

# ISP CB Ipotecario S.r.l.

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

Financial Statements  
as at 31 December 2023

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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## Ownership structure as at 31 December 2023

Intesa Sanpaolo S.p.A.	60%
Stichting Viridis 2	40%

# Company bodies

## Board of Directors

Chairperson	Mario Masini
Director	Vanessa Gemmo
Director	Andrea Calamanti

## Board of Statutory Auditors

Chairperson	Lodovico Tommaseo Ponzetta
Standing Statutory Auditor	Elena Fornara
Standing Statutory Auditor	Enrico Rossi

## Independent Auditors

EY S.p.A.

## 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 within one or more covered bond issuances in accordance with Law no. 130 of 30 April 1999, as amended (Title I bis, Article 7-quinquies et seq.) and related implementing measures.

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.

Its registered office is in Via Monte di Pietà 8, Milan and it does not have any branches and/or subsidiaries.

The vehicle does not have any employees and outsources all the functions necessary for the management of its operations, including the internal control systems, to specifically appointed third parties. Specifically, the vehicle has assigned the management of the loan portfolio acquired to the Servicer Intesa Sanpaolo S.p.A. in accordance with the provisions of Law no. 130/1999. Likewise, it has assigned the management of administrative, accounting, tax and corporate obligations to Intesa Sanpaolo S.p.A. (Administrative Services Provider).

## Significant Events and Performance

In 2023, the economic environment was characterised by a high degree of complexity due to the escalation of geopolitical tensions, linked to the further war in the Middle East, and monetary policy tightening by central banks to combat inflation. In the final months of the year, however, the official rate hike phase appears to have come to an end in both the US and the Euro area, as inflationary pressures weakened. Indeed, at its meetings in October and December, the Governing Council of the European Central Bank left its key interest rates unchanged, following hikes of 50 basis points in February and March and 25 basis points in May and June, based on the view that, if the rates are kept at current levels for a sufficiently long period, they could make a substantial contribution to bringing inflation back to the expected levels.

With specific reference to the performance of the outstanding securitisation, the above-mentioned rise in interest rates, which increased by a total of 450 basis points from July last year, led to a significant increase in interest income and expenses in the presence of floating rates.

On 4 April 2023, the Quotaholders' Meeting acknowledged that the term of office of the entire Board of Statutory Auditors had ended due to the expiry of its mandate. As a consequence, the following were appointed as Statutory Auditors for the years 2023, 2024 and 2025, and therefore up to the Quotaholders' Meeting to be called for the approval of the financial statements at 31 December 2025:

- Lodovico Tommaseo Ponzetta, also appointed as Chairperson of the Board of Statutory Auditors;
- Elena Fornara;
- Enrico Rossi.

During 2023, the Programme progressed steadily, despite the macro-economic environment characterised by the rise in interest rates. There were four payment dates: the first (12 January 2023) relating to cash flows from loan collections from 1 September 2022 to 30 November 2022; the second (12 April 2023) relating to cash flows from loan collections from 1 December 2022 to 28 February 2023; the third (12 July 2023) relating to cash flows from 1 March 2023 to 31 May 2023; and the fourth (12 October 2023) relating to cash flows from 1 June 2023 to 31 August 2023.

On 23 March 2023, the nineteenth series of Covered Bonds issued on 23 March 2016, amounting to €1.25 billion, with a fixed rate of 0.625%, was fully redeemed.

On 22 June 2023, the €2.2 billion covered bond issued on 25 November 2016 (twenty-first series) was partially redeemed for €1 billion, at a floating 3-month Euribor plus 0.20%.

On 30 June 2023, Intesa Sanpaolo S.p.A. issued the twenty-ninth series of Covered Bonds for €1.25 billion, maturing on 30 June 2028, at the fixed rate of 3.625%.

On 12 October 2023, the following Covered Bonds were issued by Intesa Sanpaolo S.p.A.:

- the thirtieth series, for €1.75 billion, maturing on 12 July 2026, at a floating three-month Euribor plus 0.36%;
- the thirty-first series, for €2 billion, maturing on 12 January 2028, at a floating three-month Euribor plus 0.55%;

- the thirty-second series, for €1.75 billion, maturing on 12 October 2032, at a floating three-month Euribor plus 0.65%.

On 15 December 2023, Intesa Sanpaolo S.p.A. issued the thirty-third series of Covered Bonds for €50 million, maturing on 15 December 2043, at a fixed rate of 3.943%.

The maximum total amount of the Programme authorised by the Board of Directors of the vehicle 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 31 December 2023. All the Covered Bonds are listed on the Luxembourg Stock Exchange except for series 3, 4, 5 and 33 which are not listed because they are private placements. Listed securities are eligible for Eurosystem transactions.

**ISP CB Ipotecario Covered Bond Programme**  
Maximum amount: € 25 billion  
Moody's Rating: Aa3

Series	ISIN	Date of issue	Legal maturity date	Issue Amount	Rate	Coupon frequency	Listing exchange	Type
3	IT0004692791	17/02/2011	17/02/2031	300,000,000	5.375%	annual	unlisted	Private placement
4	IT0004692783	17/02/2011	17/02/2026	100,000,000	5.25%	annual	unlisted	Private placement
5	IT0004762537	16/09/2011	16/09/2027	210,000,000	5.25%	annual	unlisted	Private placement
14	IT0004889421	24/01/2013	24/01/2025	1,000,000,000	3.375%	annual	Luxembourg	market
16	IT0004992787	10/02/2014	10/02/2026	1,250,000,000	3.250%	annual	Luxembourg	market
18	IT0005156044	18/12/2015	18/12/2025	1,250,000,000	1.375%	annual	Luxembourg	market
21	IT0005220626	25/11/2016	12/10/2024	1,200,000,000	3-m Eur + 0.20%	quarterly	Luxembourg	retained
22	IT0005259988	16/06/2017	16/06/2027	1,000,000,000	1.125%	annual	Luxembourg	market
23	IT0005323289	16/02/2018	12/04/2030	2,000,000,000	3-m Eur + 0.29%	quarterly	Luxembourg	retained
24	IT0005339210	13/07/2018	14/07/2025	1,000,000,000	1.125%	annual	Luxembourg	market
25	IT0005365231	05/03/2019	05/03/2024	1,000,000,000	0.50%	annual	Luxembourg	market
27	IT0005398265	27/01/2020	12/10/2031	750,000,000	3-m Eur + 0.27%	quarterly	Luxembourg	retained
28	IT0005481517	03/02/2022	12/04/2029	1,000,000,000	3-m Eur + 0.10%	quarterly	Luxembourg	retained
29	IT0005554578	30/06/2023	30/06/2028	1,250,000,000	3.625%	annual	Luxembourg	market
30	IT0005566903	12/10/2023	12/07/2026	1,750,000,000	3-m Eur + 0.36%	quarterly	Luxembourg	retained
31	IT0005566911	12/10/2023	12/01/2028	2,000,000,000	3-m Eur + 0.55%	quarterly	Luxembourg	retained
32	IT0005567117	12/10/2023	12/10/2032	1,750,000,000	3-m Eur + 0.65%	quarterly	Luxembourg	retained
33	IT0005573164	15/12/2023	15/12/2043	50,000,000	3.94%	annual	Luxembourg	Private placement
				<b>18,860,000,000</b>				

On 20 April 2023, Intesa Sanpaolo S.p.A. exercised a repurchase option, accepted by the special purpose vehicle, with financial effect from 17 April 2023 and legal effect from 20 April 2023, 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 retroceded by the vehicle to the originator Intesa Sanpaolo S.p.A. for a consideration of €29,889,272.02.

The sales notice was published in the Italian Official Journal, Part 2, no. 53 of 6 May 2023.

The repurchase price of the assets was set, in continuity with the sale price, based on the carrying amounts of the assets on the effective date of the repurchase.

A fifteenth sale of loans was carried out on 20 July 2023, effective from 17 July 2023.

The portfolio of mortgage loans (secured by mortgages on residential properties granted to consumer households and family businesses resident in Italy) was sold without recourse for €8,499,432,679.85 by Intesa Sanpaolo S.p.A.

The sales notice was published in the Italian Official Journal, Part 2, no. 91 of 3 August 2023.



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 20 July 2023, the fixed-rate, floating-rate and floating-rate with cap swaps on the underlying cover pool were also restructured through new derivatives, which include the new portfolio sold.

The following repayments of the subordinated loan were made using the cash and cash equivalents posted during the year, deriving from the collection of the principal from the assets of the underlying portfolio:

- €500 million on the Guarantor Payment Date of 12 April;
- €500 million on the Guarantor Payment Date of 12 July.

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

There were no other significant events in the year.

## Transactions with Group Companies

As required by Article 2497 et seq. 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, during the year as fees for the services provided by Intesa Sanpaolo through the competent structures:

- €13,058,506 for servicing and monitoring fees;
- €50,000 for administrative services fees;
- €10,000 for cash management fees;
- €20,000 for account bank fees;
- €12,000 for Securities Depository fees;
- €500 for fees for the performance of services required by the EMIR.

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

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

## Significant, non-recurring, atypical and/or unusual related-party transactions

With regard to the disclosure of related-party transactions, significant and non-recurring events and transactions, and 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, for details of the related-party transactions.

### *Significant and non-recurring transactions*

No significant and non-recurring transactions were carried out in 2023.

### *Atypical and/or unusual transactions*

No atypical and/or unusual transactions were carried out in 2023.

## Treasury quotas and/or shares in the parent company

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

## 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 (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.

## Subsequent events

On 12 January 2024, payments were made for loan collections from 1 September 2023 to 30 November 2023.

The Interest Available Funds distributable by the vehicle amounted to €889.3 million, of which:

- €153.7 million as collections on the mortgage portfolio
- €27.4 million in interest accrued on current accounts
- €288 million from swap contracts
- €420.3 million as the reserve fund required amount.

The following payments were made with these funds:

- €7 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €3.9 million as remuneration to the third parties that provided services to the vehicle
- €152.4 million as the asset swap on the cover pool
- €104.2 million as the liability swap on the issued notional amount
- €420.3 million as the accrual of the reserve fund required amount
- €33.3 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €175.2 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. (€1,100 million) using the principal available funds (totalling €2,631 million).

There were no other significant events after the reporting date.

## Outlook

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

## Going concern

In preparing the financial statements, the Board of Directors made an assessment of the existence of the conditions relating to the vehicle's ability to operate as a going concern over a period of at least twelve months from the reporting date. In making this assessment, all available information was taken into account, as well as the specific activity conducted by the vehicle, whose exclusive purpose, in accordance with Law No. 130 of 30 April 1999, is to carry out one or more transactions involving the issuance of Covered Bonds.

Therefore, the Board of Directors – also in the current macroeconomic environment, which remains subject to high uncertainty related to the transmission of monetary policy impulses and the difficult international situation – 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.

Accordingly, the financial statements for the year ended 31 December 2023 have been prepared on a going concern basis as there are no events or conditions that could cast doubt on the vehicle's ability to continue as a going concern.

Also as regards the segregated assets, currently no elements have arisen that could significantly impact the management of the transaction, which will continue to be carefully monitored.

## Net income/(loss) for the year

The vehicle ended the year 2023 at break-even because the operating costs were charged back to segregated assets in accordance with the contractual agreements.

## Proposal to the quotaholders to approve the financial statements

We present the financial statements as at and for the year ended 31 December 2023 for your approval. They comprise 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, the notes to the financial statements, and this report on operations.

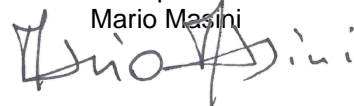
The vehicle ended the year 2023 at breakeven and consequently there is no allocation of profit to be made.

Milan, 23 February 2024

on behalf of the BOARD OF DIRECTORS

Chairperson

Mario Masini



# Financial Statements as at 31 December 2023

# Financial statements

**Statement of financial position**

(amounts in Euros)

<b>Assets</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
10. Cash and cash equivalents	242,223	235,770
100. Tax assets:	1,289	9,188
a) current	1,289	228
b) deferred	-	8,960
120. Other assets	10,324	6,004
<b>TOTAL ASSETS</b>	<b>253,836</b>	<b>250,962</b>

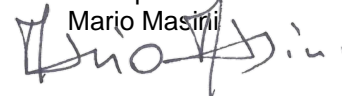
(amounts in Euros)

<b>Liabilities and equity</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
60. Tax liabilities:	247	216
a) current	247	216
80. Other liabilities	82,353	79,510
110. Quota capital	120,000	120,000
150. Reserves	51,236	51,236
170. Net income (loss) (+/-)	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>253,836</b>	<b>250,962</b>

on behalf of the BOARD OF DIRECTORS

Chairperson

Mario Masini

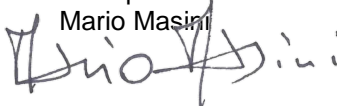


**Statement of income**

(amounts in Euros)

Captions	2023	2022
10. Interest and similar income	4,083	607
<b>30. INTEREST MARGIN</b>	<b>4,083</b>	<b>607</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>3,923</b>	<b>447</b>
<b>150. NET INCOME FROM BANKING ACTIVITIES</b>	<b>3,923</b>	<b>447</b>
160. Administrative expenses:	-194,347	-186,329
a) personnel expenses	-40,732	-39,523
b) other administrative expenses	-153,615	-146,806
200. Other operating expenses/income	200,205	186,835
<b>210. OPERATING EXPENSES</b>	<b>5,858</b>	<b>506</b>
<b>260. INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>9,781</b>	<b>953</b>
270. Tax on income from continuing operations	-9,781	-953
<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

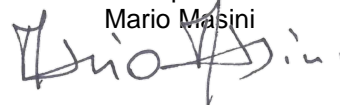
(amounts in Euros)

Captions	2023	2022
<b>10. Net income (loss) (+/-)</b>	-	-
<b>Other comprehensive income (net of tax) that may not be reclassified to the statement of income</b>		
20. Equity instruments designated at fair value through other comprehensive income	-	-
30. Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
40. Hedges of equity instruments designated at fair value through other comprehensive income	-	-
50. Property and equipment	-	-
60. Intangible assets	-	-
70. Defined benefit plans	-	-
80. Non-current assets held for sale and discontinued operations	-	-
90. Share of valuation reserves connected with investments carried at equity	-	-
<b>Other comprehensive income (net of tax) that may be reclassified to the statement of income</b>		
100. Hedges of foreign investments	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedges	-	-
130. Hedging instruments (non-designated items)	-	-
140. Financial assets (other than equities) measured at fair value through other comprehensive income	-	-
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

### 31 December 2023

(amounts in Euros)

	Amounts at 31/12/2022	Change to opening balances	Amounts at 01/01/2023	Allocation of net income of the previous year			Changes in the year					Total comprehensive income for the year	Equity as at 31.12.2023
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions						
							Issue of new quotas	Purchase of treasury quotas	Extraordinary dividend distributions	Changes in equity instruments	Other changes		
Quota capital	120.000	-	120.000	-	-	-	-	-	-	-	-	-	120.000
Quota premium reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	51.236	-	51.236	-	-	-	-	-	-	-	-	-	51.236
a) retained earnings	51.236	-	51.236	-	-	-	-	-	-	-	-	-	51.236
b) other	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury quotas	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity</b>	<b>171.236</b>	<b>-</b>	<b>171.236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171.236</b>

### 31 December 2022

(amounts in Euros)

	Amounts at 31/12/2021	Change to opening balances	Amounts at 01/01/2022	Allocation of net income of the previous year			Changes in the year					Total comprehensive income for the year	Equity as at 31/12/2022
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions						
							Issue of new quotas	Purchase of treasury quotas	Extraordinary dividend distributions	Changes in equity instruments	Other changes		
Quota capital	120.000	-	120.000	-	-	-	-	-	-	-	-	-	120.000
Quota premium reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	51.236	-	51.236	-	-	-	-	-	-	-	-	-	51.236
a) retained earnings	51.236	-	51.236	-	-	-	-	-	-	-	-	-	51.236
b) other	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury quotas	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity</b>	<b>171.236</b>	<b>-</b>	<b>171.236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 (Direct method)

	(amounts in Euros)	
	2023	2022
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Cash flow from operations</b>	<b>6.453</b>	<b>33.628</b>
- interest income collected (+)	2.680	449
- interest expense paid (-)	-	-
- dividends and similar income (+)	-	-
- net fee and commission income (expense) (+/-)	-	-
- personnel expenses (-)	-43.379	-41.050
- other expenses (-)	-149.478	-146.189
- other revenue (+)	197.420	220.655
- taxes, duties and tax credits to be paid/collected (-)	-790	-237
- net adjustments to/recoveries on discontinued operations net of tax effect (+/-)	-	-
<b>2. Cash flows from/used in financial assets</b>	-	-
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	-	-
- financial assets measured at fair value through other comprehensive income	-	-
- financial assets measured at amortised cost	-	-
- other assets	-	-
<b>3. Cash flows from/used in financial liabilities</b>	-	-
- financial liabilities measured at amortised cost	-	-
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	-	-
<b>Net cash flow from (used in) operating activities</b>	<b>6.453</b>	<b>33.628</b>
<b>B. INVESTING ACTIVITIES</b>		
<b>1. Cash flows from:</b>	-	-
- sales of equity investments	-	-
- dividends collected on equity investments	-	-
- sales of property and equipment	-	-
- sales of intangible assets	-	-
- sales of subsidiaries and business branches	-	-
<b>2. Cash flows used in:</b>	-	-
- purchases of equity investments	-	-
- purchases of property and equipment	-	-
- purchases of intangible assets	-	-
- purchases of subsidiaries and business branches	-	-
<b>Net cash flow from (used) in investing activities</b>	<b>-</b>	<b>-</b>
<b>C. FINANCING ACTIVITIES</b>		
- issues/purchases of treasury quotas	-	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	-	-
<b>Net cash flow from (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6.453</b>	<b>33.628</b>
<b>RECONCILIATION</b>		
Cash and cash equivalents at the beginning of the year	235.770	202.142
Net increase (decrease) in cash and cash equivalents	6.453	33.628
Cash and cash equivalents: foreign exchange effect	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>242.223</b>	<b>235.770</b>

on behalf of the BOARD OF DIRECTORS

Chairperson

Mario Masini



## **Notes to the financial statements**

## PART A - ACCOUNTING POLICIES

### A.1 - GENERAL PART

#### SECTION 1 - Statement of compliance with the IAS/IFRS

In compliance with Legislative Decree no. 38 of 28 February 2005, the vehicle has prepared its financial statements in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) applicable at 31 December 2023 issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission and in force at the reporting date, in accordance with Regulation (EC) No. 1606 of 19 July 2002.

The table below lists the new international accounting standards or amendments to the accounting standards already in force, together with the related endorsement regulations by the European Commission, which came into force in 2023.

#### *International accounting standards endorsed as at 31/12/2023 and effective from 2023*

Document name	IASB document publication date	Effective date	Date of publication in the OJEU	EU Regulation and date of issue
IFRS 17 Insurance Contracts and Subsequent Amendments	18 May 2017 25 June 2020	1 January 2023	23 November 2021	(EU) 2021/2036 19 November 2021
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	12 February 2021	1 January 2023	3 March 2022	(EU) 2022/357 2 March 2022
Amendments to IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies	12 February 2021	1 January 2023	3 March 2022	(EU) 2022/357 2 March 2022
Amendments to IAS 12 Income Taxes - Deferred tax related to Assets and Liabilities arising from a Single Transaction	7 May 2021	1 January 2023	12 August 2022	(EU) 2022/1392 11 August 2022
Amendments to IFRS 17 Insurance Contracts - Initial Application of IFRS 17 and IFRS 9 - Comparative Information	9 December 2021	1 January 2023	9 September 2022	(EU) 2022/1491 8 September 2022
Amendments to IAS 12 Income Taxes - International Tax Reform – Model Rules (Pillar Two)	23 May 2023	1 January 2023	9 November 2023	(EU) 2023/2468 8 November 2023

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

The table below lists the new international accounting standards or the amendments to the accounting standards already in force, with the related endorsement Regulations by the European Commission, which will become mandatory on 1 January 2024 – for financial statements reflecting the calendar year – or after that date.

#### *International accounting standards endorsed as at 31/12/2023 and applicable after 31/12/2023*

Document name	IASB document publication date	Effective date	Date of publication in the OJEU	EU Regulation and date of issue
Amendments to IFRS 16 Leases - Lease Liabilities in a Sale and Leaseback	22 September 2022	1 January 2024	21 November 2023	EU 2023/2579 of 20 November 2023
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	23 January 2020 15 July 2020 31 October 2022	1 January 2024	20 December 2023	EU 2023/2822 of 19 December 2023

## SECTION 2 - Basis of preparation

The Company has the sole purpose of acquiring loans and securities funded in accordance with Law no. 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 notes consistently with the provisions of Law no. 130 of 30 April 1999, according to which the receivables and securities involved in each covered bond transaction are, to all effects, separated from the net assets of the Company and from those related to other transactions.

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

The financial statements are prepared with the application of the general principles set out by IAS 1 and the specific financial reporting standards endorsed by the European Commission and described in Part A.2 of these notes to the financial statements, as well as in compliance with the general assumptions set forth by the Conceptual Framework for the preparation and presentation of Financial Statements issued by the IASB. No departures from the IAS/IFRS have been made.

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

The financial statements comprise 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 notes. They are accompanied by a 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 financial statements using the Euro as its functional currency.

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

To give priority to substance over form, and in view of the fact that IAS 1 does not establish rigid formats, the layouts that apply to financial intermediaries have been used in these financial statements, in accordance with the guidance provided in the update of the document “The IFRS financial statements of intermediaries other than banking intermediaries” issued by the Bank of Italy on 17 November 2022.

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

- Going concern (IAS 1 paragraphs 25 and 26): in preparing the financial statements, the Board of Directors made an assessment of the existence of the conditions relating to the vehicle’s ability to operate as a going concern over a period of at least twelve months after the reporting date. In making this assessment, all available information was taken into account, as well as the specific activity conducted by the vehicle, whose exclusive purpose, in accordance with Law No. 130 of 30 April 1999, is to carry out one or more transactions involving the issuance of Covered Bonds.

Therefore, the Board of Directors – also in the current macroeconomic environment, which remains subject to high uncertainty related to the transmission of monetary policy impulses and the difficult international situation – 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.

Accordingly, the financial statements for the year ended 31 December 2023 have been prepared on a going concern basis as there are no events or conditions that could cast doubt on the vehicle’s ability to continue as a going concern.

Also as regards the segregated assets, currently no elements have arisen that could significantly impact the management of the transaction, which will continue to be carefully monitored;

- Accrual basis of accounting (IAS 1 paragraphs 27 and 28): except for the cash flow reporting, the financial statements are prepared on the basis of accrual of costs and revenues, irrespective of the time of their monetary settlement and according to the matching principle;
- Consistency of presentation (IAS 1 paragraph 29): the criteria for the presentation and classification of items in the financial statements are retained from one year to the next in order to ensure the comparability of information, unless otherwise required by an international accounting standard or an interpretation, or the need arises, in terms of significance, for a more appropriate presentation of the

information. Where feasible, the change is adopted retrospectively and the nature, reason and amount of the items affected by the change is disclosed;

- Aggregation and materiality (IAS 1 paragraph 29): all significant aggregations of items with a similar nature or function are presented separately. Items of a dissimilar nature or function, if material, are presented separately;
- Offsetting (IAS 1 paragraph 32): assets and liabilities and costs and revenues cannot be offset against each other, unless specifically required or permitted by the international accounting standards or by an interpretation of those standards or by the instructions issued by the Bank of Italy;
- Comparative information: except when otherwise permitted or required by an international accounting standard or interpretation, comparative information is presented in respect of the preceding year for all the amounts recorded in the current year's financial statements.

The accounting policies applied to prepare these financial statements as at 31 December 2023 did not change from those used for the annual financial statements as at 31 December 2022.

The financial statements and the tables in the Notes include the corresponding figures at 31 December 2022.

### SECTION 3 - Subsequent events

On 12 January 2024, payments were made for loan collections from 1 September 2023 to 30 November 2023.

The Interest Available Funds distributable by the vehicle amounted to €889.3 million, of which:

- €153.7 million as collections on the mortgage portfolio
- €27.4 million in interest accrued on current accounts
- €288 million from swap contracts
- €420.3 million as the reserve fund required amount.

The following payments were made with these funds:

- €7 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €3.9 million as remuneration to the third parties that provided services to the vehicle
- €152.4 million as the asset swap on the cover pool
- €104.2 million as the liability swap on the issued notional amount
- €420.3 million as the accrual of the reserve fund required amount
- €33.3 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €175.2 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. (€1,100 million) using the principal available funds (totalling €2,631 million).

There were no other significant events after the reporting date.

### SECTION 4 - Other aspects

The financial statements of ISP CB Ipotecario S.r.l are subject to statutory audit 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.

No atypical and/or unusual transactions or significant, non-recurring transactions were carried out in 2023.

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

## A.2 - DISCLOSURE ON MAIN CAPTIONS

This section sets out the accounting policies adopted in preparing the financial statements at 31 December 2023, solely for the statement of financial position and statement of income captions presented in the financial statements. The recognition, classification, measurement and income recognition and derecognition criteria are given for each asset and liability caption. These criteria have not changed from the previous year.

### Cash and cash equivalents

This caption includes on-demand receivables from banks represented by current accounts held with the Parent Company Intesa Sanpaolo S.p.A.

### Other assets

This caption comprises assets not attributable to other asset captions of the statement of financial position. In particular, the caption includes the receivables due to the company from the segregated assets for the chargeback of vehicle management expenses. Those captions are stated at nominal value, which corresponds to their estimated realisable value.

### Other liabilities

This caption comprises all liabilities not attributable to other liability captions in the statement of financial position, and mainly includes operational liabilities and other short-term liabilities. 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.

### 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.

As required by IAS 12, deferred tax assets are only recognised when their recovery is certain, assessed based 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.

The competent units of the Administrative Servicer have updated the probability test required by IAS 12 and, based on the observation of the amount of taxable profits in recent years, which are also considered sufficiently representative of the amount of the company's future tax profits, they have concluded that, from the current financial year, the time frames for the recovery of tax assets recognised in the financial statements have lengthened significantly and therefore cannot be considered to meet the "probability of recovery" requirement established by IAS 12. As a result, the deferred tax assets have been reclassified in full to profit or loss. It is worth noting in this regard that as a result of the chargeback of the operating costs to the segregated assets and the break even result of the financial statements for the year, the company's taxable profits consist solely of potential non-deductible penalties and contingent liabilities, the nature of which is uncertain.

As a result, there were no deferred tax assets or liabilities at the reporting date.

### Recognition of revenue and expenses

Expenses are recognised in the statement of income when there is a decrease in future economic benefits resulting in a decrease in assets or an increase in liabilities for which the amount can be reliably measured. Expenses are recognised in the statement of income based on cost and revenue matching.

Revenues are recognised in the statement of income when an increase in future economic benefits occurs resulting in an increase in assets or a decrease in liabilities that can be reliably measured.

Expenses and revenue are recognised on an accrual 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 the securitisation carried out. This amount is classified under "Other operating expenses/income" 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 during the year no financial assets were transferred between the various portfolios.

**A.4 - DISCLOSURE ON FAIR VALUE**

In view of the company's activities and captions of the statement of financial position, there is no information to be provided in connection with the disclosure required by IFRS 13.

**A.5 – INFORMATION ON DAY ONE PROFIT/LOSS**

There is no information to be provided on the day one profit/loss under IFRS 7, paragraph 28, because the vehicle did not use any financial instruments in 2023 in its ordinary operations.



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

## Part B - NOTES TO THE STATEMENT OF FINANCIAL POSITION

### ASSETS

#### Section 1 – Cash and cash equivalents – Caption 10

Captions	31/12/2023	31/12/2022
Current accounts and on-demand deposits with banks	242,223	235,770
<b>Total</b>	<b>242,223</b>	<b>235,770</b>

This caption contains the current accounts held with the Parent Company Intesa Sanpaolo S.p.A.

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

##### 10.1 “Tax assets: current and deferred”: breakdown

Current tax assets: breakdown	31/12/2023	31/12/2022
Withholdings on bank interest	1,061	158
IRES payments on account and assets	228	70
<b>Total</b>	<b>1,289</b>	<b>228</b>

Deferred tax assets: breakdown	31/12/2023	31/12/2022
Receivables for IRES deferred tax assets	-	8,960
<b>Total</b>	<b>-</b>	<b>8,960</b>

##### 10.2 “Tax liabilities: current and deferred”: breakdown

Current and deferred tax liabilities: breakdown	31/12/2023	31/12/2022
<b>- Current taxes</b>		
IRAP liabilities	247	216
<b>Total</b>	<b>247</b>	<b>216</b>

**10.3 Changes in deferred tax assets (through profit or loss)**

	31/12/2023	31/12/2022
<b>1. Initial amount</b>	<b>8,960</b>	<b>9,338</b>
<b>2. Increases</b>	-	-
2.1 Deferred tax assets recognised in the year		
(a) related to previous years	-	-
(b) due to changes in accounting criteria	-	-
(c) recoveries	-	-
(d) other	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
<b>3. Decreases</b>	<b>-8,960</b>	<b>-379</b>
3.1 Deferred tax assets eliminated in the year	-8,960	-379
(a) reversals	-8,960	-379
(b) write-offs	-	-
(c) due to changes in accounting criteria	-	-
(d) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
(a) changes into tax credits pursuant to Law no. 214/2011	-	-
(b) other	-	-
<b>4. Final amount</b>	<b>-</b>	<b>8,960</b>

The “Decreases in deferred tax assets eliminated in the year (a) reversals” relate to the reclassification to profit or loss of the total amount of deferred tax assets recognised in the financial statements.

In this regard it should be noted that the competent units of the Administrative Servicer have updated the probability test required by IAS 12, which establishes that a deferred tax asset may be recognised in the financial statements for all deductible temporary differences if it is probable that taxable profit will be realised in excess of the deductible temporary differences. Based on the observation of the amount of taxable profits in recent years, which are also considered sufficiently representative of the amount of the company’s future tax profits, they have concluded that, from the current financial year, the time frames for the recovery of tax assets recognised in the financial statements have lengthened significantly and therefore cannot be considered to meet the “probability of recovery” requirement established by IAS 12.

## Section 12 - Other assets - Caption 120

### 12.1 Other assets: breakdown

Captions	31/12/2023	31/12/2022
Amounts due from segregated assets	10,209	6,004
Prepayments	115	-
<b>Total</b>	<b>10,324</b>	<b>6,004</b>

The "Amounts due from segregated assets" for the chargeback of vehicle management expenses increased on 31 December 2022 due to the trends during the year.

## LIABILITIES

### Section 6 - Tax liabilities - Caption 60

See section 10 of the Assets for information about tax liabilities.

### Section 8 - Other liabilities - Caption 80

#### 8.1 Other liabilities: breakdown

Captions	31/12/2023	31/12/2022
Invoices to be received	70.329	66.547
Due to suppliers	19	12
Due to Corporate Bodies	9.084	11.419
Payables for withholdings to be paid	870	720
Due to segregated assets for interest	1.733	655
Due to Inail (national insurance institute for accidents at work)	318	157
<b>Total</b>	<b>82.353</b>	<b>79.510</b>

### Section 11 - Equity - Captions 110 and 150

#### 11.1 Quota capital: breakdown

Captions/Type	31/12/2023	31/12/2022
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 (the Netherlands), holds a nominal amount of €48,000, equal to 40% of the Quota Capital.

## 11.5 Other information

### Reserves: breakdown and annual changes

	Legal reserve	Losses carried forward	Other extraordinary	Total
<b>A. Initial amount 01.01.2023</b>	2.561	-	48.675	51.236
<b>B. Increases</b>				
B.1 Retained earnings	-	-	-	-
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. Final amount 31.12.2023</b>	2.561	-	48.675	51.236

### Equity as at 31 December 2023 according to Article 2427, paragraph 7 bis, of the Italian Civil Code

	Amount at 31/12/2023	Possible use (*)	Portion of earnings in tax suspension	Summary of use in past three years	
				to cover losses	for other reasons
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>				
<b>Non-distributable portion</b>	<b>2,561</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

### Other information

#### 1. Financial commitments and guarantees given (other than those measured at fair value)

There are no commitments and financial guarantees given.

#### 2. Other commitments and other guarantees given

There are no other commitments and guarantees given.

## Part C – NOTES TO THE STATEMENT OF INCOME

### Section 1 - Interest - Caption 10

#### 1.1 Interest and similar income: breakdown

Captions/Types	Debt securities	Loans	Other transactions	2023	2022
<b>1. Financial assets measured at fair value through profit or loss:</b>					
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Financial assets mandatorily measured at fair value	-	-	-	-	-
<b>2. Financial assets measured at fair value through other comprehensive income</b>	-	-	X	-	-
<b>3. Financial assets measured at amortised cost:</b>					
3.1 Due from banks	-	-	X	-	-
3.2 Due from financial companies	-	-	X	-	-
3.3 Loans to customers	-	-	X	-	-
<b>4. Hedging derivatives</b>	X	X	-	-	-
<b>5. Other assets</b>	X	X	4,083	4,083	607
<b>6. Financial liabilities</b>	X	X	X	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,083</b>	<b>4,083</b>	<b>607</b>
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on financial lease	X	-	X	-	-

The caption includes the interest income accrued on the current account held with the Parent Company Intesa Sanpaolo S.p.A.

### Section 2 - Fees and commissions - Caption 50

#### 2.2 Fee and commission expense: breakdown

Type of service/Amounts	2023	2022
a) Guarantees received	-	-
b) Third-party services	-	-
c) Collection and payment services	-	-
d) Other fees and commission expense	160	160
- bank fees and commissions	160	160
- 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 Personnel expenses: breakdown

Type of expense	2023	2022
1. Employees	-	-
a) wages and salaries	-	-
b) social security charges	-	-
c) termination indemnities	-	-
d) supplementary benefits	-	-
e) provision for termination indemnities	-	-
f) provision for post-employment benefits:		
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external pension funds:		
- defined contribution plans	-	-
- defined benefit plans	-	-
h) other benefits in favour of employees	-	-
2. Other non-retired personnel	-	-
3. Directors and statutory auditors	40,732	39,523
4. Early retirement costs	-	-
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the vehicle	-	-
<b>Total</b>	<b>40,732</b>	<b>39,523</b>

### 10.2 Average number of employees by category

The vehicle does not have any employees.

### 10.3 Other administrative expenses: breakdown

Captions	2023	2022
Audit fees	141,253	133,912
Administrative advisory services	8,497	7,422
Other administrative expenses	422	2,594
Legal and notary fees	2,478	2,182
Charges relating to indirect taxes and duties	518	629
Reimbursement of expenses incurred by Company Bodies	447	67
<b>Total</b>	<b>153,615</b>	<b>146,806</b>

**Section 14 - Other operating expenses/income - Caption 200****14.2 Other operating expenses/income: breakdown**

<b>Captions</b>	<b>2023</b>	<b>2022</b>
Contractually provided-for income	200,205	186,835
<b>Total</b>	<b>200,205</b>	<b>186,835</b>

The income reported above relates entirely to the chargeback to the segregated assets of all the operating expenses 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 of the securitisation carried out.



## Section 19 - Tax on income from continuing operations - Caption 270

### 19.1 Tax on income from continuing operations: breakdown

Income component/Amount	2023	2022
1. Current taxes (-)	-821	-574
2. Changes in current taxes of previous years (+/-)	-	-
3. Reduction in current taxes for the year (+)	-	-
3.bis Reduction in current taxes for the year for tax credits pursuant to Law no. 214/2011 (+)	-	-
4. Changes in deferred tax assets (+/-)	-8.960	-379
5. Changes in deferred tax liabilities (+/-)	-	-
<b>6. Tax on income for the year (-)</b> <b>(-1+/-2+3+ 3 bis+/-4+/-5)</b>	<b>-9.781</b>	<b>-953</b>

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

The changes in deferred tax assets related to the reclassification to profit or loss of the total balance of deferred tax assets recognised in the financial statements.

Starting from the current financial year, it was considered that the time frames for the recovery of tax assets recognised in the financial statements have lengthened significantly and therefore cannot be considered to meet the “probability of recovery” requirement established by IAS 12.

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

	2023	2022
Income before tax from continuing operations	9,781	953
<b>Theoretical taxable profit</b>	<b>9,781</b>	<b>953</b>
	<b>Income taxes</b>	<b>Income taxes</b>
<b>Income taxes - theoretical IRES tax expense (income)</b>	<b>2,347</b>	<b>229</b>
<b>Increase of taxes</b>	<b>-</b>	<b>150</b>
Higher effective tax rate and higher tax base for IRAP purposes	-	-
Non-deductible expenses (contingent liabilities, etc.)	-	150
<b>Decrease of taxes</b>	<b>-2,347</b>	<b>-</b>
Non-taxed capital gains on equity investments	-	-
Tax-exempt portion of dividends	-	-
Income at reduced rate	-	-
Utilisation of losses from previous years	-2,347	-
<b>Total change in taxes</b>	<b>-2,347</b>	<b>150</b>
<b>Total</b>	<b>-</b>	<b>379</b>
<b>IRES deferred tax assets reclassified to profit or loss</b>	<b>-8,960</b>	<b>-</b>
<b>IRAP</b>	<b>821</b>	<b>574</b>
<b>Total tax expense (income) for the year (IRES + IRAP)</b>	<b>-8,139</b>	<b>953</b>

## Part D - OTHER DISCLOSURES

### Section 1 - Operations

#### D. GUARANTEES AND COMMITMENTS

At the reporting date of 31 December 2023, the vehicle has not given guarantees to third parties nor does it have commitments other than those specifically provided for and regulated by the contracts for the covered bond transactions and the segregated assets.

Transactions	31/12/2023	31/12/2022
1. First demand financial guarantees given		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2. Other financial guarantees given		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3. Commercial guarantees given		
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
4. Irrevocable commitments to lend funds		
a) Banks		
i) certain use	-	-
ii) uncertain use	-	-
b) Financial institutions		
i) certain use	-	-
ii) uncertain use	-	-
c) Customers		
i) certain use	-	-
ii) uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	-	-
6. Assets pledged as collateral for third-party commitments	-	-
7. Other irrevocable commitments		
a) to issue guarantees	-	-
b) other	28,605,770,905	21,508,194,788
<b>Total</b>	<b>28,605,770,905</b>	<b>21,508,194,788</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 preparation and accounting policies used to prepare the Summary of the securitised assets**

This section provides the qualitative and quantitative information required by the Bank of Italy provisions relating to vehicles for assets underlying Covered Bonds in its Order "The financial statements of IFRS intermediaries other than banking intermediaries" of 17 November 2022.

In view of the fact that the aforementioned Order does not provide for detailed indications and specific tables, the information contained in this section has been provided according to the information scheme expressly requested for the part "F. Securitisation" of Bank of Italy Order of 15 December 2015, suitably adapted to covered bond transactions, in continuity with previous years.

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.

### **Utilisation of cash deriving from the management of securitised assets – Liquidity**

Liquidity is represented by the loans from banks posted at nominal value, which equals the estimated realisable value, including any accruals of interest.

### **Loans received**

The loans received are recognised at their nominal value including interest accrued as at the reporting date.

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

Other assets are stated at nominal value corresponding to their estimated realisable value. Other liabilities are stated at nominal value. Prepayments and accrued income, and deferred income and accrued expenses are recognised on an accrual basis in line with the revenue and expense for the year.

### **Derivatives**

To protect the vehicle, derivatives are used to hedge interest rate risk. 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. On these derivatives, entered into with the originator, only the accruals on differentials being accrued are recognised. As with the hedged instruments, the changes in fair value are not recognised, given that the hedging instruments have economic and financial characteristics that are substantially aligned with the hedged items.

### **Interest, fees and commissions, income and expense**

Costs and revenue related to the securitised assets and loans received, interest, fees and commissions, income, other expense and revenue are all recognised on an accrual basis. All vehicle operating expenses are charged to the Covered Bond Programme.

### **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 segregated 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 representation of the performance of the securitisation 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 an offsetting entry to a debt). In the event of a negative result, an adjustment is first made to the Additional Interest Amount, as an offsetting entry to a reduction of the debt, up to the amount of the debt, followed by the recognition of a receivable from the Issuer of the subordinated loan/Originator, up to the amount of the subordinated loan received, and, residually, the recognition of the negative result with “open” balances, showing any general negative performance of the securitisation at the bottom of the “Summary of the securitised assets”.

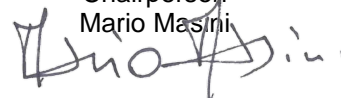
This approach, at a given date over the life of a securitisation, better represents the profit and loss values and specific contractual commitments of the securitisation, on an accrual basis.

## Summary of the securitised assets

(amounts in Euros)

	31/12/2023	31/12/2022
<b>A. Securitised assets</b>	<b>23,027,188,194</b>	<b>16,658,799,909</b>
A1) Loans and receivables	22,980,736,286	16,631,105,735
A3) Other	46,451,908	27,694,174
- Accrued income	46,451,908	27,694,174
<b>B. Utilisation of cash deriving from the management of securitised assets</b>	<b>5,578,582,711</b>	<b>4,849,394,879</b>
B3) Other	5,578,582,711	4,849,394,879
- Cash and cash equivalents	5,209,147,128	4,570,176,004
- Other receivables	369,435,583	279,218,875
<b>D. Loans received</b>	<b>26,120,258,871</b>	<b>18,612,389,330</b>
<b>E. Other liabilities</b>	<b>2,485,512,034</b>	<b>2,895,805,458</b>
- Liabilities for services	107,609	398,428
- Due to customers	39,989,645	27,705,242
- Due to originator	2,092,847,958	2,679,671,058
- Due to securitisation vehicle	10,209	6,004
- Other accrued expenses - accrued expenses on IRS	352,555,514	188,021,572
- Due to others	1,099	3,154
<b>G. Fees and commissions borne by the transaction</b>	<b>13,273,206</b>	<b>12,023,621</b>
G1) For servicing	13,058,506	11,840,542
G2) For other services	214,700	183,079
<b>H. Other expense</b>	<b>1,514,625,200</b>	<b>749,856,324</b>
- Interest expense on subordinated loan	108,920,873	95,686,644
- Losses on loans and receivables	29,171	24,827
- Expected losses on loans and receivables	5,298,163	4,326,634
- Additional Interest Amount	567,706,011	245,107,071
- Interest expense on IRS	832,010,656	402,270,993
- Other expense	660,326	2,440,155
<b>I. Interest generated by the securitised assets</b>	<b>484,466,878</b>	<b>298,428,184</b>
<b>L. Other revenue</b>	<b>1,043,431,528</b>	<b>463,451,761</b>
- Interest income on IRS	937,751,092	435,252,072
- Current account interest income	87,096,486	9,177,788
- Revenues from early termination penalties	4,198,249	3,313,230
- Recoveries of impairment losses on loans and receivables	14,307,423	15,641,991
- Miscellaneous revenues	78,278	66,680

on behalf of the BOARD OF DIRECTORS

Chairperson  
Mario Masini


**Breakdown of the main captions of the Summary of the securitised assets**

<b>A1) Loans and receivables</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Loans and receivables	22,900,651,314	16,570,702,663
Unpaid instalments - principal	3,729,248	4,256,024
Unpaid instalments - interest	1,935,883	1,248,541
Expenses on loans and receivables	108,219	90,966
Interest from suspended instalments	46,786,037	41,209,264
Amortised cost	62,711,120	46,585,276
Overdue interest	6	6
Impairment losses on non-performing past due exposures	-2,397,466	-1,389,653
Impairment losses on unlikely-to-pay exposures	-2,951,790	-3,303,306
Impairment losses on bad loans	-651,699	-484,384
Impairment losses on default interest	-6	-6
Impairment losses on performing loans	-29,184,580	-27,809,656
	<b>22,980,736,286</b>	<b>16,631,105,735</b>
<b>B3) Cash and cash equivalents</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Receivables Collection Account	1,208,775	640,999
Investment Account	3,488,626,507	2,067,463,064
Expenses Account	57,384	77,637
Collateral Account	1,707,600,000	2,498,600,000
Payment/Distribution Account	603,795	122,584
Cacib Collections Account	2	-
Cacib Swap Collateral Account	2	-
Cacib Investment Account	2	-
Accrued income - Accruals in progress	11,050,661	3,271,720
	<b>5,209,147,128</b>	<b>4,570,176,004</b>
<b>B3) Other receivables</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Loans and receivables for additional interest amount	2,049,086	70,897,431
Withholdings on bank interest	2	-
Accrued interest income on IRS	367,323,567	207,933,141
Other	34,475	34,978
Amounts to be collected	-	325,951
Loans and receivables from customers in litigation	26,720	26,720
Loans and receivables with companies for interest	1,733	654
	<b>369,435,583</b>	<b>279,218,875</b>

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.

	31/12/2023				31/12/2022			
	Gross amount	Impairment losses	Net value	% coverage	Gross amount	Impairment losses	Net value	% coverage
<b>Performing exposures</b>	<b>22,910,135,139</b>	<b>29,184,586</b>	<b>22,880,950,553</b>	<b>0.13%</b>	<b>16,571,047,282</b>	<b>27,809,656</b>	<b>16,543,237,626</b>	<b>0.17%</b>
Non-performing past due exposures	18,684,443	2,397,466	16,286,977	12.83%	13,161,909	1,389,653	11,772,256	10.56%
Unlikely-to-pay	22,809,021	2,951,790	19,857,231	12.94%	32,055,855	3,303,312	28,752,543	10.30%
Bad loans	1,582,104	651,699	930,405	41.19%	1,242,418	484,384	758,034	38.99%
<b>Non-performing exposures</b>	<b>43,075,568</b>	<b>6,000,955</b>	<b>37,074,613</b>	<b>13.93%</b>	<b>46,460,182</b>	<b>5,177,349</b>	<b>41,282,833</b>	<b>11.14%</b>
Amortised cost	62,711,120	-	62,711,120		46,585,276	-	46,585,276	
<b>Total loans</b>	<b>23,015,921,827</b>	<b>35,185,541</b>	<b>22,980,736,286</b>		<b>16,664,092,740</b>	<b>32,987,005</b>	<b>16,631,105,735</b>	
<b>% Non-performing exposures on total loans</b>	<b>0.19%</b>		<b>0.16%</b>		<b>0.28%</b>		<b>0.25%</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.

In 2023, a total of €9,009,260 of recoveries of impairment losses on loans were recorded (of which impairment losses of €5,298,163 on non-performing loans and recoveries of impairment losses of €14,307,423 on performing loans) compared with recoveries of impairment losses on loans of €11,315,357 recorded in 2022 (of which recoveries of impairment losses of €11,854,301 on non-performing loans and impairment losses of €538,944 on performing loans).

However, due to the new sale and repurchase of non-performing loans during 2023, the comparison with the previous year is not fully on a like-for-like basis.

For the sake of completeness, it should be noted that as at 31 December 2023 there were no outstanding loans that constituted new liquidity, granted through public guarantee mechanisms issued within the COVID-19 framework.

## QUALITATIVE INFORMATION

### Description of the Issue Programme and its performance

#### The Programme

On 29 July 2010, ISP CB Ipotecario S.r.l., as part of a programme of issuance of Covered Bonds by Intesa Sanpaolo S.p.A., entered into a “Master Sale Agreement”, most recently amended on 19 October 2010, pursuant to and for the purposes of the combined provisions of Article 7-bis and 4 of Law No. 130 of 30 April 1999, as amended, and Article 58 of the Consolidated Law on Banking, which governs the sale of an initial portfolio of loans and the subsequent sales. ISP CB Ipotecario S.r.l. is the vehicle in which the assets are segregated as collateral for the holders of the covered bonds, for which the company is guarantor.

Specifically, the Programme involves, on the one hand, an initial sale and subsequent sales without recourse of residential and commercial mortgage loans and securities, under the “Master Sale Agreement” and, on the other hand, the tranching issuance of Covered Bonds by Intesa Sanpaolo S.p.A. up to a maximum amount of €20 billion.

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

The loans included in the portfolios sold were selected by the originator based on predetermined criteria aimed at ensuring their legal and financial uniformity, in order to establish a group of loans identifiable as a bloc, in accordance with Law 130/99 and Article 58 of the Consolidated Banking Act, as they complied with the criteria listed in Annex 2 of the Master Sale Agreement, namely the “Common Criteria for the Loans” and the “Specific Criteria” identified in the Offers for the subsequent sales. The loans sold must be of prime quality in order to guarantee the holders of the Covered Bonds. If the loans no longer meet the above-mentioned requirements, the loan portfolios must be restored by purchasing other loans or replacing those that no longer meet the requirements.

In accordance with this Programme structure, the Vehicle has carried out the following.

#### Initial Sale

On 2 August 2010, Intesa Sanpaolo S.p.A. sold the Adriano Finance S.r.l. Class A Residential Mortgage Backed Floating Rate Notes (nominal amount of €7,557,950,000) to ISP CB Ipotecario S.r.l. and the price paid by the vehicle to the originator Intesa Sanpaolo S.p.A. was €5,820,696,137.80, of which €47,584,297.03 as interest and €5,773,111,840.77 as principal.

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.

#### Subsequent Sales

Subsequent to the initial sale, the vehicle purchased various loan portfolios without recourse from the originator Intesa Sanpaolo S.p.A., mainly consisting of performing mortgage loans secured by residential properties granted to consumer and producer households resident in Italy, in accordance with the “Common Criteria for the Loans” envisaged in the Master Sale Agreement and the “Specific Criteria” identified in the sale offers made from time to time, as well as some securities.

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



changes made up until the sale's effective date. For repurchases, the price of the assets is set, in continuity with the sale price, based on the carrying amounts of the assets of the originator on the effective date of the repurchase.

The sales that have taken place since the start of the Programme through to 31 December 2023 are summarised below:

Sale date	Securitised assets	Sale price	Official Journal	Payment of sale price with:		Exclusion date	Amount Excluded (1)
				Subordinated Loan (3)	available liquidity		
02/08/2010	Adriano Finance Class A €7,557,950,000	5,820,696,138	Part II no. 92 of 5/8/2010	5,820,696,138			
30/06/2011	I loan portfolio	2,318,996,535	Part II no. 78 of 9/7/2011	2,318,996,535		30/06/2011	20,730,970
31/08/2011	II loan portfolio	4,966,586,762	Part II no. 104 of 8/9/2011	4,966,586,762		09/09/2011	157,798,184
30/11/2011	III loan portfolio	2,197,403,128	Part II no. 142 of 10/12/2011	2,197,403,128		12/12/2011	219,231,266
23/05/2012	BOT 14/01/2013 €912,000,000.00	900,235,200			900,235,200		
31/10/2012	IV loan portfolio (4)	3,222,964,397	Part II no. 130 of 6/11/2012	3,222,964,397		31/01/2013	39,320,271
						18/07/2013	2,691,297
30/04/2013	V loan portfolio	4,093,511,498	Part II no. 53 of 7/5/2013	1,500,000,000	2,593,511,498	18/07/2013	740,495,630
17/04/2014	CTZ 31/12/2014 €1,000,000,000.00	996,127,400			996,127,400		
30/05/2014	VI loan portfolio	2,463,077,831	Part II no. 67 of 7/6/2014	2,463,077,831		28/10/2014	1,808,963
30/04/2015	VII loan portfolio	1,646,898,447	Part II no. 53 of 9/5/2015	1,646,898,447		18/12/2015	340,224
30/10/2015	VIII loan portfolio	1,337,026,662	Part II no. 129 of 7/11/2015	1,337,026,662		18/12/2015	2,364,360
						07/03/2017 (2)	279,187
31/05/2016	IX loan portfolio	3,722,308,897	Part II no. 68 of 9/6/2016	3,722,308,897		27/10/2016	1,273,651
31/05/2017	X loan portfolio	5,258,966,710	Part II no. 67 of 8/6/2017	1,072,690,615	4,186,276,095	16/11/2017	2,222,124
31/05/2018	XI loan portfolio	2,490,991,998	Part II no. 66 of 9/6/2018	1,640,991,998	850,000,000	16/10/2018	3,521,315
22/03/2019	XII loan portfolio	1,673,312,849	Part II no. 38 of 30/3/2019	1,673,312,849			
17/06/2021	XIII loan portfolio	2,174,894,217	Part II no. 77 of 1/7/2021	2,174,894,217			
18/05/2022	XIV loan portfolio	2,693,266,855	Part II no. 64 of 4/6/2022	2,693,266,855			
20/07/2023	XV loan portfolio	8,499,432,680	Part II no. 91 of 3/8/2023	8,499,432,680			
		<b>56,476,698,206</b>		<b>46,950,548,013</b>	<b>9,526,150,193</b>		<b>1,192,077,441</b>

(1) Exclusion due to non-compliance with block criteria

(2) With reference to the sales of 30 June 2011 and 30 October 2015

(3) expected remuneration at fixed rate of 0.50%

(4) 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.

## Repurchases of loans identified as a block pursuant to Article 58 of the Consolidated Banking Law by the Originator

The following is a summary of the loans identified as a block pursuant to Article 58 of the Consolidated Law on Banking, repurchased by the Originator Intesa Sanpaolo:

Retrocession date	Retrocession assets	Retrocession price	Official Journal
30/10/2019	Mortgage loans in "bad loan" or "unlikely-to-pay" status	335,202,925	Part II no. 130 of 5/11/2019
28/01/2021	Loans of "branches to be sold to BPER"	265,101,255	Part II no. 14 of 2/02/2021
26/01/2022	Mortgage loans in "bad loan" or "unlikely-to-pay" status (1)	115,557,763	Part II no. 16 of 10/02/2022
20/04/2023	Mortgage loans in "bad loan" or "unlikely-to-pay" status	29,889,272	Part II no. 53 of 6/05/2023
		<b>745,751,215</b>	

(1) With regard to the return of 26 January 2022, on 31 May 2022, as a result of an adjustment in the calculation of the repurchase consideration, that consideration was adjusted and the difference, amounting to €611.34, was paid by the vehicle to Intesa Sanpaolo S.p.A. by charging the Investment Account.

The repurchase price of the assets was set, in continuity with the sale price, based on the carrying amounts of the assets of the originator on the effective date of the repurchase.

Pursuant to article 7-sexies, sub-para c) of Law 130 of 30 April 1999 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 & Touche S.p.A. checks the tests' accuracy as the asset monitor, which has to be an audit company as per the supervisory instructions. Management of the portfolio over the transaction term is regulated by a portfolio administration agreement signed, inter alia, by the vehicle and Intesa Sanpaolo S.p.A.

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 of 2023 is set out below.

#### **Forty-ninth Payment Date (12 January 2023)**

On 12 January 2023, payments were made for loan collections from 1 September 2022 to 30 November 2022. The Interest Available Funds distributable by the vehicle amounted to €473.1 million, of which:

- €83.9 million as collections on the mortgage portfolio
- €5.9 million in interest accrued on current accounts
- €171.4 million from swap contracts
- €211.9 million as the reserve fund required amount.

The following payments were made with these funds:

- €102.6 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €3 million as remuneration to the third parties that provided services to the vehicle
- €83 million as the asset swap on the cover pool
- €46.5 million as the liability swap on the issued notional amount
- €211.9 million as the accrual of the reserve fund required amount
- €23.8 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €105 million as the additional interest amount to Intesa Sanpaolo S.p.A.

The Principal Available Funds totalled €1,522.4 million.

#### **Fiftieth Payment Date (12 April 2023)**

On 12 April 2023, payments were made for loan collections from 1 December 2022 to 28 February 2023. The Interest Available Funds distributable by the vehicle amounted to €601.6 million, of which:

- €94.1 million as collections on the mortgage portfolio
- €252.3 million from swap contracts
- €11.8 million as accrued interest on current accounts
- €243.5 million as the reserve fund required amount.

The following payments were made with these funds:

- €16 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €3 million as remuneration to the third parties that provided services to the vehicle
- €93.2 million as the asset swap on the cover pool
- €56.9 million as the liability swap on the issued notional amount
- €243.5 million as the accrual of the reserve fund required amount
- €23.2 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €181.8 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. (€500 million) using the principal available funds (totalling €2,008 million).

#### **Fifty-first Payment Date (12 July 2023)**

On 12 July 2023, payments were made for loan collections from 1 March 2023 to 31 May 2023.

The Interest Available Funds distributable by the vehicle amounted to €581.5 million, of which:

- €99.4 million as interest received on the mortgage portfolio
- €18.4 million as interest on current accounts
- €195.9 million from swap contracts
- €267.8 million as the reserve fund required amount
- €1,632 of residual funds available on the Investment Account.

The following payments were made with these funds:

- €2.9 million as remuneration to the third parties that provided services to the vehicle
- €98.3 million as the asset swap on the cover pool
- €73.5 million as the liability swap on the issued notional amount
- €267.8 million as the accrual of the reserve fund required amount
- €22.9 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €116.1 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. (€500 million) using the principal available funds (totalling €2,022.4 million).

#### **Fifty-second Payment Date (12 October 2023)**

On 12 October 2023, payments were made for loan collections from 1 June 2023 to 31 August 2023.

The Interest Available Funds distributable by the vehicle amounted to €726 million, of which:

- €120.2 million as collections on the mortgage portfolio
- €21.7 million as interest on current accounts
- €204.1 million from swap contracts
- €380 million as the reserve fund required amount.

The following payments were made with these funds:

- €100 thousand as the reimbursement of corporate costs and advances to organise the transaction
- €3.1 million as remuneration to the third parties that provided services to the vehicle
- €119.1 million as the asset swap on the cover pool
- €97 million as the liability swap on the issued notional amount
- €380 million as the accrual of the reserve fund required amount
- €30.6 million as the payment to Intesa Sanpaolo S.p.A. of the interest for the subordinated loan
- €95.9 million as the additional interest amount to Intesa Sanpaolo S.p.A.

The Principal Available Funds totalled €2,020.5 million.

## Parties involved

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

<b>Banca cedente e 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. (primo 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 receivables account bank and servicer of the securitisation, as per Law no. 130/99 and may sub-delegate activities to third parties. Intesa Sanpaolo S.p.A. provides IT infrastructure and performs the back-office activities for collections on the cover pool, as per the Group's regulations. As servicer, Intesa Sanpaolo S.p.A. is also responsible for ensuring that the transaction activities comply with the law and the Prospectus, as per Article 2 paragraph 6 bis of Law no. 130/99.

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

The amounts collected by the Servicer Intesa Sanpaolo S.p.A. are paid into accounts opened with it. Intesa Sanpaolo S.p.A. also acts as Account Bank, Cash Manager and Paying Agent for the transaction and manages the liquidity between the collection and payment dates established by the relevant agreements.

Intesa Sanpaolo S.p.A. receives a fee in line with market conditions for these services.

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.

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 amendments made to the Servicing Agreement of 29 July 2010 by the amending agreement of 20 December 2019, as at the reporting date the role of Special Servicer was performed by Intesa Sanpaolo S.p.A., the first and only 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 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 & Touche S.p.A. acts as asset monitor.

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

Banca IMI S.p.A. (now merged into Intesa Sanpaolo S.p.A.) and Barclays Capital assisted Intesa Sanpaolo S.p.A. in the structuring of 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) since the beginning of the Programme, for which ISP CB Ipotecario S.r.l., as Guarantor of the Covered Bonds, has issued the Covered Bond Guarantee to the bondholders, are set out below. All the Covered Bonds outstanding at the reporting date pay annual coupons, except for series 21, 23, 27 and 28 which pay quarterly coupons on 12 January, 12 April, 12 July and 12 October of each year. They are listed on the Luxembourg Stock Exchange, except for series 3, 4, 5 and 33 which are not listed because they are private placements. Listed securities are eligible for Eurosystem transactions.

Series	ISIN	Date of issue	Legal maturity date	Issue Amount	Rate	Listing exchange	Type	Notes
1	IT0004653124	04/11/2010	04/11/2015	1,000,000,000	3.000%	Luxembourg	Market	Matured
2	IT0004690126	16/02/2011	16/08/2016	2,500,000,000	4.375%	Luxembourg	Market	Matured
3	IT0004692791	17/02/2011	17/02/2031	300,000,000	5.375%	unlisted	Private placement	Subscriber: Deutsche Bank - Frankfurt
4	IT0004692783	17/02/2011	17/02/2026	100,000,000	5.250%	unlisted	Private placement	Subscriber: Deutsche Bank - Frankfurt
5	IT0004762537	16/09/2011	16/09/2027	210,000,000	5.250%	unlisted	Private placement	Subscriber: Deutsche Bank - Frankfurt
6	IT0004762594	19/09/2011	14/10/2013	2,300,000,000	3-m Eur + 0.75%	Luxembourg	Retained	Partial redemption on 13/07/2012 of €1,380 million, early redemption on 24/09/2012
7	IT0004764533	26/09/2011	14/10/2013	2,250,000,000	3-m Eur + 0.75%	Luxembourg	Retained	Early redemption on 02/04/2012
8	IT0004777436	18/11/2011	12/01/2014	1,600,000,000	3-m Eur + 0.75%	Luxembourg	Retained	Early redemption on 02/04/2012
9	IT0004782519	23/12/2011	12/01/2014	2,000,000,000	3-m Eur + 0.75%	Luxembourg	Retained	Early redemption on 02/04/2012
10	IT0004839251	16/07/2012	28/04/2017	1,863,250,000	3.250%	Luxembourg	Market	Matured; security subject to Exchange Offer
11	IT0004839046	16/07/2012	27/01/2021	1,353,028,000	5.000%	Luxembourg	Market	Matured; security subject to Exchange Offer
12	IT0004852189	25/09/2012	25/09/2019	1,000,000,000	3.750%	Luxembourg	Market	Matured
13	IT0004872328	03/12/2012	05/12/2022	1,250,000,000	3.625%	Luxembourg	Market	Matured
14	IT0004889421	24/01/2013	24/01/2025	1,000,000,000	3.375%	Luxembourg	Market	
15	IT0004961295	24/09/2013	24/09/2018	750,000,000	2.250%	Luxembourg	Market	Matured
16	IT0004992787	10/02/2014	10/02/2026	1,250,000,000	3.250%	Luxembourg	Market	
17	IT0005082786	23/01/2015	20/01/2022	1,000,000,000	0.625%	Luxembourg	Market	Matured
18	IT0005156044	18/12/2015	18/12/2025	1,250,000,000	1.375%	Luxembourg	Market	
19	IT0005174492	23/03/2016	23/03/2023	1,250,000,000	0.625%	Luxembourg	Market	Matured
20	IT0005214793	16/09/2016	12/10/2020	1,250,000,000	3-m Eur + 0.20%	Luxembourg	Retained	Partial redemption on 02/07/2020 of €700 million, early redemption on 27/08/2020
21	IT0005220626	25/11/2016	12/10/2024	2,200,000,000	3-m Eur + 0.20%	Luxembourg	Retained	Partial redemption on 22/06/2023 of €1,000 million
22	IT0005259988	16/06/2017	16/06/2027	1,000,000,000	1.125%	Luxembourg	Market	
23	IT0005323289	16/02/2018	12/04/2030	2,000,000,000	3-m Eur + 0.29%	Luxembourg	Retained	
24	IT0005339210	13/07/2018	14/07/2025	1,000,000,000	1.125%	Luxembourg	Market	
25	IT0005365231	05/03/2019	05/03/2024	1,000,000,000	0.500%	Luxembourg	Market	
26	IT0005370108	16/04/2019	12/10/2028	500,000,000	3-m Eur + 0.53%	Luxembourg	Retained	Early redemption on 27/11/2020
27	IT0005398265	27/01/2020	12/10/2031	750,000,000	3-m Eur + 0.27%	Luxembourg	Retained	
28	IT0005481517	03/02/2022	12/04/2029	1,000,000,000	3-m Eur + 0.10%	Luxembourg	Retained	
29	IT0005554578	30/06/2023	30/06/2028	1,250,000,000	3.625%	Luxembourg	Market	
30	IT0005566903	12/10/2023	12/07/2026	1,750,000,000	3-m Eur + 0.36%	Luxembourg	Retained	
31	IT0005566911	12/10/2023	12/01/2028	2,000,000,000	3-m Eur + 0.55%	Luxembourg	Retained	
32	IT0005567117	12/10/2023	12/10/2032	1,750,000,000	3-m Eur + 0.65%	Luxembourg	Retained	
33	IT0005573164	15/12/2023	15/12/2043	50,000,000	3.943%	Luxembourg	Private placement	

The inaugural issuance of the ISP CB Ipotecario S.r.l. Covered Bond Programme was assessed by the rating agency Moody's and was rated "AAA".

The rating of the Programme has been subject to the following successive revisions by Moody's over the years:

- 6 October 2011: Aa1;
- 23 February 2012: Aa2;
- on 17 July 2012: A2;
- 21 January 2015: Aa2;
- 24 October 2018: Aa3.

## Related financial transactions

The vehicle has asset swaps on all the underlying pools and liability swaps, one for each fixed-rate covered bond series, with the originator 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.

In order to ensure the hedging of the loan portfolios subject to subsequent sale, the asset swap contracts initially signed were subject to subsequent restructuring.

After the Payment Date of 12 July 2017, all the existing swaps were restructured. After the Payment Date of 12 July 2018, all the existing fixed-rate and floating-rate swaps were restructured.

After the Payment Date of 12 July 2019, all the existing swaps were restructured through two new derivatives. After the Payment Date of 12 July 2022, all the existing fixed-rate swaps were restructured with a new derivative.

Following the new restructuring on 20 July 2023 of the fixed-rate, floating-rate, and floating-rate-with-cap asset swaps with new derivatives, which include the new portfolio sold, as at 31 December 2023 the vehicle had four asset swaps on the entire cover pool, with a total notional amount of €23.1 billion, and eleven liability swaps on the fixed-rate securities, with a total notional amount of €8.4 billion, in place with Intesa Sanpaolo S.p.A.; all the swaps hedge interest rate risk.

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, fully financed by Intesa Sanpaolo S.p.A. This reserve is a quarterly provision and is equal to the sum of the amounts of the coupons on the securities issued, the amounts of the contractually agreed fees due to the counterparties, and the amounts envisaged by the swaps. Accordingly, from the payment date of 12 July 2012, this reserve has been included in the interest available funds and is funded by the Issuer by crediting the vehicle's Payment Account in accordance with the contractual provisions. This reserve is subject to recalculation and possible adjustment at each payment date.

## The vehicle's operating powers

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

## QUANTITATIVE INFORMATION

### Cash flows from securitised assets

#### Loans and receivables

##### Net value

	27 June 2011	Changes in previous years	Changes in current year	31 December 2023
<b>a) Opening balance</b>	2,318,996,535			
<b>b) Increases</b>		42,525,825,536	9,020,441,478	
b.1 interest		4,432,869,469	490,009,331	
b.2 overdue interest		13,128,180	103,304	
b.3 penalties for early redemptions and other		29,072,697	4,199,567	
b.4 acquisitions		37,941,210,251	8,499,432,680	(*)
b.5 other increases		109,544,939	26,696,596	
<b>c) Decreases</b>		28,213,716,336	2,670,810,927	
c.1 collections		25,926,641,851	2,610,795,485	
c.2 sales		1,912,829,906	29,889,272	(**)
c.3 other decreases in loans		374,244,579	30,126,170	
<b>Closing balance</b>		16,631,105,735	6,349,630,551	22,980,736,286

(\*) On 20 July 2023, Intesa Sanpaolo S.p.A. sold the vehicle a portfolio of mortgage loans secured by mortgages on residential properties granted to consumer households and family businesses resident in Italy, for €8,499,432,679.85.

(\*\*) On 20 April 2023, loans consisting of mortgage loans in "bad loan" or "unlikely-to-pay" status were repurchased from Intesa Sanpaolo S.p.A. for €29,889,272.02.

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



## Past due loans

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

		<b>Changes in current year</b>
<b>a) Opening balance</b>	<b>31 December 2022</b>	<b>5,504,572</b>
<b>b) Increases</b>		<b>1,735,252,394</b>
b.1 interest accrued		475,994,673
b.2 overdue interest accrued		-
b.3 legal expenses and other changes		6,354,952
b.4 principal		1,252,902,769
b.5 acquisitions		
<b>c) Decreases</b>		<b>1,735,091,828</b>
c.1 collections		1,734,754,529
c.2 write-offs		-
c.3 sales		-
c.4 other decreases		337,299
<b>Closing balance</b>	<b>31 December 2023</b>	<b>5,665,138</b>

## Cash flows

### Collections (from 1 January to 31 December 2023)

Description	2023	2022
Loans and receivables sold by Intesa Sanpaolo S.p.A.	2,610,795,485	2,243,843,920
Retrocession to Intesa Sanpaolo S.p.A.	29,889,272	115,558,374
<b>Total</b>	<b>2,640,684,757</b>	<b>2,359,402,294</b>
<b>Other cash inflows related to:</b>		
CC expenses	-	51,588
Net interest on current accounts	87,089,294	12,291,874
Reserve Fund Required Amount	202,908,681	42,618,145
Derivatives for differentials collected	778,360,666	386,990,052
<b>Total collections</b>	<b>3,709,043,398</b>	<b>2,801,353,953</b>
<b>Cash outflows related to:</b>		
CC expenses	20,380	-
CC collateral account swap	791,000,000	-1,710,386,728
Management fees	12,233,501	12,937,179
Interest on subordinated loan	100,484,012	97,156,719
Additional interest amount on subordinated loan	498,857,667	222,750,012
Derivatives for differentials paid	667,476,714	349,729,212
Reserve Fund Required Amount	-	3,605,676
Repayment of subordinated loan - Intesa Sanpaolo S.p.A.	1,000,000,000	4,000,000,000
<b>Total payments</b>	<b>3,070,072,274</b>	<b>2,975,792,070</b>
<b>Net inflows/(outflows)</b>	<b>638,971,124</b>	<b>-174,438,117</b>
<b>Availability at the beginning of the year</b>	<b>4,570,176,004</b>	<b>4,744,614,121</b>
<b>Availability at the end of the year</b>	<b>5,209,147,128</b>	<b>4,570,176,004</b>
<b>Net change</b>	<b>638,971,124</b>	<b>-174,438,117</b>

Details of the collections are provided in the sections “Significant events and performance”, “Outlook” and “Going concern” of the report on operations. In summary, during 2023, the transaction ran according to plan and the vehicle’s future operations will be aimed at the orderly continuation of the Programme.

### Status of guarantees and credit facilities

The vehicle does not have credit facilities.

## Breakdown by residual life

	up to 3 months	between 3 months and 1 year	between 1 and 5 years	over 5 years	past due	Total
1. Securitised assets						
1.1 loans and receivables	285.832.155	1.058.184.261	5.405.259.066	16.225.788.846	5.671.958	22.980.736.286
1.2 other assets	46.451.908	-	-	-	-	46.451.908
<b>Total</b>	<b>332.284.063</b>	<b>1.058.184.261</b>	<b>5.405.259.066</b>	<b>16.225.788.846</b>	<b>5.671.958</b>	<b>23.027.188.194</b>
2. Financial liabilities						
2.1 financing	29.352.270	-	-	26.090.906.601	-	26.120.258.871
2.2 other liabilities	289.429.652	108.488.244	-	2.087.594.138	-	2.485.512.034
<b>Total</b>	<b>318.781.922</b>	<b>108.488.244</b>	<b>-</b>	<b>28.178.500.739</b>	<b>-</b>	<b>28.605.770.905</b>

## Breakdown by geographical location

### Securitised loans

- Country of residence of debtors: Italy;
- Currency of denomination of loans: Euro.

### Liabilities – loans received

- Country of residence of debtors: Italy;
- Currency of denomination of loans: Euro.

## Risk concentration

### Breakdown of loan portfolio by amount

The table below shows the number and total amount of the net loans as at 31 December 2023.

Bracket	No. of transactions	%	Amount	%
0 - €25,000	39,382	13.89%	538,323,588	2.34%
€25,000 - €75,000	117,983	41.61%	5,907,827,600	25.71%
€75,000 - €250,000	120,543	42.51%	14,448,496,996	62.87%
more than €250,000	5,660	2.00%	2,086,088,102	9.08%
<b>Totale</b>	<b>283,568</b>	<b>100.01%</b>	<b>22,980,736,286</b>	<b>100.00%</b>

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

As at 31 December 2023, there were no loans that individually exceeded 2% of the total amount of loans in the portfolio.

## Section 3 – Risks and related hedging policies

### 3.1 Credit risk

#### Qualitative disclosure

##### 1. General aspects

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 issuance 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.

#### Quantitative disclosure

Although on-demand receivables meet the definition of on-balance sheet credit exposures, by convention they are not included in the tables in Section 3.1, except in the specifically identified cases in which they must be considered.

The table below refers to the vehicle's operations.

## 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				Purchased or originated credit-impaired	Total adjustments and total provisions for credit risk			Purchased or originated credit-impaired	Net exposure	Total partial write-offs*
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
<b>A. ON-BALANCE SHEET EXPOSURES</b>											
A.1 On-demand	242,223	242,223	-	-	-	-	-	-	-	242,223	-
a) Non-performing	-	X	-	-	-	X	-	-	-	-	-
b) Performing	242,223	242,223	-	X	-	-	-	X	-	242,223	-
<b>A.2 Others</b>											
a) Bad loans	-	X	-	-	-	X	-	-	-	-	-
-of which: forbore exposures	-	X	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	X	-	-	-	-	-
-of which: forbore exposures	-	X	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	X	-	-	-	-	-
-of which: forbore exposures	-	X	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	X	-	-	-
-of which: forbore exposures	-	-	-	X	-	-	-	X	-	-	-
e) Other performing exposures	-	-	-	X	-	-	-	X	-	-	-
-of which: forbore exposures	-	-	-	X	-	-	-	X	-	-	-
<b>TOTAL (A)</b>	<b>242,223</b>	<b>242,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,223</b>	<b>-</b>
<b>B. OFF-BALANCE SHEET EXPOSURES</b>											
a) Non-performing	-	X	-	-	-	X	-	-	-	-	-
b) Performing	-	-	-	X	-	-	-	X	-	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>242,223</b>	<b>242,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,223</b>	<b>-</b>

\* Amount to be stated for disclosure purposes

“On-demand on-balance sheet exposures” include on-demand receivables from banks classified in the caption “Cash and cash equivalents” and consisting of current accounts held with Intesa Sanpaolo S.p.A.

## 3.2 Market risk

### 3.2.1 Interest rate risk

#### Qualitative disclosure

##### 1. General aspects

The vehicle is not exposed to interest rate risk because it only has on-demand receivables consisting of current accounts held with 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 issuances. 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 paragraph “Related financial transactions” of the “Qualitative disclosure” in Part H – Covered Bonds.

#### Quantitative disclosure

The table below refers to the vehicle’s operations.

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

	On-demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1	Between 1 and 5 years	Between 5 and 10 years	Over 10 years	Unspecified maturity
<b>1. Assets</b>								
1.1 Debt securities	-	-	-	-	-	-	-	-
1.2 Loans and receivables	-	-	-	-	-	-	-	-
1.3 Other assets	242,223	-	-	-	-	-	-	-
<b>2. Liabilities</b>								
2.1 Financial liabilities	-	-	-	-	-	-	-	-
2.2 Debt securities	-	-	-	-	-	-	-	-
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

The company does not hold any assets or liabilities subject to price risk.

### 3.2.3 Foreign Exchange risk

The company does not hold any assets or liabilities in foreign currencies subject to foreign exchange risk.

### 3.3 Operational risk

#### Qualitative disclosure

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

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

### 3.4 Liquidity risk

#### Qualitative disclosure

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

The Vehicle believes that it has sufficient available cash to meet its commitments, because the contractual provisions establish that, on the payment dates, the Vehicle will be reimbursed from the segregated assets 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 1, subparagraph b), of Law no. 130 of 30 April 1999, 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 segregated 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 “Qualitative disclosure” 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

Type/Residual maturity	On-demand	Between 1 and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	unspecified maturity
<b>On-balance sheet assets</b>											
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	-	-	-	-	-	-	-	-	-	-	-
A.4 Other assets	242,223	-	-	-	-	-	-	-	-	-	-
<b>On-balance sheet liabilities</b>											
B.1 Due to:	-	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-	-
- Financial companies	-	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet transactions</b>											
C.1 Financial derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Positive difference	-	-	-	-	-	-	-	-	-	-	-
- Negative difference	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to lend funds	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

## Disclosure on risks

Pursuant to Article 7-sexies, sub-para c), of Law 130 of 30 April 1999 and Article 4 of the Ministry for the Economy and Finance decree, ISP CB Ipotecario S.r.l. 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 separation of its assets and liabilities from the segregated assets 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 capital while executing the Covered Bond Programme.



## 4.1.2 Quantitative disclosure

### 4.1.2.1 Equity: breakdown

The vehicle's equity, amounting to €171,236, consists of Quota Capital of €120,000, split into quotas, the legal reserve (€2,561) and the extraordinary reserve (€48,675).

Captions/Value	31/12/2023	31/12/2022
1. Quota capital	120,000	120,000
2. Quota premium reserves	-	-
3. Reserves	51,236	51,236
- retained earnings	51,236	51,236
a) legal	2,561	2,561
b) statutory	-	-
c) treasury quotas	-	-
d) other	48,675	48,675
- other	-	-
4. (Own quotas)	-	-
5. Valuation reserves	-	-
- Equity instruments at measured at fair value through other comprehensive income	-	-
- Hedges of equity instruments designated at fair value through other comprehensive income	-	-
- Financial assets (other than equities) measured at fair value through other comprehensive income	-	-
- Property and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	-	-
- Hedging instruments (non-designated items)	-	-
- Foreign exchange differences	-	-
- Non-current assets held for sale and discontinued operations	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
- Legally-required revaluations	-	-
- Actuarial gains/losses on defined benefit plans	-	-
- Share of valuation reserves connected with investments carried at equity	-	-
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

#### 4.2.1.1 Qualitative disclosure

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

## Section 5 - Breakdown of comprehensive income

Given that no other components of comprehensive income were recognised during the year (and in the previous year), there is no information to be provided in relation to the statement of comprehensive income, which is the same as the net income/(loss) for the year.

## Section 6 - Related-party transactions

### 6.1 Information on remuneration of key management personnel

Figures as at 31.12.2023	Directors and Statutory Auditors
Fees and social security contributions	
- Directors	
- paid to Intesa Sanpaolo S.p.A.	-
- other	23,413
- Statutory auditors	17,319
<b>Total</b>	<b>40,732</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 as at 31.12.2023	Cash and cash equivalents	Other liabilities
- Directors and statutory auditors	-	9,084
- Parent: Intesa Sanpaolo S.p.A.	242,223	138
<b>Total</b>	<b>242,223</b>	<b>9,222</b>

Income and expense for 2023	Interest income	Personnel expenses	Other administrative expenses
- Directors and statutory auditors	-	40,732	448
- Parent: Intesa Sanpaolo S.p.A.	4,083	-	343
<b>Total</b>	<b>4,083</b>	<b>40,732</b>	<b>791</b>

## Section 8 - Other information

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

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

Service	Service provider	Fees
Audit	EY S.p.A.	89,146
Other non-audit services	EY S.p.A.	13,076
		<b>102,222</b>

### Parent that prepares consolidated financial statements

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

The following are the financial statements of Intesa Sanpaolo as at 31/12/2022.

## Intesa Sanpaolo Financial Statements - Balance sheet

Assets	31/12/2022	31/12/2021	changes	
			amount	%
			(amounts in Euros)	
10. Cash and cash equivalents	97,071,067,306	7,730,324,619	89,340,742,687	
20. Financial assets measured at fair value through profit or loss	48,461,909,195	51,636,942,275	-3,175,033,080	-6.1%
a) financial assets held for trading	44,502,099,561	47,731,402,557	-3,229,302,996	-6.8%
b) financial assets designated at fair value	1,280,140	1,288,582	-8,442	-0.7%
c) other financial assets mandatorily measured at fair value	3,958,529,494	3,904,251,136	54,278,358	1.4%
30. Financial assets measured at fair value through other comprehensive income	35,904,591,025	52,149,417,207	-16,244,826,182	-31.2%
40. Financial assets measured at amortised cost	465,041,122,226	599,475,570,210	-134,434,447,984	-22.4%
a) due from banks	36,567,442,597	160,488,003,922	-123,920,561,325	-77.2%
b) loans to customers	428,473,679,629	438,987,566,288	-10,513,886,659	-2.4%
50. Hedging derivatives	8,773,592,120	1,565,785,494	7,207,806,626	
60. Fair value change of financial assets in hedged portfolios (+/-)	-9,472,301,524	392,886,894	-9,865,188,418	
70. Equity investments	23,645,508,564	23,419,882,011	225,626,553	1.0%
80. Property and equipment	7,719,728,526	7,875,007,061	-155,278,535	-2.0%
90. Intangible assets	4,336,740,491	4,011,615,142	325,125,349	8.1%
- of which: goodwill	67,487,402	67,487,402	-	0.0%
100. Tax assets:	16,593,327,601	17,393,927,239	-800,599,638	-4.6%
a) current	3,347,574,435	3,387,103,966	-39,529,531	-1.2%
b) deferred	13,245,753,166	14,006,823,273	-761,070,107	-5.4%
110. Non-current assets held for sale and discontinued operations	528,409,076	1,325,977,479	-797,568,403	
120. Other assets	16,777,182,227	7,262,958,025	9,514,224,202	
<b>TOTAL ASSETS</b>	<b>715,380,876,833</b>	<b>774,240,293,656</b>	<b>-58,859,416,823</b>	<b>-7.6%</b>

Liabilities and equity	31/12/2022	31/12/2021	changes	
			amount	%
			(amounts in Euros)	
10. Financial liabilities measured at amortised cost	594,514,596,095	638,920,703,828	-44,406,107,733	-7.0%
a) due to banks	159,961,500,664	191,156,632,447	-31,195,131,783	-16.3%
a) due to customers	354,850,700,626	357,473,742,383	-2,623,041,757	-0.7%
c) securities issued	79,702,394,805	90,290,328,998	-10,587,934,193	-11.7%
20. Financial liabilities held for trading	48,809,589,880	57,227,378,379	-8,417,788,499	-14.7%
30. Financial liabilities designated at fair value	8,794,975,803	3,675,534,828	5,119,440,975	
40. Hedging derivatives	4,652,143,658	3,971,114,708	681,028,950	17.1%
50. Fair value change of financial liabilities in hedged portfolios (+/-)	-7,962,268,554	59,665,441	-8,021,933,995	
60. Tax liabilities:	431,021,092	495,727,310	-64,706,218	-13.1%
a) current	73,662,880	51,794,223	21,868,657	42.2%
b) deferred	357,358,212	443,933,087	-86,574,875	-19.5%
70. Liabilities associated with non-current assets held for sale and discontinued operations	14,843,926	24,695,000	-9,851,074	-39.9%
80. Other liabilities	7,608,060,587	10,332,132,018	-2,724,071,431	-26.4%
90. Employee termination indemnities	796,940,057	1,026,992,677	-230,052,620	-22.4%
100. Allowances for risks and charges:	3,666,674,800	4,207,552,371	-540,877,571	-12.9%
a) commitments and guarantees given	424,874,288	366,761,822	58,112,466	15.8%
b) post-employment benefits	125,089,929	245,144,709	-120,054,780	-49.0%
c) other allowances for risks and charges	3,116,710,583	3,595,645,840	-478,935,257	-13.3%
110. Valuation reserves	80,923,566	854,785,465	-773,861,899	-90.5%
120. Redeemable shares	-	-	-	0.0%
130. Equity instruments	7,188,205,548	6,259,543,240	928,662,308	14.8%
140. Reserves	5,369,017,514	8,175,062,558	-2,806,045,044	-34.3%
145. Interim dividends	-1,399,608,168	-1,398,728,260	-879,908	
150. Share premium reserve	28,211,982,139	27,444,867,140	767,114,999	2.8%
160. Quota capital	10,368,870,930	10,084,445,148	284,425,782	2.8%
170. Treasury shares (-)	-49,547,627	-68,821,143	19,273,516	-28.0%
180. Net income (loss)	4,284,455,587	2,947,642,948	1,336,812,639	45.4%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>715,380,876,833</b>	<b>774,240,293,656</b>	<b>-58,858,536,915</b>	<b>-7.6%</b>

## Intesa Sanpaolo Financial Statements - Income statement

Statement of Income items	(amounts in Euros)			
	2022	2021	changes	
			amount	%
10. Interest and similar income	10,365,136,143	8,259,333,154	2,105,802,989	25.5%
<i>of which: interest income calculated using the effective interest rate method</i>	9,842,657,825	7,756,271,932	2,086,385,893	26.9%
20. Interest and similar expense	-3,161,181,347	-2,322,412,807	-838,768,540	36.1%
<b>30. INTEREST MARGIN</b>	<b>7,203,954,796</b>	<b>5,936,920,347</b>	<b>1,267,034,449</b>	<b>21.3%</b>
40. Fee and commission income	6,377,764,935	6,602,228,382	-224,463,447	-3.4%
50. Fee and commission expense	-976,911,983	-928,985,951	-47,926,032	5.2%
<b>60. NET FEE AND COMMISSION INCOME</b>	<b>5,400,852,952</b>	<b>5,673,242,431</b>	<b>-272,389,479</b>	<b>-4.8%</b>
70. Dividend and similar income	2,945,495,402	2,453,820,843	491,674,559	20.0%
80. Profits (Losses) on trading	-228,706,400	442,495,813	-671,202,213	
90. Fair value adjustments in hedge accounting	26,827,205	38,522,691	-11,695,486	-30.4%
100. Profits (Losses) on disposal or repurchase of:	-90,388,675	683,025,705	-773,414,380	
a) <i>financial assets measured at amortised cost</i>	149,732,320	161,606,635	-11,874,315	-7.3%
b) <i>financial assets measured at fair value through other comprehensive income</i>	-268,521,903	575,615,419	-844,137,322	
c) <i>financial liabilities</i>	28,400,908	-54,196,349	82,597,257	
110. Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	859,961,688	34,041,626	825,920,062	
a) <i>financial assets and liabilities designated at fair value</i>	937,538,269	-55,470,089	993,008,358	
b) <i>other financial assets mandatorily measured at fair value</i>	-77,576,581	89,511,715	-167,088,296	
<b>120. NET INTEREST AND OTHER BANKING INCOME</b>	<b>16,117,996,968</b>	<b>15,262,069,456</b>	<b>855,927,512</b>	<b>5.6%</b>
130. Net losses/recoveries for credit risks associated with:	-1,722,281,051	-2,553,217,345	830,936,294	-32.5%
a) <i>financial assets measured at amortised cost</i>	-1,673,986,645	-2,537,577,790	863,591,145	-34.0%
b) <i>financial assets measured at fair value through other comprehensive income</i>	-48,294,406	-15,639,555	-32,654,851	
140. Profits/losses on changes in contracts without derecognition	16,541,453	-23,497,373	40,038,826	
<b>150. NET INCOME FROM BANKING ACTIVITIES</b>	<b>14,412,257,370</b>	<b>12,685,354,738</b>	<b>1,726,902,632</b>	<b>13.6%</b>
160. Administrative expenses:	-8,827,654,799	-9,339,686,369	512,031,570	-5.5%
a) <i>personnel expenses</i>	-5,356,485,820	-5,822,468,328	465,982,508	-8.0%
b) <i>other administrative expenses</i>	-3,471,168,979	-3,517,218,041	46,049,062	-1.3%
170. Net provisions for risks and charges	-305,244,956	19,888,561	-325,133,517	
a) <i>commitments and guarantees given</i>	-57,377,119	142,475,213	-199,852,332	
b) <i>other net provisions</i>	-247,867,837	-122,586,652	-125,281,185	
180. Net adjustments to / recoveries on property and equipment	-481,192,616	-477,055,665	-4,136,951	0.9%
190. Net adjustments to/recoveries on intangible assets	-722,971,759	-726,347,882	3,376,123	-0.5%
200. Other operating expenses/income	796,189,328	861,336,393	-65,147,065	-7.6%
<b>210. OPERATING EXPENSES</b>	<b>-9,540,874,802</b>	<b>-9,661,864,962</b>	<b>120,990,160</b>	<b>-1.3%</b>
220. Profits (Losses) on equity investments	5,593,133	-216,531,718	222,124,851	
230. Valuation differences on property, equipment and intangible assets measured at fair value	-34,634,369	-20,221,780	-14,412,589	71.3%
240. Goodwill impairment	-	-	-	
250. Profits (Losses) on disposal of investments	1,300,476	89,061,777	-87,761,301	-98.5%
<b>260. INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>4,843,641,808</b>	<b>2,875,798,055</b>	<b>1,967,843,753</b>	<b>68.4%</b>
270. Taxes on income from continuing operations	-559,186,221	71,844,893	-631,031,114	
<b>280. INCOME (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>4,284,455,587</b>	<b>2,947,642,948</b>	<b>1,336,812,639</b>	<b>45.4%</b>
290. Income (Loss) after tax from discontinued operations	-	-	-	0.0%
<b>300. NET INCOME (LOSS)</b>	<b>4,284,455,587</b>	<b>2,947,642,948</b>	<b>1,336,812,639</b>	<b>45.4%</b>

Milan, 23 February 2024

on behalf of the BOARD OF DIRECTORS

Chairperson

Mario Masini





# ISP CB Ipotecario S.r.l.

Financial statements as at 31 December 2023

Independent auditor's report pursuant to article 14 of  
Legislative Decree n. 39, dated 27 January 2010

## Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Quotaholders of  
ISP CB Ipotecario S.r.l.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ISP CB Ipotecario S.r.l. (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to "Part A - Accounting policies" of the notes to the financial statements where the Directors state that the Company has the sole purpose of acquiring loans and securities funded in accordance with 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 notes to the financial statements consistently with the provisions of Law n. 130 of 30 April 1999 according to which the receivables and securities involved in each covered bond transaction are, to all effects, separated from the net assets of the Company and from those related to other transactions. Our opinion is not qualified in respect of this matter.

## Responsibilities of the Directors and of the Board of Statutory Auditors for the Financial Statements

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

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors (Collegio Sindacale) is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;



- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Compliance with Other Legal and Regulatory Requirement

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010

The Directors of ISP CB Ipotecario S.r.l. are responsible for the preparation of the Report on Operations of ISP CB Ipotecario S.r.l. as at 31 December 2023, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the financial statements of ISP CB Ipotecario S.r.l. as at 31 December 2023 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the financial statements of ISP CB Ipotecario S.r.l. as at 31 December 2023 and complies with the applicable laws and regulations. With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, 18 March 2024

EY S.p.A.  
Signed by: Eleonora Reina, Auditor

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

**ISP CB IPOTECARIO S.R.L.**  
**Via Monte di Pietà 8 MILAN**  
**Tax Code 05936180966**  
**REPORT OF THE BOARD OF STATUTORY AUDITORS**  
**TO THE QUOTAHOLDERS' MEETING AT THE TIME OF APPROVAL**  
**OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2023**  
**PREPARED IN ACCORDANCE WITH ARTICLE 2429, PARAGRAPH 2, ITALIAN CIVIL**  
**CODE**  
(Translation from the Italian original which remains the definitive version)

*To the Quotaholders of ISP CB Ipotecario S.r.l.*

During the year ended 31 December 2023, we carried out our work in accordance with the legal provisions and the Rules of Conduct for Boards of Statutory Auditors of Unlisted Companies issued by the National Board of Chartered Accountants, published in December 2020 and in force since 1 January 2021.

In this report we provide details of the work carried out and the results achieved.

The annual financial statements of ISP CB Ipotecario S.r.l. as at 31 December 2023, prepared in accordance with the Italian regulations governing their preparation, which show a break-even result for the year, have been submitted for approval to the Quotaholders.

The Board of Statutory Auditors is not responsible for conducting the independent audit and has therefore carried out the supervisory activities on the financial statements as envisaged in Rule 3.8. of the "Rules of Conduct for Boards of Statutory Auditors of Unlisted Companies" consisting of an overall summary check to verify that the financial statements have been correctly prepared. The verification of the correspondence with the accounting information is the responsibility of the independent auditors.

The independent auditors, EY S.p.a., have delivered their report dated 18 March 2024, which contains an unqualified opinion.

Based on the information provided in the report prepared by the independent auditors, the annual financial statements as at 31 December 2023 give a true and fair view of the financial position, operating results and cash flows of the Vehicle, and have been prepared in accordance with the regulations governing their preparation.

**1) Supervision in accordance with Articles 2403 and following of the Italian Civil Code**

We supervised compliance with the law and the articles of association and with the principles of sound management and, in particular, the adequacy of the organisational, management and accounting structure adopted by the Vehicle and its effective functioning.

We attended the quotaholders' meetings and the board of directors meetings and, based on the information available, we have no particular issues to report.

We obtained information from the management body, suitably in advance and also during the meetings held, on the general performance and outlook of operations, as well as the most significant transactions, in terms of size or characteristics, carried out by the Vehicle and, based on the information obtained, we have no particular observations to report.

We exchanged the data and information necessary to perform our supervisory activities with the independent auditors in a timely manner.

We met with the supervisory body and no critical concerns emerged regarding the proper implementation of the organisational model that require mention in this report.

We examined and supervised the organisational, management and accounting structure and its effective functioning, also by gathering information from the heads of functions, and we have no particular observations to report in this regard.

For the aspects under our responsibility, we examined and supervised the adequacy and functioning of the management and accounting system, as well as its reliability in correctly representing operational events, by obtaining information from the heads of functions and examining the company documents, and we have no particular observations to report in this regard.

We did not receive any reports from the quotaholders pursuant to Article 2408 Italian Civil Code or Article 2409 Italian Civil Code.

We did not file any complaints with the Court pursuant to Article 2409 Italian Civil Code.

During the year, the Board of Statutory Auditors did not issue any opinions or observations envisaged by law.

During the supervisory activities carried out, as described above, no other significant facts emerged that require mention in this report.

## **2) Observations concerning the annual financial statements**

Based on the information provided in the report prepared by the independent auditors "the annual financial statements give a true and fair view of the Vehicle's financial position as at 31 December 2023 and of the operating results and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards adopted by the European Union".

To the best of our knowledge, in preparing the financial statements the directors have not departed from the legal provisions set out in Article 2423, paragraph 5, Italian Civil Code.

### **3) Observations and proposals concerning the approval of the financial statements**

In view of the results of the work carried out by us and the opinion provided in the audit report issued by the independent auditors, we do not find any reasons to prevent the approval, by the quotaholders, of the financial statements for the year ended 31 December 2023, as prepared by the directors.

Lastly, we remind you that with the approval of these financial statements the term of office of the current independent auditors will expire, and that therefore the Quotaholders' Meeting will be called upon to appoint the independent auditors for the three-year period 2024-2026.

Milan, 18 March 2024

The Board of Statutory Auditors

Lodovico Tommaseo Ponzetta

Chairperson

Elena Fornara

Standing Statutory Auditor

Enrico Rossi

Standing Statutory Auditor