advance on 27 November 2020.

The twenty-seventh series of covered bonds was issued on 27 January 2020 and amounted to €750 million, maturing on 12 October 2031, at a floating three-month Euribor plus 0.27%. The bonds pay three-monthly coupons on 12 January, 12 April, 12 July and 12 October. They are listed on the Luxembourg stock exchange and are rated Aa3 by Moody's.

The covered bonds issued as part of the programme were downgraded over time. Specifically, on 6 October 2011, Moody's revised the rating of the bonds issued before that date from AAA to Aa1.

On 23 February 2012, the bonds were downgraded again from Aa1 to Aa2 and then to A2 on 17 July 2012.

On 21 January 2015, Moody's upgraded their rating from A2 to Aa2. On 24 October 2018, Moody's downgraded the rating of the programme from Aa2 to Aa3.

## Related financial transactions

Following the restructuring of swaps on 13 July 2017, the vehicle has four asset swaps on all the underlying pools and 13 liability swaps, one for each fixed-rate covered bond series, with Intesa Sanpaolo S.p.A.. All the swaps hedge interest rate risk.

The asset swaps relate to the loan portfolios sold to the vehicle. The asset swaps allow it to convert the mixed cash flows generated by the cover pool into steady quarterly cash flows (three-month Euribor plus a spread).

The liability swaps are structured for each fixed-rate covered bond series. Intesa Sanpaolo S.p.A. pays the vehicle fixed-rate interest equal to the coupon due on the bonds, while in exchange, the vehicle pays a floating-rate in line with the amount it receives for the above-mentioned swaps on the cover pool.

On 15 May 2012, Intesa Sanpaolo S.p.A. lost its short-term P-1 rating assigned by Moody's, making it necessary to set up a reserve fund required amount for the quarterly-accrued coupon on the issued bonds. The amount, which had been included in the interest available fund up to the payment date of 12 October 2020, was funded by the issuer which credited €176.7 million to the vehicle's account as contractually provided for. This reserve is subject to recalculation and possible adjustment at each payment date.

Following the new restructuring of swaps on 16 July 2018, the vehicle has four asset swaps on all the underlying pools and 14 liability swaps on the fixed-rate securities, with Intesa Sanpaolo S.p.A.; all the swaps hedge interest rate risk.

Following the new restructuring of swaps on 16 July 2019, on the fixed-rate and floating-rate portfolio, the vehicle has four asset swaps on the entire cover pool and 14 liability swaps on the fixed-rate securities, with Intesa Sanpaolo S.p.A.; all the swaps hedge interest rate risk.

## 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) 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.

##### *Impacts resulting from the Covid-19 pandemic*

With regard to the vehicle's operations, the adverse effects of the economic and financial crisis resulting from the COVID-19 pandemic and the continued macroeconomic uncertainty have not had an impact on the management of the vehicle. However, since the beginning of the health emergency, they have led to an increase in the measures to support households, moratoria and other concessions, as well as an increase in adjustments to the securitised loans, as a result of the measures taken by the various supervisory authorities, which provided guidance on the matter on several occasions during 2020, setting out framework that still applies to this day.

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.

##### 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	-	-	-	-	217,224	217,224
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	-	-	-	-	-	-
<b>Total 30/06/2021</b>	-	-	-	-	217,224	217,224
<b>Total 31/12/2020</b>	-	-	-	-	152,550	152,550

## 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	-	-	-	-	217,224	-	217,224	217,224
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	-	-	-	-	-	-	-	-
<b>Total 30/06/2021</b>	-	-	-	-	217,224	-	217,224	217,224
<b>Total 31/12/2020</b>	-	-	-	-	152,550	-	152,550	152,550

## 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			
<b>A. ON-BALANCE SHEET EXPOSURES</b>					
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	-	217,224	-	217,224	-
-of which: forborne exposures	-	-	-	-	-
<b>TOTAL A</b>	-	217,224	-	217,224	-
<b>B. OFF-BALANCE SHEET EXPOSURES</b>					
a) Non-performing	-	-	-	-	-
b) Performing	-	-	-	-	-
<b>TOTAL B</b>	-	-	-	-	-
<b>TOTAL (A+B)</b>	-	217,224	-	217,224	-

## 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 as a result of a mismatch in the structure of the interest rates (fixed rate, floating rate, indexing or not to Euribor, etc.) 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 two types of interest rate swap agreements (asset swaps, for the cover pool and liability swaps, for the bond issues) with the counterparty Intesa Sanpaolo S.p.A.. For more details, see the “Quantitative disclosure” in Part H – Covered Bonds.

#### 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
<b>1. Assets</b>								
1.1 Debt instruments	-	-	-	-	-	-	-	-
1.2 Loans and receivables	217,224	-	-	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
<b>2. Liabilities</b>								
2.1 Financial liabilities	-	-	-	-	-	-	-	-
2.2 Debt instruments	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
<b>Options</b>								
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
<b>Other derivatives</b>								
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

### 3.2.2 Price risk

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

### 3.2.3 Foreign Exchange risk

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

### **3.3 Operational risk**

#### **Qualitative disclosure**

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	open term
<b>On-balance sheet assets</b>											
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	-	-	-	-	-	-	-	-	-	-	-
A.4 Other assets	217,224	-	-	-	-	-	-	-	-	-	-
<b>On-balance sheet liabilities</b>											
B.1 Due to:	-	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-	-
- Financial companies	-	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt instruments	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet transactions</b>											
<b>C.1 Financial derivatives with exchange of principal</b>	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
<b>C.2 Financial derivatives without exchange of principal</b>	-	-	-	-	-	-	-	-	-	-	-
- Positive difference	-	-	-	-	-	-	-	-	-	-	-
- Negative difference	-	-	-	-	-	-	-	-	-	-	-
<b>C.3 Financing to be received</b>	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
<b>C.4 Irrevocable loan commitments</b>	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
<b>C.5 Financial guarantees issued</b>	-	-	-	-	-	-	-	-	-	-	-
<b>C.6 Financial guarantees received</b>	-	-	-	-	-	-	-	-	-	-	-

## Disclosure on risks

Pursuant to article 7-bis.1 of Law no. 130 and article 4 of the Ministry for the Economy and Finance decree, the vehicle granted a first-demand autonomous, irrevocable and unconditional guarantee to the bondholders with limited recourse to the cover pool assets (the covered bonds guarantee). In accordance with the covered bonds guarantee, if the issuer defaults (i.e., insolvency of Intesa Sanpaolo S.p.A., non-payment by the Issuer of interest and/or principal on the bonds) and following receipt of a notice to pay from the bondholders' representative, to be sent as per the Intercreditor Agreement, the vehicle will meet the issuer's obligations with the bondholders in line with the originally agreed terms and conditions to the extent of the segregated assets. The risk of partial or total non-collection of the cover pool assets included in the segregated assets has been transferred to the originator Intesa Sanpaolo S.p.A., which granted ISP CB Ipotecario S.r.l. subordinated loans 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 Ipotecario 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 (€2,561) and the extraordinary reserve (€48,675).

	30/06/2021	31/12/2020
1. Quota capital	120,000	120,000
2. Quota premium	-	-
3. Reserves	51,236	51,236
- income-related	51,236	51,236
a) legal	2,561	2,561
b) statutory	-	-
c) treasury quotas	-	-
d) other	48,675	48,675
- 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)	-	-
<b>Total</b>	<b>171,236</b>	<b>171,236</b>

## **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.	<b>Net income (loss)</b>	-	-
	<b>Other comprehensive income (net of tax) that may not be reclassified to the income statement</b>		
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	-	-
	<b>Other comprehensive income (net of tax) that may be reclassified to the income statement</b>		
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	-	-
190.	<b>Total other comprehensive income</b>	-	-
200.	<b>Comprehensive income (captions 10+190)</b>	-	-

## 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	11,923
- Statutory auditors	8,700
<b>Total</b>	<b>20,623</b>

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

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

### 6.3 Related-party transactions

Assets and liabilities at 30/06/2021	Loans and receivables with	Other liabilities
- Directors and statutory auditors	-	20,559
- Parent: Intesa Sanpaolo S.p.A.	217,224	34
<b>Total</b>	<b>217,224</b>	<b>20,593</b>

Income and expense for the period ended 30/06/2021	Interest and and similar income	Fee and commission expense	Personnel expenses	Other administrative expenses
- Directors and statutory auditors	-	-	20,623	-
- Parent: Intesa Sanpaolo S.p.A.	-	-	-	111
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20,623</b>	<b>111</b>

## 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
<b>Equity:</b>					
Quota capital	120,000		-	-	-
Legal reserve	2,561	A (1), B, C (1)	-	-	-
Extraordinary reserve (Other reserves)	48,675	A, B, C	-	-	-
<b>Total quota capital and reserves</b>	<b>171,236</b>				

(\*) 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  
Mario Masini

