

# **MPS COVERED BOND S.R.L.**

Registered office: Via V. Alfieri no. 1 - 31015 Conegliano (TV)

Quota Capital: Euro 10,000.00 – fully paid-up

Fiscal code and Treviso-Belluno Register of Companies: 04323680266

Member of the Monte dei Paschi Banking Group –

Register of Banking Groups (*Albo dei Gruppi Bancari*) under no. 1030.6

Management and coordination pursuant to Article 2497 and ff. of the Italian Civil Code:

Banca Monte dei Paschi di Siena S.p.A.

Company participating in the MPS VAT GROUP – VAT NO. 01483500524

## **FINANCIAL STATEMENTS**

**AT 31.12.2022**

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## GOVERNING BODIES AND INDEPENDENT AUDITORS

### BOARD OF DIRECTORS

*CHAIRMAN*  
SAMUELE TROMBINI

*DIRECTORS*  
ANDREA FANTUZ  
BARBARA FONTANI

### SOLE STATUTORY AUDITOR

WERTHER MONTANARI

### INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

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# DIRECTORS' REPORT ON OPERATIONS

## 1. The business

The Company was established on 8 September 2009 pursuant to Law no. 130 of 30 April 1999 which contains provisions governing the implementation of securitisation transactions in Italy.

The sole purpose of the Company is the acquisition from banks of the assets listed below, for valuable consideration, within one or more issues (including both single transactions and issue programmes) of covered bonds (*Obbligazioni Bancarie Garantite*) implemented pursuant to article 7-bis of Law no. 130 of 30 April 1999, as possibly amended and supplemented and related implementing provisions:

- (i) land and mortgage loans, which can also be identified in bulk;
- (ii) receivables that are claimed from or secured by public authorities, which can also be identified in bulk;
- (iii) securities issued within securitisation transactions concerning receivables that are of the same type;
- (iv) additional eligible assets or integration eligible assets that are permitted by the aforesaid regulations;

through the raising of loans granted or secured also by the assignor banks, as well as the provision of guarantees issued by the same banks or by other banks.

The Company will carry out the abovementioned activities according to such terms and conditions and in such manners as those set out in the regulations applicable to the issues of covered bonds pursuant to article 7-bis of Law no. 130 of 30 April 1999, as possibly amended and supplemented and relating implementing provisions.

In accordance with the aforesaid provisions of law, the receivables and securities purchased by the Company and the amounts paid out by the related debtors are aimed at satisfying the claims, also pursuant to article 1180 of the Italian Civil Code, of the holders of the covered bonds referred to in article 7-bis, paragraph 1, of Law no. 130 of 30 April 1999, to the benefit of which the Company has provided guarantees, as well as of the counterparties to the derivative contracts entered into to hedge the risks associated with the receivables and securities purchased and to any other additional contract. They are also aimed at the payment of other transaction costs, on a priority basis with respect to the repayment of loans granted or secured also by the assignor banks pursuant to article 7-bis, paragraph 1, of Law no. 130 of 30 April 1999.

Any receivables and securities purchased by the Company in relation to each issue transaction or programme constitute assets which are separate for all purposes both from the Company's assets and from those relating to other issue transactions or programmes, in relation to which no actions may be taken by any creditors other than the holders of the covered bonds issued and by the additional

creditors referred to in the previous paragraph.

Within the limits permitted by Law no. 130 of 30 April 1999 and related implementing provisions, the Company may also carry out additional transactions to be entered into for the provision of guarantees and the successful completion of the issues of covered bonds in which it participates or which are in any case instrumental to the achievement of its corporate purpose, as well as may carry out, in cases when it is permitted by the relevant regulations and according to the procedures and within the limits set out therein, transactions of re-investment in other financial assets of funds deriving from the management of the receivables and securities which are purchased and which are not immediately used to satisfy the rights of the holders of covered bonds and to pay transaction costs.

Within the transactions effected by it, and according to the procedures and in compliance with the provisions of law, the Company may appoint third-party persons for the collection of any purchased receivables and for the provision of cash and payment services; it may also carry out any other activity permitted by article 7-bis of Law no. 130/1999 and related implementing regulations.

On 10 November 2009, the Company obtained the registration under number 41746 on the General List of Financial Intermediaries (*Elenco Generale degli Intermediari Finanziari*) referred to in Article 106, paragraph 1, of Legislative Decree no. 385 of 1 September 1993, as amended (TUB, *Testo Unico Bancario*, Consolidation Act on Banking Laws).

According to Legislative Decree no. 141 of August 2010, as amended by Legislative Decree no. 218 of December 2010, “as regards the assignee persons referred to in article 7-bis, within the limits set out in a regulation enacted by the Minister of Economy and Finance and having heard the Bank of Italy, pursuant to article 17, paragraph 3, of Law no. 400 of 23 August 1988, the provisions laid down for financial intermediaries under Title V of legislative decree no. 385 of 1 September 1993 shall apply.”

Article 7 of Ministerial Decree no. 53/2015, in force from 23 May 2015, provides that: “If belonging to a banking group as defined under Article 60 of the TUB, the assignee companies for the guarantee of bank bonds, are not required to be registered in the register.”

By virtue of the entry into force of the abovementioned regulations and given that the Company belongs to the Monte dei Paschi banking group, the Company has submitted to the Bank of Italy a request for deletion from the General List under Article 106 of the TUB; the deletion took place with effect from 10 August 2015.

In compliance with the supervision provisions, the issue of Covered Bonds is an instrument reserved only for those banks which are “*provided with high capitalisation in consideration of the specific features of the market of Covered Bonds and of the need to protect creditors other than the Holders of the CBs, whose collateral security is diminished as a result of the transfer of high-quality bank assets.*”

As detailed in Part A of the Notes to the Financial Statements, these financial statements have been prepared by applying the international accounting standards IAS/IFRS, as required by article 4 of Legislative Decree no. 38 of 28 February 2005.

Within the scope of this purpose, the Company has been participating, from the 2010 financial year, in a programme of issues of covered bonds (hereinafter the “Programme”), through (i) the purchase without recourse (*pro soluto*) by the Company of four portfolios of performing mortgage loans fully originated by Banca Antonveneta S.p.A., pursuant to articles 4 and 7-*bis* of Law no. 130/1999, (ii) the concurrent obtainment of a subordinated loan from the assignor bank itself and (iii) the signature, *inter alia*, of the contract whereby the purchased assets are pledged as an irrevocable guarantee of the bank bonds issued by Banca Monte dei Paschi di Siena S.p.A..

By virtue of the principle of segregation of each set of securitised assets, the financial and economic position of the Covered Bonds transaction is represented in part D, section 1, letter L, of the Notes to the Financial Statements in compliance with the provisions contained in specific Orders issued by the Bank of Italy.

The Financial Statements at 31 December 2022 recognised a break-even result following the charge-back of net operational costs to the segregated assets in relation to the financial year just ending.

## **2. Performance of the relevant market in 2022**

The 2022 financial year was marked by a general framework characterised by geopolitical tensions generated by the Russian-Ukrainian conflict, with inevitable effects on growth and inflation triggered by the rising cost of raw materials, particularly energy.

The eruption of the conflict in Ukraine has abruptly dashed the hope of a return to normality after the Covid-19 health emergency, which became apparent at the end of 2021 due to a lower number of hospitalisations, the easing of restrictive measures and the gradual adaptation to them on the part of the population, paving the way for a new phase of living with the virus and, therefore, a gradual archiving of risks to the economy.

The hostilities have demanded heavy humanitarian intervention and have triggered an energy crisis in Europe while also contributing, to an appreciable extent, to an increase in international prices of global food and raw materials, which have risen to decade highs. This has thus exacerbated those inflationary pressures that were already made acute by the adverse impact of the pandemic on global supply chains. The resulting downward revision of growth estimates has primarily affected commodity-importing developing countries, which are more fragile in the face of rising energy and food prices. But unevenness has continued to persist among advanced economies as well.

The Eurozone economy, which is heavily dependent on Russian gas supplies, has borne the brunt of the shock from the Russian-Ukrainian conflict.

The expansion of EU sanctions against Russia has further aggravated supply constraints and has adversely affected energy prices. Given the even more significant increase in producer prices, there is concern that the current trend in consumer prices is not likely to subside so quickly, casting shadow on the outlook for consumption. The general rise in interest rates as a result of measures taken by central banks to combat inflation has caused an equally significant disruption in bond markets.

The conflict under consideration and the sanctions imposed by the international community on the government, companies and economy of Russia, as well as the countermeasures put in place by the latter country, have led to a situation of high uncertainty at the macroeconomic level, exchange rates, costs of energy and raw materials, the cost of debt, inflationary expectations and the cost of credit.

The economic performance in Italy in 2022 was naturally affected by the difficult environment described above. After a sharp rise recorded in the first quarters of the year, while continuing to benefit from the use of Next Generation EU funds, growth slowed down, particularly in the last quarter of the year, which was also due to a marked change in the direction of monetary policy and a sharp surge recorded in interest rates as a result of the measures taken by central banks to combat inflation. This was also contributed to by both attenuated recovery of value added in services, which returned to pre-pandemic values as early as in the summer months, and a decline in industrial production. Household spending slowed, despite measures to support disposable income amid high inflation.

### **3. Significant events of the financial year**

With reference to the Company, no significant events must be reported which occurred during the financial year.

It should be noted that, in line with what occurred in the previous year, the Company has maintained and appropriately updated the management overlays in place as at 31 December 2021, aimed at the inclusion of ad-hoc adjustments, in order to take account of any potential prospective worsening of credit risk that might not be immediately reflected in the modelling in use, and to better represent - in the assessment of credit risk - the specific aspects of the impact of the Covid-19 pandemic, the international crisis and any potential emerging economic and financial risks.

Specifically, among the management overlays in place as at 31 December 2022, it was decided to adopt both asymmetric scenarios, i.e., one base scenario (Baseline) and two equally-weighted worst-case scenarios (Extreme Adverse and Plausible Adverse), and not to update the baseline macroeconomic scenario provided by Prometeia in January 2023, for prudential and conservative purposes of forward-looking conditioning.

It should also be noted that, in the context of the Covid-19 health emergency, the Originator granted a number of customer support measures as from 2020, including moratoria pursuant to law (Cure Italy Decree). On the subject of the expiration of these moratoria, it should be noted that the Compensation-Bis Decree Law (Decree Law 73/2021) extended the measures until 31 December 2021, subject to the customer's request by 15 June 2021 while the Originator scheduled 30 June 2022 as the deadline for granting additional moratorium measures falling within the scope of the measures granted to support households and businesses during the Covid-19 emergency.

As a result of the subsequent expiration of the deadline set for moratoria, the measures outstanding and granted due to the Covid-19 pandemic came to approximately Euro 4 million (incidence of 0.036% of the related outstanding debt) as at 31 December 2022. In this regard, it is specified that, in line with EBA guidelines, where the last instalment of a loan agreement benefiting from the effects of the moratorium falls due prior to 31 December 2021, the moratorium is considered to be expired, and, accordingly, the exposure of the agreement is not regarded as referring to the Covid-19 moratorium.

With reference to the segregated assets, the covered bond transaction had a regular performance and the following events are reported which occurred during the year:

- On 4 February 2022, Banca Monte dei Paschi di Siena S.p.A., as the Issuer, carried out the issue of the 29th Series due 31 March 2025 (ISIN IT0005482606) in an amount of Euro 750,000,000;
- on 20 June 2022, Banca Monte dei Paschi di Siena S.p.A. assigned a fifteenth portfolio of performing mortgage loans to the Company for an overall consideration of Euro 911,426,401. The consideration for the portfolio was partly financed through the assignor's granting of a subordinated loan for an amount equal to Euro 261,426,401 to the Company and partly through the use of Available Funds on Account of Principal reported in the Guarantor's accounts i) for an amount of Euro 650,000,000 paid on the payment date falling on 30 June 2022;
- on 5 July 2022, Banca Monte dei Paschi di Siena S.p.A., as the Issuer, carried out the issue of the 30th series due 30 December 2026 (ISIN IT0005499899) for an amount equal to Euro 750,000,000;
- on the payment date falling on 29 September 2022, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 300,000,000, in accordance with the contract documentation of the Programme and according to the Tests.

#### **4. Information on the Company's position, performance and operating result**

With reference to the corporate assets, it is deemed that, given the business conducted by the Company, there is no additional information with respect to that illustrated in the Notes to the Financial Statements.

Specifically, as regards performance indicators, it is deemed that they are not significant in relation to the corporate assets, while, as regards the performance of the segregated assets, reference is made to Part D, section L, of the Notes to the Financial Statements.

#### **5. Significant events after the end of the Financial Year**

It is informed that no corporate events occurred which were such as to have a significant impact on the financial position and results of operations reported herein (IAS 10§ 8) during the period from 31 December 2022 to the date of approval of these financial statements.

With reference to segregated assets, it should be noted that, on the payment date falling on 3 January 2023, the Company proceeded with the partial repayment of the subordinated loan for an amount equal to Euro 350,000,000, in accordance with the contract documentation of the Programme and according to the Tests.

It should be noted that on 26 February 2023 the Quotaholders' Meeting appointed:

- (i) the Board of Directors composed of no. 3 members, holding office for the next three financial years, until the approval of the financial statements at 31 December 2025, to replace the previous governing body that had remained in office under an extension (*prorogatio*) scheme, pursuant to Article 2385 of the Italian Civil Code;
- (ii) the Sole Statutory Auditor, for the next three financial years, until the approval of the financial statements at 31 December 2025, to replace the previous control body that had remained in office under an extension (*prorogatio*) scheme, pursuant to Article 2400 of the Italian Civil Code.

#### **6. Outlook**

The operations will be aimed at the regular performance of the transaction in place, which, for the programmes of covered bonds, usually provides for additional assignments as a guarantee of covered bonds issued or of new issues of covered bonds.

#### **7. The Company as a going concern**

These Financial Statements have been prepared by considering it appropriate to use the going-concern assumption.



The assessment of the Company's ability to continue as a going concern is essentially based on the outlook for its financial and liquidity position over a period of at least 12 months. The overall situation of the Montepaschi Group (Group) is also relevant for a subsidiary, as is that of, in particular, the Parent Company Banca Monte del Paschi di Siena S.p.A. (Parent Company), which carries out management and coordination activities, in addition to providing operational services to the Company in the capacity as Servicer and Cash Manager.

More specifically, the Company has no financial problems and no operational criticalities, the latter being essentially linked to the services provided by the Parent Company, over a period of at least 12 months.

Given the nature of its business, the Company does not have a high degree of interdependence with the Parent Company MPS: however, it is emphasised that the latter believes that there is a reasonable expectation that the Group will continue to operate as a going concern in the foreseeable future and that the significant doubts will be resolved about the Group's ability to continue as a going concern, as stated in the reports prior to the interim report on operations at 30 September 2022, while taking account of the successful completion of the capital increase of Euro 2.5 billion transaction on 4 November and the performance of the actions envisaged in the 2022-2026 Business Plan. After considering the above information, with reference to the guidance provided in Document no. 2 of 6 February 2009, and Document no. 4 of 3 March 2010, issued jointly by the Bank of Italy, CONOSB (Italian Securities and Exchange Commission), and ISVAP (Italian Insurance Regulatory Authority), as amended, the Company has a reasonable expectation that it will continue as a going concern, functional to the achievement of its corporate purpose, in the foreseeable future and has therefore prepared these Financial Statements on a going concern basis.

## **8. Other information**

### **A) Own quotas**

The Company does not hold either own quotas or shares in the parent company, whether directly or through trust companies.

### **B) Research and development activities**

Given the special nature of the Company, no specific research and development activities were carried out during the Financial Year.

### **C) Related-party transactions**

With reference to the corporate assets, no transactions were effected with related parties, except for what is reported in section 6 of part D (Other information) of the Notes of Financial Statements to which reference should be made.

With reference to the covered bond transaction, reference is made to paragraph L.3 of these Notes to the Financial Statements, reporting the complete list of the entities involved.

#### **D) Direction and Coordination Activity**

The Company is subject to any management and coordination activity on the part of Banca Monte dei Paschi di Siena S.p.A. pursuant to Article 2497-*bis* of the Italian Civil Code.

#### **E) Information on risks and the related hedging policies**

The information reported below makes reference to the corporate management operations; as regards segregated assets, reference is made to Part D, Section 3, of the Notes to the Financial Statements.

##### **Liquidity risk**

The Company believes that it has sufficient liquid assets to meet its own financial commitments.

##### **Interest rate risk**

The Company has no financial assets and liabilities which expose it to significant interest rate risks.

##### **Exchange risk**

The Company is active at a domestic level only and, accordingly, it is not exposed to exchange risks.

##### **Credit risk**

The Company mainly claims receivables from segregated assets as a result of the charge-back of operating costs. Given the collection forecasts on receivables from segregated assets and the priority in which these receipts will be applied to the payment of the abovementioned receivables, it is believed that no risks exist in relation to the possibility of them being recovered.

At present, it is believed that the Covid-19 emergency, the Russian-Ukraine conflict and the related emerging present and prospective risks will have no consequences that could affect the Company's ability to continue as a going concern.

#### **F) Tax treatment of segregated assets**

Pursuant to Circular Letter 8/E of 6 February 2003, any income arising from the management of segregated assets, in the implementation of transactions under Law no. 130/1999, is not comprised in the available assets of the Company, and, accordingly, the Company's tax liability is excluded. This treatment confirms the provisions laid down in the Bank of Italy's Order of 29 March 2000, according to which the Company's income statement is not affected by the income and charges concerning the management of the transaction. The funds (if any) that should become available to the Company once all of the creditors of the segregated assets are satisfied will be taxed only at the end of the transaction. Furthermore, it should be noted that the separate balance sheet assets include receivables for withholding taxes applied to interest income accrued on current accounts. Pursuant to Resolution no. 222/E of 5 December 2003 and Resolution no. 77/E of 4 August 2010, these withholding taxes may be deducted in the financial year in which the transaction is concluded.

**G) Sub-offices**

The Company has no sub-offices.

**H) Employees**

The Company has no employees.

Conegliano (TV), 7 March 2023

**MPS COVERED BOND S.r.l.**  
*The Chairman of the Board of Directors*  
Samuele Trombini

## BALANCE SHEET

### ASSETS

	Assets	2022	2021
10.	Cash and cash equivalents	28.831	67.829
20.	Financial assets at fair value through profit or loss		
	a) financial assets held for trading		
	b) financial assets at fair value		
	c) other financial assets mandatorily at fair value		
30.	Financial assets at fair value through comprehensive income		
40.	Financial assets measured at amortised cost		
	a) receivables from banks		
	b) receivables from financial companies		
	c) receivables from customers		
50.	Hedging derivatives		
60.	Vale adjustments to financial assets subject to macro-hedging (+/-)		
70.	Equity investments		
80.	Property, plant and equipment		
90.	Intangible assets		
	of which:		
	- goodwill		
100.	Tax assets	1.450	1.705
	a) current	1.450	1.705
	b) deferred		
110.	Non-current assets held for sale and disposal groups of assets		
120.	Other assets	18.731	58
	<b>TOTAL ASSETS</b>	<b>49.012</b>	<b>69.592</b>

## LIABILITIES AND EQUITY

	<b>Liabilities and equity</b>	<b>2022</b>	<b>2021</b>
<b>10.</b>	Financial liabilities measured at amortised cost		
	a) payables		
	b) outstanding securities		
<b>20.</b>	Financial liabilities held for trading		
<b>30.</b>	Financial liabilities at fair value		
<b>40.</b>	Hedging derivatives		
<b>50.</b>	Value adjustment to financial liabilities subject to macro-hedging (+/-)		
<b>60.</b>	Tax liabilities	932	748
	a) current	932	748
	b) deferred		
<b>70.</b>	Liabilities associated with assets held for sale		
<b>80.</b>	Other liabilities	35.883	56.647
<b>90.</b>	Employee severance pay		
<b>100.</b>	Provisions for risks and charges:		
	a) commitments and guarantees issued		
	b) pension fund and similar obligations		
	c) other provisions for risks and charges		
<b>110.</b>	Quota capital	10.000	10.000
<b>120.</b>	Own quotas (-)		
<b>130.</b>	Equity instruments		
<b>140.</b>	Issue premiums	2.000	2.000
<b>150.</b>	Reserves	197	197
<b>160.</b>	Valuation reserves		
<b>170.</b>	Profit (Loss) for the year		
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>49.012</b>	<b>69.592</b>

## INCOME STATEMENT

	Items	2022	2021
10.	Interest earned and similar income of which: interest income calculated according to the effective interest method		
20.	Interest expense and similar charges		
30.	<b>INTEREST MARGIN</b>		
40.	Commissions earned		
50.	Commissions expense	(401)	(309)
60.	<b>NET COMMISSIONS</b>	<b>(401)</b>	<b>(309)</b>
70.	Dividends and similar income		
80.	Net profit (loss) from trading		
90.	Net profit (loss) from hedging		
100.	Profit / loss from sale or repurchase of : a) financial assets measured at amortised cost b) financial assets at fair value through comprehensive income c) financial liabilities		
110.	Net profit (loss) from other financial assets and liabilities at fair value through profit or loss a) financial assets and liabilities at fair value b) other financial assets mandatorily at fair value		
120.	<b>OPERATING INCOME</b>	<b>(401)</b>	<b>(309)</b>
130.	Net value adjustments/write-backs for credit risk of: a) financial assets measured at amortised cost b) financial assets at fair value through comprehensive income		
140.	Profits/losses from contract amendments without cancellations		
150.	<b>NET PROFIT (LOSS) FROM FINANCIAL OPERATIONS</b>	<b>(401)</b>	<b>(309)</b>
160.	Administrative expenses:	(122.970)	(122.257)
	a) personnel costs	(23.883)	(23.745)
	b) other administrative expenses	(99.087)	(98.512)
170.	Net accruals to provisions for risks and charges a) commitments and guarantees issued b) other net provisions		
180.	Net value adjustments/write-backs on property, plant and equipment		
190.	Net value adjustments/write-backs on intangible assets		
200.	Other operating income and charges	124.406	123.007
210.	<b>OPERATING COSTS</b>	<b>1.436</b>	<b>750</b>
220.	Profits (Losses) from equity investments		
230.	Net profit (loss) from property, plant and equipment and intangible assets at fair value		
240.	Value adjustments to goodwill		
250.	Profits (Losses) from disposal of investments		
260.	<b>PROFIT (LOSS) BEFORE TAX FROM CURRENT OPERATIONS</b>	<b>1.035</b>	<b>441</b>
270.	Income tax from current operations for the year	(1.035)	(441)

<b>280.</b>	<b>PROFIT (LOSS) AFTER TAX FROM CURRENT OPERATIONS</b>	-	-
<b>290.</b>	Profit (Loss) after tax from discontinued operations		
<b>300.</b>	<b>PROFIT (LOSS) FOR THE YEAR</b>	-	-

**STATEMENT OF OTHER COMPREHENSIVE INCOME –  
FINANCIAL INTERMEDIARIES**

	Items	2022	2021	2020	2019	2018
<b>10.</b>	<b>Profit (Loss) for the year</b>	-	-	-	-	-
	<b>Other comprehensive income, net of tax without transfer to P&amp;L</b>					
20.	Equity instruments at fair value through comprehensive income					
30.	Financial liabilities at fair value through profit or loss (changes in credit rating)					
40.	Hedging of equity instruments at fair value through comprehensive income					
50.	Property, plant and equipment					
60.	Intangible assets					
70.	Defined-benefit plans					
80.	Non-current assets held for sale and disposal group of assets					
90.	Portion of valuation reserves of equity-accounted investments					
	<b>Other comprehensive income, net of tax with transfer to P&amp;L</b>					
100.	Hedging of foreign investments					
110.	Foreign exchange differences					
120.	Cash flow hedge					
130.	Hedging instruments (items non designated)					
140.	Financial assets (other than equity instruments) at fair value through comprehensive income					
150.	Non-current assets held for sale and disposal group of assets					
160.	Portion of valuation reserves of equity-accounted investments					
170.	<b>Total other comprehensive income, net of tax</b>					
180.	<b>Comprehensive income (Item 10+170)</b>	-	-	-	-	-



## STATEMENT OF CHANGES IN EQUITY

	Equity at 31/12/2021	Change in Opening Balances	Equity at 01/01/2022	Allocation of result from Previous Year		Changes over the Year					Comprehensive Income - FY 2022	Equity at 31/12/2022	
				Reserves	Dividends and Other Allocations	Changes in Reserves	Transactions on Equity						
							Issue of New Quotas	Purchase of Own quotas	Distribution of Extra-Dividends	Change in Equity Instruments			Other changes
Quota capital	10.000		10.000									10.000	
Issue premium	2.000		2.000									2.000	
Reserves													
a) Retained earnings	197		197									197	
b) Others													
Valuation reserves													
Equity instruments													
Own quotas													
Profit (Loss) for the year													
<b>EQUITY</b>	<b>12.197</b>		<b>12.197</b>									<b>- 12.197</b>	

	Equity at 31/12/2020	Change in Opening Balances	Equity at 01/01/2021	Allocation of result from Previous Year		Changes over the Year						Comprehensive Income - FY 2021	Equity at 31/12/2021	
				Reserves	Dividends and Other Allocations	Changes in Reserves	Transactions on Equity							Other changes
							Issue of New Quotas	Purchase of Own quotas	Distribution of Extra-Dividends	Change in Equity				
Quota capital	10.000		10.000										10.000	
Issue premium	2.000		2.000										2.000	
Reserves														
a) Retained earnings	197		197										197	
b) Others														
Valuation reserves														
Equity instruments														
Own quotas														
Profit (Loss) for the year														
<b>EQUITY</b>	<b>12.197</b>		<b>12.197</b>									<b>-</b>	<b>12.197</b>	

## CASH FLOW STATEMENT

A OPERATING ACTIVITIES	Amount				
	2022	2021	2020	2019	2018
<b>1 OPERATIONS</b>	<b>184</b>	<b>(957)</b>	<b>(477)</b>	<b>779</b>	<b>(573)</b>
operating result (+/-)					
capital gains/losses on financial assets held for trading and other financial assets/liabilities at fair value through profit or loss (-/+)					
capital gains/losses on hedging assets (-/+)					
net value adjustments for credit risk (+/-)					
net value adjustments to property, plant and equipment and intangible assets (+/-)					
net provisions for risks and charges and other costs/revenues (+/-)					
unpaid taxes and duties and tax credits (+)	184	(957)	(477)	779	(573)
net value adjustments to discontinued operations, net of tax effect (+/-)					
other adjustments (+/-)					
<b>2 CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS</b>	<b>(18.418)</b>	<b>214</b>	<b>46.543</b>	<b>(1.880)</b>	<b>(18.624)</b>
financial assets held for trading					
financial assets designated at fair value					
other financial assets mandatorily at fair value					
financial assets at fair value through comprehensive income					
financial assets measured at amortised cost					
other assets	(18.418)	214	46.543	(1.880)	(18.624)
<b>3 CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES</b>	<b>(20.764)</b>	<b>5.708</b>	<b>7.998</b>	<b>(8.276)</b>	<b>4.393</b>
financial liabilities at amortised cost					
financial liabilities held for trading					
financial liabilities designated at fair value					
other liabilities	(20.764)	5.708	7.998	(8.276)	4.393

<i>Net cash Flow generated from/used by operating activities</i>	<b>(38.998)</b>	<b>4.965</b>	<b>54.064</b>	<b>(9.377)</b>	<b>(14.804)</b>
<b>B INVESTING ACTIVITIES</b>					
<b>1 CASH FLOW GENERATED FROM:</b> sales of equity investments dividends collected on equity investments sales of property, plant and equipment sales of intangible asset sales of business units	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 CASH FLOW USED BY:</b> purchases of equity investments purchases of property, plant and equipment purchases of intangible assets purchases of business units	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Net Cash Flow generated from/used by investing activities</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C BORROWING ACTIVITIES</b> issues/purchases of own quotas issues/purchases of equity instruments distributions of dividends and other purposes					
<i>Net Cash Flow generated from/used by borrowing activities</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>D NET CASH FLOW GENERATED/USED IN THE YEAR</b>	<b>(38.998)</b>	<b>4.965</b>	<b>54.064</b>	<b>(9.377)</b>	<b>(14.804)</b>

KEY

(+) generated

(-) used

<b>RECONCILIATION</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents at the beginning of the Year	67.829	62.864	8.800	18.177	32.981
Net cash flow generated/used in the Year	(38.998)	4.965	54.064	(9.377)	(14.804)
Cash and cash equivalents: foreign exchange effect	0	0	0	0	0
Cash and cash equivalents at the end of the Year	28.831	67.829	62.864	8.800	18.177

# **NOTES TO THE FINANCIAL STATEMENTS**

## **AT 31 DECEMBER 2022**

### **PREAMBLE**

The sole purpose of the Company, which was established pursuant to Law no. 130/1999, is to participate in issues of covered bonds, in its capacity as assignee of a loan portfolio, which is purchased through loans granted by the assignor bank and which is intended to secure the bonds issued by the latter.

Consequently, the financial assets purchased, the loans received and any other transaction performed as part of the abovementioned transactions are represented and described in specific statements and sections of the Notes to the Financial Statements and do not form part of the Financial Statements schedules.

This approach is also in line with Law no. 130 of 30 April 1999 and the regulations previously in force issued by the Bank of Italy, under which “any receivables relating to each transaction are segregated to all intents and purposes from the Company’s assets and from those relating to other transactions”.

### **Form and content of the Notes to the Financial Statements**

These Notes to the Financial Statements are divided into the following four parties:

- Part A – Accounting Policies;
- Part B – Information on the balance sheet;
- Part C – Information on the income statement;
- Part D – Other information.

Each part in the Notes to the Financial Statements is composed of sections illustrating each individual aspect of the business management. The sections contain information of both a qualitative and quantitative nature.

Quantitative information generally includes items and tables.

The tables have been prepared complying with the formats envisaged in the current provisions.

The Financial Statements have been subject to statutory audit by the independent auditors PricewaterhouseCoopers S.p.A. on the basis of the engagement assigned by the Quotaholders’ Meeting on 6 December 2019 for the financial years from 31 December 2020 to 31 December 2022.

### **A.1 – GENERAL PART**

#### **Section 1 – Statement of compliance with international accounting standards**

The Company has adopted the IAS/IFRS international accounting standards in the preparation of the Financial Statements at 31 December 2022.

IAS/IFRS means any and all International Accounting Standards (“IAS”), any and all International Financial Reporting Standards (“IFRS”), any and all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) - previously named Standing Interpretations Committee (“SIC”) - endorsed by the European Commission and transposed by Legislative Decree no. 38/2005 into the Italian legal system. Furthermore, the provisions in the “Framework for the preparation and presentation of Financial Statements” have been complied with specifically in relation to the principle concerning the prevalence of substance over form, as well as to the importance and significance of information.

As to the disclosures required by IFRS 8 “Operating segments”, it should be noted that any breakdown would not be significant given the nature of the Company’s business: therefore, they are omitted from these notes to the financial statements.

Since the Company is consolidated in the Monte dei Paschi di Siena group, it has adopted, as required by IFRS 10, the international accounting standards on a voluntary basis, given that, at the time of the exercise, it met the requirements for the option pursuant to then Article 2, letter e), of Legislative Decree no. 38/2005.

The Company continues to prepare the financial statements according to international accounting standards. This option complies with Article 4, paragraph 6-*bis*, of Legislative Decree no. 38/2005 introduced by Legislative Decree no. 230 of 29 December 2011, which also extended the possibility of preparing the financial statements by using the IAS/IFRS to those companies for which, after the preparation of financial statements in accordance with international accounting standards, the conditions for their mandatory application are no longer fulfilled.

The Financial Statements have been prepared by using the formats envisaged by the 7th updated version of the “Instructions for the preparation of the financial statements of the IFRS Intermediaries other than bank intermediaries”, which were issued by the Bank of Italy on 29 October 2021 as supplemented by a notice dated 21 December 2021 (Update of the amendments to the provisions of the Order on “The financial statements of the IFRS Intermediaries other than bank intermediaries” concerning the impact of the COVID-19 pandemic and the measures put in place in support of

economy); however, the Order of 9 December 2016 deleted, from its scope of regulation, any reference to securitisation SPVs and to the assignees for the guarantee of bank bonds belonging to a banking group not registered on the list, as they are entities that can no longer be described as non-bank financial intermediaries following the Reform of Title V that was completed under Legislative Decree no. 141/2010 and subsequent amending decrees, the accounting effects of which were provided for in Legislative Decree no. 136/2015.

As a result of the fact that IAS 1 does not require strict compliance with the structure of schedules and pending the enactment of new rules aimed at replacing those previously in force and at regulating the preparation of financial statements of securitisation SPVs, the Company applied, in preparing these financial statements, the abovementioned schedules with regard to corporate management operations, in line with the previous year. As regards segregated assets, reference was made to the Bank of Italy's Order of 15 December 2015 (3<sup>rd</sup> updating), given that the subsequent orders referred to above did not provide any information on the disclosures to be provided for securitisation transactions.

These schedules were regarded as the most suitable option in order to provide information on the Company's financial position, results of operations and cash flows which is useful for the users in making decisions of an economic nature and which, at the same time, appears to be important, reliable, comparable and comprehensible.

This decision is also based on the compliance with the general principle of continuity in the description of management events in order to make the financial statements more understandable.

## **Section 2 – General principles for the preparation of financial statements**

These Financial Statements are made up - in accordance with IAS 1 - of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the Financial Statements, and are also accompanied by the Directors' Report on Operations, the economic results achieved and equity and financial position of the Company.

In accordance with article 5 of Legislative Decree no. 38/2005, the Financial Statements have been prepared using the Euro as the money of account. These Financial Statements have been prepared in Euro units, without decimal fractions.

The Financial Statements have been prepared with the intent of giving a true and fair representation of the financial position, results of operations and cash flows for the Financial Year.

The Financial Statements have been prepared on a going concern basis (IAS 1 Revised paragraph 25 - reference is made to point 7 of the Report on Operations as to the considerations made by the Company for establishing the existence of the requirements behind the going-concern concept), on an accruals basis (IAS 1 Revised paragraphs 27 and 28) and in compliance with a consistent presentation and classification of the items in the Financial Statements (IAS 1 Revised paragraph 45). The assets

and liabilities, income and costs have not been set off against each other save where required or permitted by a standard or an interpretation (IAS 1 Revised paragraph 32).

On 2 July 2021, Regulation (EU) 2021/1080 was published, which endorsed the following documents published by the IASB on 14 May 2020:

- *“Reference to the Conceptual Framework (Amendments to IFRS3)”*
- *“Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)”*
- *“Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)”*
- *“Annual Improvements to IFRS Standards 2018–2020”*

It should be noted that the amendments will be effective from 1 January 2022 and had no impact on the Company’s financial position and results of operations at 31 December 2022.

The following is evidence of standards or amendments whose application takes effect after 31 December 2022 and for which the Company has not made use of early adoption (if applicable).

The new accounting standard IFRS 17, "Insurance Contracts," published by the IASB in May 2017 and subject to subsequent amendments published on 25 June 2020 and 9 December 2021, was endorsed by Regulation (EU) No. 2021/2036 of 19 November 2021 - and most recently amended by Regulation (EU) 2022/1491 of 8 September 2022, which provide for some limited amendments for the preparation of comparative information for the first-time adoption of IFRS 17 and IFRS 9 – and will become applicable from 1 January 2023.

Furthermore, the following new accounting standards, amendments and interpretations issued by the IASB were reported at 31 December 2022, which are still in the process of being endorsed on the part of the European Commission:

- *“Classification of Liabilities as Current or Non-Current Date” issued on 23 January 2020*
- *“Non-current Liabilities with Covenants” issued on 31 October 2022.*

On 22 September 2022 the IASB published the amendment to IFRS 16 *“Lease Liability in a Sale and Leaseback”*, which clarifies how a sale and leaseback transaction is accounted for after the date of transaction.

On the basis of the analyses carried out, the first-time adoption of the abovementioned standards will have no substantial impact on the current amounts of the Company’s financial position and results of operations.

Where necessary, the data relating to the Financial Statements of the previous financial year have been



subject to consistent reclassifications in order to make them comparable with the data in these Financial Statements.

Each account in the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement, also reports the amount relating to the previous financial year for comparative purposes.

### **Securitisation transactions**

Based on the information reported in Section 1 of Part A.1 of these Notes to the Financial Statements, the Company continues to apply the Bank of Italy's Instructions dated 15 December 2015 to prepare these Financial Statements, with reference to segregated assets, given that the subsequent orders did not report any information on the disclosures to be provided for securitisation transactions.

Consequently, the purchased financial assets, the securities issued and any other transaction completed within the scope of the securitisation transaction are represented and described in specific statements and sections of the Notes to the Financial Statements and do not form part of the Financial Statements schedules.

This approach is also in line with Law no. 130 of 30 April 1999, according to which "the receivables relating to each transaction will constitute assets which are separate for all purposes both from the company's assets and from those relating to any other transaction".

These values concerning the covered bond transaction have not been affected by the application of the IAS/IFRS standards, since in no way do these standards deal with the disclosures relating to segregated assets.

However, it should be specified that, pursuant to article 7-*bis*, last paragraph, the receivables have been purchased at the accounting entry value, as resulting from the last financial statements approved by the Assignor, which is affected by the application by the latter of the International Financial Reporting Standards.

For completeness of information, it should be noted that the matter of the accounting treatment, according to international accounting standards, of financial assets and/or groups of financial assets and financial liabilities arising in the context of securitisation transactions and issues of covered bonds, is still being analysed by the bodies responsible for interpreting the related accounting standards.

On 4 September 2015 Legislative Decree no. 139/2015 was published, which became effective for the financial statements of financial years beginning from 1 January 2016 and pursuant to which important amendments were applied to the accounting policies concerning some financial statement items of companies required to comply with the accounting rules laid down in the Italian Civil Code and in the Italian GAAPs.

Specifically, these amendments include the measurement, at amortised cost, of receivables and liabilities that arose during 2016, as well as the fair value measurement of derivatives outstanding as at the date of first-time adoption of the decree.

While pending the enactment of an express regulatory clarification concerning the applicability of these amendments to the segregated assets of securitisation SPVs, the Company has decided to continue to apply, in compliance with the principle of continuity, the same accounting policies concerning the items of the offering circular, which are detailed in the paragraph on “Information relating to the Summary Statement” of Part D – Other Information, to which reference should be made.

In this regard, it should be remembered that any and all information must be provided, even if not expressly required, in order to give a full representation of the situation, while any information must be omitted which might decrease, by its nature or the excess content, the clarity and immediacy of the disclosures in the document.

### **Section 3 - Events after the reporting date**

For more details, reference should be made to the information already provided in the Directors’ Report.

### **Section 4 – Other aspects**

#### **Risks, uncertainties and impacts of the Covid-19 pandemic and of the Russia-Ukraine conflict**

Given the type of the Company's business, it is also believed that the risks and uncertainties that the Company may face in the performance of its operations, even considering the effects of Covid-19 and of the Russia-Ukraine conflict are not significant and are therefore not such as to cast doubts on its ability to continue as a going concern.

#### **Contract amendments due to the Covid-19 emergency**

There are no contract amendments due to the Covid-19 emergency to be reported.

## **A.2 – PART RELATING TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS**

The accounting standards adopted for the preparation of these Financial Statements are reported below. The accounting policies adopted are the same as those used in the preparation of the financial statements of the previous financial year.

## **ASSETS**

### **Section 1 – Cash and cash equivalents**

#### **Cash and cash equivalents**

This item includes legal tender, including foreign banknotes and divisional coins, as well as any and all receivables "at sight" in the technical forms of current accounts and deposits with banks and with the Bank, with the exception of the mandatory reserve.

Any existing cash balances are accounted for at face value.

### **Section 10 – Tax assets and liabilities**

Both current and deferred income taxes are calculated in compliance with current tax legislation.

Income taxes are recognised in the income statement, except for those relating to items charged or credited directly to equity.

Provision for income taxes is calculated on the basis of a prudential forecast of current, prepaid and deferred taxes. In particular, deferred tax assets and liabilities are calculated on the basis of temporary differences between an asset or liability's accounting value and its value recognised for tax purposes. Deferred tax assets are recognised in the accounts insofar as it is probable that they will be recovered, on the basis of the Company's ability to generate positive taxable income on a continuous basis in the future financial years.

Deferred tax assets and liabilities are accounted for in the balance sheet as pre-closing balances and without any offset, entering the former under "Tax Assets" and the latter under "Tax Liabilities".

### **Section 12 - Other assets**

This item includes receivables which are not attributable to any other items under Balance Sheet Assets.

These items are entered at their nominal value, or if lower, at their realisable value.

## **LIABILITIES**

### **Section 8 – Other liabilities**

This item includes payables which are not attributable to any other items under Balance Sheet Liabilities: in particular, payables to suppliers and to the segregated assets.

These items are entered at their nominal value, which represents the value of discharge.

## **INCOME STATEMENT**

### **Recognition of Costs and Revenues**

Costs and revenues are accounted for according to the matching principle.

In consideration of the exclusive nature of the management activity carried out by the Company, operating charges incurred are charged to the segregated assets, limited to the amount necessary to ensure the Company's economic and financial stability, as also provided for by contract.

This amount is classified under other operating income and charges.

### **A.3 – INFORMATION ON THE TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS**

In relation to the disclosures required by IFRS 7, it should be noted that no reclassifications of financial assets were made between different portfolios.

### **A.4 – INFORMATION ON THE FAIR VALUE**

#### **QUALITATIVE INFORMATION**

In May 2011 the International Accounting Standards Board (IASB) published IFRS 13 “Fair Value Measurement” aimed at increasing consistency and comparability in fair value measurements, which was transposed into Regulation (EU) no. 1255 of 11 December 2012, applicable as from 1 January 2013.

IFRS13 provides for fair value measurements of financial instruments to be classified on the basis of a 3-level fair value hierarchy (paragraphs 76-90), which reflects the significance of the inputs used in measurements. The standard envisages the following fair value levels:

- Level 1 of fair value: inputs to measure the instrument are quoted prices in active markets for identical instruments that the entity can access at the measurement date;
- Level 2 of fair value: inputs to measure the instrument are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 of fair value: inputs to measure the instrument are unobservable inputs.

As required by the regulation, the approach hierarchy adopted to measure the fair value of all financial instruments (shares, UCIs, bonds, bond issues and derivatives) gives the highest priority to quoted prices in active markets for assets and liabilities to be measured, and, in their absence, to the measurement of assets and liabilities based on significant quotations, or by making reference to identical assets and liabilities. Finally, the hierarchy gives the lowest priority to measurement techniques based on unobservable inputs, which are therefore more discretionary.

## PART B – INFORMATION ON THE BALANCE SHEET

### ASSETS

#### Section 10 – Cash and cash equivalents (Item 10)

Items	31/12/2022	31/12/2021
Cash and cash equivalents	28,831	67,829

The item is made up of the credit balance of the current bank accounts held with Banca Monte dei Paschi di Siena S.p.A..

#### Section 10 – Tax assets and Tax liabilities (Item 100 of assets and item 60 of liabilities)

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

Items	31/12/2022	31/12/2021
Current tax assets	1,450	1,705

“Current tax assets” relate to receivables from the Tax Office and to advances that were paid for IRES (*Imposta sul Reddito delle Società*, Corporate Income) and IRAP (*Imposta Regionale sulle Attività Produttive*, Local Production Activity) tax.

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

Items	31/12/2022	31/12/2021
Current tax liabilities	932	748

Current tax liabilities include accrued IRES tax (*Imposta sul Reddito delle Società*, Corporate Income Tax) for Euro 269 (at a rate of 24%) and IRAP tax (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) for Euro 663 (at a rate of 3.90%).

## Section 12 – Other assets (Item 120)

### 12.1 Other assets: breakdown

<b>120 – OTHER ASSETS</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Accrued income for administrative services	16,157	0
Prepaid expenses for services paid in advance	579	58
Advances from securitised operations	1,995	0
<b>TOTAL OTHER ASSETS</b>	<b>18,731</b>	<b>58</b>

As expressly required by the IAS/IFRS accounting standards, this item includes accrued income and prepaid expenses which are not attributable to any other Balance Sheet item.

“Accrued income for administrative services” relates to revenues which are common to two Financial Years, as determined on an accruals basis in the application of the matching principle between costs and revenues of the Financial Year. In particular, it includes the accrual of the corporate servicer fee, the fee received by the corporate management operations on a periodical basis from the segregated assets of the Programme for the administrative and corporate management service of the SPV company accruing at 31 December 2022, pursuant to the Administrative Services Agreement.

“Prepaid expenses for services paid in advance” were set aside to report the correct accruals of the cost relating to consultancy services.

“Advances to securitised assets” relate to the advances that the corporate management operations receive from securitised operations for the payment of operating expenses.

## LIABILITIES

### Section 6 – Tax Liabilities (item 60)

This item includes tax liabilities: as to the relevant compilation, reference is made to Section 10 of Assets “Tax Assets and Tax Liabilities”.

### Section 8 – Other liabilities (item 80)

#### 8.1 Other liabilities: breakdown

<b>080 – OTHER LIABILITIES</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Payables to suppliers for invoices to be received	15,558	10,561
Payables to suppliers	20,325	9,699
Advances from securitised operations	0	36,387
<b>TOTAL OTEHR LIABILITIES</b>	<b>35,883</b>	<b>56,647</b>

As expressly required by the IAS/IFRS accounting standards, this item includes accrued expenses and deferred income which are not attributable to any other item under Balance Sheet.

“Payables to suppliers for invoices to be received” relate to invoices for the provision of services relating to 2022 but not yet received at the closing date of the Financial Statements.

“Payables to suppliers” relate to invoices not yet paid.

“Advances to securitised assets”, referred to in the comparative data, relate to the advances that the corporate management operations receive from securitised operations for the payment of operating expenses.

## Section 11 – Equity (Items 110, 120, 130, 140, 150, 160 and 170)

### 11.1 Quota capital: breakdown

Types / Values	31/12/2022	31/12/2021
1. Quota Capital	10,000	10,000
1.1 Ordinary Quotas /Equity investments	no. 2	no. 2
1.2 Other Quotas	0	0
<b>Total Book Value</b>	<b>10,000</b>	<b>10,000</b>

The fully subscribed and paid-up Quota Capital is made up as follow:

Quotaholders	Investment percentage	Investment Face Value
Banca Monte dei Paschi di Siena S.p.A	90%	9,000
SVM Securitisation Vehicles Management S.r.l.	10%	1,000
	<b>100%</b>	<b>10,000</b>

For more details on the changes that occurred in Equity, reference is made to the related statement.

### 11.4 Issue premiums: breakdown

Types / Values	31/12/2022	31/12/2021
1. Issue Premium	2,000	2,000
1.1 Ordinary Quotas /Equity investments	no. 2	no. 2
1.2 Other Quotas	0	0
<b>Total Book Value</b>	<b>2,000</b>	<b>2,000</b>

## 11.5 Other information

### a) Breakdown of and change in item 150 Reserves

Types / Values	Legal reserve	Extraordinary reserve	Profits/ (Losses) carried forward	Other Reserves	Total
<b>A. Opening Balance</b>	<b>150</b>	<b>1,885</b>	<b>(1,838)</b>	<b>0</b>	<b>197</b>
<b>B. Increases</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
B.1 Allocations of Profits	0	0			
B.2 Other changes					
<b>C. Decreases</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C.1 Uses					
- loss coverage			0		
- distribution					
- transfer of capital					
C.2 Other changes			0		
<b>D. Closing Balance</b>	<b>150</b>	<b>1,885</b>	<b>(1,838)</b>	<b>0</b>	<b>197</b>

### b) Statement of available and distributable Reserves

Description	Amount	Possible uses	Available share	Summary of uses made in the three previous financial years	
				for loss coverage	for other reasons
<b>Quota capital</b>	<b>10,000</b>				
<b>Capital reserves</b>	<b>2,000</b>				
Issue premium	2,000	B	0		
<b>Retained earnings:</b>	<b>197</b>		<b>0</b>		
Legal reserve	150	B	0		
Extraordinary reserve	1,885	B	0		
Other Reserves	0		0		
Profits/(Losses) carried forward	(1,838)	B			
Losses					
<b>Total</b>	<b>12,197</b>		<b>0</b>		
<b>Non-distributable share</b>	<b>197</b>		<b>0</b>		
<b>Distributable share</b>	<b>0</b>		<b>0</b>		

Key

- A for capital increase
- B for loss coverage
- C for distribution to quotaholders



## PART C – INFORMATION ON THE INCOME STATEMENT

### Section 2 - Commissions (Item 40 and 50)

#### 2.2 Commissions expense: breakdown

Breakdown/Sectors	31/12/2022	31/12/2021
1. Guarantees received		
2. Distribution of services from third parties		
3. Collection and payment services	401	309
4. Other commissions (to be specified)		
<b>Total</b>	<b>401</b>	<b>309</b>

### Section 10 – Administrative expenses (Item 160)

#### 10.1 Personnel costs: breakdown

Items/Sectors	31/12/2022	31/12/2021
1. Subordinate staff		
a) wages and salaries		
b) social security contributions		
c) severance indemnity		
d) social security costs		
e) provision for staff severance indemnity		
f) provision for pension fund and similar obligations:		
- defined contribution		
- defined benefit		
g) payments to external supplementary pension funds:		
- defined contribution		
- defined benefits		
h) other costs		
2. Other personnel in active employment		
3. Directors and statutory auditors	23,883	23,745
4. Staff on retirement		
5. Recoveries of expense for employees seconded to other companies		
6. Reimbursements of expense for employees seconded to the Company		
<b>Total</b>	<b>23,883</b>	<b>23,745</b>

### 10.3 Other administrative expenses: breakdown

<b>110b - OTHER ADMINISTRATIVE EXPENSES</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Auditing costs	17,761	17,760
Other non-deductible taxes and duties	176	123
CONSOB contributions	1,474	1,431
Government licensing fee	310	310
Stamp tax	96	64
Corporate management services	79,270	78,824
<b>TOTAL OTHER ADMINISTRATIVE EXPENSES</b>	<b>99,087</b>	<b>98,512</b>

### Section 14 – Other operating income and charges (Item 200)

#### 14.2 Other operating income: breakdown

<b>Items</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Other operating income	124,406	123,006

### Section 19 – Income taxes for the year from current operations (Item 270)

#### 19.1 Income taxes for the year from current operations: breakdown

<b>Items</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
1. Current taxes	932	748
2. Change in current taxes of previous financial years	103	(307)
3. Reduction in current taxes for the year		
4. 3.bis Reduction in current taxes for the year for tax credits under Law 214/2011 Change in deferred tax assets		
5. Change in deferred tax liabilities		
<b>Taxes accrued in the year</b>	<b>1,035</b>	<b>441</b>

## 19.2 Reconciliation between theoretical and effective tax burden in the financial statements

	Taxable income	Tax rate	Tax
<b>Theoretical IRES tax</b>	<b>1,035</b>	<b>24.00%</b>	<b>248</b>
<b>Increases</b>			
Non-deductible costs	86	24.00%	21
<b>Decreases</b>			
Tax losses from previous years' Form Unico	-	24.00%	-
<b>Effective IRES tax</b>	<b>1,121</b>	<b>24.00%</b>	<b>269</b>

	Taxable income	Tax rate	Tax
<b>Theoretical IRAP tax</b>	<b>1,035</b>	<b>3.90%</b>	<b>40</b>
<b>Increases</b>			
Personnel and insurance costs	23,883	3.90%	931
Other non-deductible expenses	86	3.90%	3
<b>Decreases</b>			
Lump-sum deduction	(8,000)	3.90%	(312)
<b>Effective IRAP tax</b>	<b>17,004</b>	<b>3.90%</b>	<b>663</b>

## PART D – OTHER INFORMATION

### Section 1 – SPECIFIC REFERENCES TO OPERATIONS CARRIED OUT

#### D. GUARANTEES ISSUED AND COMMITMENTS

As at the reporting date of the Financial Statements, the Company had not issued guarantees in favour of third parties and there were no commitments in place, except for those envisaged and expressly regulated by the contracts relating to the covered bond transaction and concerning the related “segregated assets”.

#### L. COVERED BONDS

In the absence of specific tables of breakdown as required by the Bank of Italy’s Order of 15 December 2015, it was deemed appropriate to report any disclosure provided in this section by adopting the information structure that is expressly required for part “F. Securitisation of Receivables”. Below are the details of portfolios purchased through: (i) a subordinated loan obtained from the assignor bank; (ii) a subordinated loan partly and of the cash and cash equivalents for the remaining part with reference to the portfolio.

First portfolio purchased on 25 May 2010 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
Nominal value of the portfolio	4,413,282,560.82
Accrued interest	6,924,848.15
Provision for bad debts	(8,971,082.00)
IAS adjustments	4,855,205.01
<b>Purchase price of the portfolio</b>	<b>4,416,091,531.98</b>

Second portfolio purchased on 29 November 2010 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
Nominal value of the portfolio	2,400,343,584.94
Accrued interest	3,528,992.90
Provision for bad debts	(4,668,446.00)
IAS adjustments	10,720,556.34
<b>Purchase price of the portfolio</b>	<b>2,409,924,688.18</b>

Third portfolio purchased on 28 February 2011 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	3,887,509,799.37
Accrued interest	9,532,896.77
Provision for bad debts	(6,342,445.01)
IAS adjustments	22,459,594.20
<b>Purchase price of the portfolio</b>	<b>3,913,159,845.33</b>

Fourth portfolio purchased on 27 May 2011 (Banca Antonveneta S.p.A., now Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	2,343,824,924.31
Accrued interest	2,359,858.08
Provision for bad debts	(1,888,674.24)
IAS adjustments	42,877,968.16
<b>Purchase price of the portfolio</b>	<b>2,387,174,076.31</b>

Fifth portfolio purchased on 20 September 2011 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	2,323,368,354.65
Accrued interest	7,991,831.94
Provision for bad debts	(4,131,190.12)
IAS adjustments	2,325,918.35
<b>Purchase price of the portfolio</b>	<b>2,329,554,914.82</b>

Sixth portfolio purchased on 17 June 2013 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	415,948,266.41
Accrued interest	632,381.75
Provision for bad debts	(762,070.70)
IAS adjustments	308,989.83
<b>Purchase price of the portfolio</b>	<b>416,127,565.07</b>

Seventh portfolio purchased on 21 September 2015 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
Nominal value of the portfolio	1,529,531,983.17
Accrued interest	2,719,865.56
Provision for bad debts	(3,526,360.29)
IAS adjustments	(7,691,779.57)
Deferred interest	8,125,671.35
<b>Purchase price of the portfolio</b>	<b>1,529,159,380.22</b>

Eighth portfolio purchased on 31 October 2016 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
Nominal value of the portfolio	775,933,585.10
Accrued interest	1,667,450.18
Provision for bad debts	(1,556,285.82)
IAS adjustments	(2,515,455.07)
Deferred interest	2,056,765.31
<b>Purchase price of the portfolio</b>	<b>775,586,059.70</b>

Ninth portfolio purchased on 22 December 2016 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
Nominal value of the portfolio	237,758,336.87
Accrued interest	423,135.44
Provision for bad debts	(1,532,693.28)
IAS adjustments	(359,323.70)
Deferred interest	1,883,317.21
<b>Purchase price of the portfolio</b>	<b>238,172,772.54</b>

Tenth portfolio purchased on 3 May 2018 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
Nominal value of the portfolio	1,311,870,106.96
Accrued interest	2,643,150.59
Provision for bad debts	(3,700,792.95)
IAS adjustments	(4,986,514.55)
Deferred interest	2,221,786.24
<b>Purchase price of the portfolio</b>	<b>1,308,047,736.29</b>

Eleventh portfolio purchased on 27 February 2019 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	1,809,753,192.78
Accrued interest	2,063,225.46
Provision for bad debts	(2,961,996.23)
IAS adjustments	(1,232,018.90)
Deferred interest	1,062,517.61
<b>Purchase price of the portfolio</b>	<b>1,808,684,920.72</b>

Twelfth portfolio purchased on 16 October 2019 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	1,262,890,757.50
Accrued interest	784,999.95
Provision for bad debts	(788,579.49)
IAS adjustments	377,856.88
Deferred interest	457,379.46
<b>Purchase price of the portfolio</b>	<b>1,263,722,414.30</b>

Thirteenth portfolio purchased on 15 June 2020 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	1,433,158,855.16
Accrued interest	781,895.30
Provision for bad debts	(917,674.56)
IAS adjustments	517,334.54
Deferred interest	251,970.00
<b>Purchase price of the portfolio</b>	<b>1,433,792,380.44</b>

Fourteenth portfolio purchased on 18 May 2021 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	1,665,859,005.89
Accrued interest	876,425.36
Provision for bad debts	(2,705,352.76)
IAS adjustments	(665,795.61)
Deferred interest	2,132,533.11

<b>Purchase price of the portfolio</b>	<b>1,665,496,815.99</b>
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Fifteenth portfolio purchased on 20 June 2022 (Banca Monte dei Paschi di Siena S.p.A.):

<b>Description</b>	<b>Amount</b>
Nominal value of the portfolio	912,293,907.47
Accrued interest	802,771.83
Provision for bad debts	(1,639,014.31)
IAS adjustments	(541,653.53)
Deferred interest	510,389.17
<b>Purchase price of the portfolio</b>	<b>911,426,400.63</b>

The subordinated loans disbursed by Banca Monte dei Paschi di Siena S.p.A. are regulated by the following terms and conditions:

- A base interest rate, applied to each programme line, which accrues for each related interest period, equal to the sum of EURIBOR and margin;
- A linked interest rate, applied to each fixed-rate line or variable-rate line, as the case may be, which accrues for each related interest period, equal to the fixed or variable rate of interest to be paid on the corresponding series or tranche of covered bonds issued;
- A premium (if any) on each subordinated loan disbursed in the form of a programme line, in addition to the base interest rate and payable on each payment date of the Company, corresponding to the difference between the funds available to the guarantor and any other amount whose payment is due on a priority basis in accordance with the priority order of payments.

The loan disbursed in the form of a programme line may be reimbursed (i) in whole or in part, on each payment date in accordance with the applicable priority order of payments and within the limits of available funds, provided that such payment does not result in a violation of the tests contained in the contracts; and/or (ii) on the maturity date of the series of covered bonds issued pursuant to the Programme, which is the last series to mature, again in accordance with the applicable priority order of payments and within the limits of available funds.

The loan disbursed in the form of a fixed-rate line and a variable-rate line may be reimbursed (i) in whole or in part, on the maturity date of the linked series of covered bonds issued pursuant to the Programme, in accordance with the applicable priority order of payments and within the limits of available funds; (ii) in whole or in part, in advance, using the funds arising from the disbursement of another subordinated loan, in the form of both a fixed-rate line and a variable-rate line, but only for an



amount equal to a corresponding series or tranche of covered bonds to be issued at the same time as the date of repayment of the loan itself.

Section L is dedicated to the information relating to the covered bond transaction.

## INFORMATION RELATING TO THE SUMMARY STATEMENT

Based on the information reported in the paragraph on Securitisation transactions of Part A.1, Section 1 and Section 2, the structure and form of the summary statement are in line with the Instructions that were issued by the Bank of Italy by Order dated 15 December 2015.

It should be noted that, pending official rulings in this regard, these policies are not affected by the measurement changes made by Legislative Decree 139/15. The accounting policies applied are, in fact, the most suitable option to reflect the financial features of the specific nature of the Company's business and to allow the reconciliation of these financial statements and the remaining financial reporting that is required to be submitted by the Company.

The entries connected to the securitised receivables relating to the segregated assets correspond to the values inferred from the accounting and from the IT system of the Servicer, Banca Monte dei Paschi di Siena S.p.A., as it has appropriately notified in accordance with the provisions of the Servicing Agreement.

### **A. Assets purchased**

#### **A.1 Receivables**

Receivables have been entered at their assignment value and were recognised, during the transaction, net of the receipts that were collected during the period. As at the closing date, their value was possibly decreased in order to adjust it at the presumed realisable value as notified by the Servicer for the transaction.

#### **A.3 Other assets**

They include accruals for interest income which accrued on an accruals basis and which are considered to be recoverable.

### **B. Uses of liquidity**

#### **B. 3 Cash**

The credit balances in current accounts held with banks are entered in the Financial Statements at their nominal value, corresponding to their presumed realisable value and include the interest accrued at the date of these Financial Statements.

#### **B.5 Accrued income and prepaid expenses**

Accrued income and prepaid expenses have been calculated on an accruals basis, by applying the principle of matching costs to revenues per financial year.

## **B.6 Other Receivables**

Receivables have been calculated on an accruals basis, by applying the principle of matching costs to revenues per financial year.

The withholding taxes applied to the Company represent the deductions applied to interest income accrued on current accounts opened in favour of the segregated assets at the reporting date. This receivable is shown at its presumed realisable value.

## **D. Loans received**

The amount is entered at its face value.

## **E. Other liabilities**

Payables are entered at their nominal value.

Accrued expenses have been calculated on an accruals basis, by applying the principle of matching costs to revenues per financial year.

## **Interest, commissions, income and charges**

Costs and revenues referable to assets purchased and to the loans received, interest, commissions, income and charges arising from the covered bond transaction have been accounted for according to the matching principle.

## **Derivative contracts**

The differential on the Interest Rate Swap agreement, which is entered into in order to hedge the risk attached to interest rate fluctuations, is recognised under income or charges on an accruals basis.

## **Settlement of segregated assets**

From the Summary Statement, table L.1, it can be inferred that the financial year closed with a profit, intended to constitute a Surplus for the period, aimed at completely balancing the Deficit dating back to previous periods.

The additional positive margin accrued during the year was attributed to the Originator in the form of additional interest on loans.

### **RECONCILIATION OF STATEMENT L.1**

TOTAL ASSETS	12,428,883,840
TOTAL LIABILITIES	12,428,883,840
<b>FINANCIAL DIFFERENCE</b>	<b>0</b>
RESULTS FROM PREVIOUS YEARS	(56,650,155)
<b>RESULT FROM THE TRANSACTION FOR THE CURRENT FINANCIAL YEAR</b>	<b>56,650,155</b>

**TABLE 1: SUMMARY STATEMENT OF SECURITISED ASSETS AND LOANS RECEIVED**

<b>STATEMENT L.1</b>		<b>31/12/2022</b>	<b>31/12/2021</b>
<b>A.</b>	<b>Securitized assets</b>	<b>11,731,983,595</b>	<b>12,106,485,391</b>
A.1	Receivables	11,727,561,181	12,103,591,926
A.3	Other assets	4,422,413	2,893,465
<b>B.</b>	<b>Use of liquidity from management of receivables</b>	<b>696,900,245</b>	<b>228,391,236</b>
B.3	Cash	683,744,915	211,869,894
B.5	Accrued income and prepaid expenses	13,094,259	13,252,462
B.6	Other receivables	61,071	3,268,880
<b>D.</b>	<b>Loans received</b>	<b>12,416,259,359</b>	<b>12,385,094,255</b>
<b>E.</b>	<b>Other liabilities</b>	<b>12,624,482</b>	<b>6,432,527</b>
E.1	Suppliers for services rendered to securitisation	3,737,219	3,750,077
E.2	Accrued expenses and deferred income	7,223,657	0
E.3	Payables to the Originator	1,661,060	2,679,233
E.4	Sundry Payables	2,545	3,217
<b>G.</b>	<b>Transaction commissions and fees</b>	<b>12,373,426</b>	<b>12,810,643</b>
G.1	For Servicing	12,063,922	12,514,165
G.2	For other services	309,504	296,477
<b>H.</b>	<b>Other charges</b>	<b>195,113,165</b>	<b>259,634,920</b>
H.1	Value adjustments to receivables	2,849,079	12,844,150
H.2	Interest expense	191,965,908	245,855,315
H.4	Other charges	298,178	935,455
<b>I.</b>	<b>Interest generated from securitized assets</b>	<b>227,282,240</b>	<b>198,107,170</b>
<b>L.</b>	<b>Other revenues</b>	<b>36,854,505</b>	<b>28,778,348</b>
L.1	Interest income	1,421,518	0
L.2	Value write-backs on receivables	10,519,915	5,220,084
L.3	Swap differential receivable	12,744,577	23,322,182
L.4	Other revenues	12,168,495	236,081

For the comments on the notes under the statement above, reference is made to the following pages.

<b>STATEMENT L.1 – BREAKDOWN OF ITEMS</b>		<b>31/12/2022</b>	<b>31/12/2021</b>
<b>A.1</b>	<b>Receivables</b>	<b>11,727,561,181</b>	<b>12,103,591,926</b>
a.	Amounts falling due – capital quota	11,650,732,536	12,049,200,046
b.	Adjustment to the value of receivables at amortised cost	10,210,414	(904,900)
c.	Receivables for default interest	9,574	9,859
d.	Loan instalments fallen due – capital quota	57,464,333	57,773,109
e.	Receivables for deferred interest (*)	34,096,758	37,932,035
f.	Loan instalments fallen due – interest	25,240,250	15,803,721
g.	Provision for write-down of purchased receivables	(50,183,110)	(56,212,085)
h.	Provision for bad debts for default interest	(9,574)	(9,859)
<b>A.3</b>	<b>Other assets</b>	<b>4,422,413</b>	<b>2,893,465</b>
a.	Accrued interest income from loans	4,422,413	2,893,465
<b>B.3</b>	<b>Cash</b>	<b>683,744,915</b>	<b>211,869,894</b>
a.	Main program account	597,872,196	168,303,947
b.	Reserve account	82,319,583	42,682,741
c.	Collection account	3,519,723	882,021
d.	Swap Collateral Account GBP	1,125	1,186
e.	Banks on account of interest to be paid	32,289	0
<b>B.5</b>	<b>Accrued income and prepaid expenses</b>	<b>13,094,259</b>	<b>13,252,462</b>
a.	Accrued income on intercompany swap	13,075,342	13,232,877
b.	Prepaid expenses	18,917	19,585
<b>B.6</b>	<b>Other receivables</b>	<b>61,071</b>	<b>3,268,880</b>
a.	Withholding tax receivables from the Tax Office on interest income from current accounts	61,071	49,726
b.	Group on account of VAT	0	0
c.	Advances for recurring operations	0	36,387
d.	Suppliers on account of advances	0	3,182,766
<b>D.</b>	<b>Loans received</b>	<b>12,416,259,359</b>	<b>12,385,094,255</b>
a.	Subordinated loans	12,273,325,452	12,311,899,052
b.	Interest debt from subordinated loan	114,551,632	73,195,203
c.	Payables for subordinated loan	28,382,275	0
<b>E.1</b>	<b>Suppliers for services rendered to securitisation</b>	<b>3,737,219</b>	<b>3,750,077</b>
a.	Suppliers on account of invoices to be received	3,705,157	3,752,927
b.	Suppliers	32,062	(2,850)
<b>E.2</b>	<b>Accrued expenses and deferred income</b>	<b>7,223,657</b>	<b>0</b>
a.	Accrued expenses on intercompany swap	7,207,500	0
b.	Accrued expenses	16,157	0
<b>E.3</b>	<b>Payables to the Originator</b>	<b>1,661,060</b>	<b>2,679,233</b>
a.	Payables for undue receipts	640,959	1,595,599
b.	Payables for servicing fees	1,018,631	1,082,448
c.	Payables for undue sums	1,125	1,186
d.	Suspense collection account	345	0
<b>E.4</b>	<b>Sundry payables</b>	<b>2,545</b>	<b>3,217</b>
a.	Advances of expenses for recurring operations	1,995	0
b.	Group on account of VAT	550	2750

c.	Withholding tax payables to the Tax Office under art. 25-25bis	0	467
<b>G.1</b>	<b>Servicing commissions</b>	<b>12,063,922</b>	<b>12,514,165</b>
a.	Servicing	12,063,922	12,514,165
<b>G.2</b>	<b>Commissions for other services</b>	<b>309,504</b>	<b>296,477</b>
	Corporate Expenses	124,406	123,007
	Ongoing Expenses	185,098	173,471
<b>H.1</b>	<b>Value adjustments to receivables</b>	<b>2,849,079</b>	<b>12,844,150</b>
a.	Write-down of receivables under IFRS9	2,849,365	12,848,757
b.	Write-down of default interest	(286)	(4,607)
<b>H.2</b>	<b>Interest expense</b>	<b>191,965,908</b>	<b>245,855,315</b>
a.	Interest expense on subordinated loans	104,497,983	101,643,941
b.	Interest expense on subordinated loans – additional remuneration	57,161,947	139,264,980
c.	Commissions expense	1,923,703	4,946,393
d.	Interest expense on subordinated loan	28,382,275	0
<b>H.4</b>	<b>Other charges</b>	<b>298,178</b>	<b>935,455</b>
a.	Legal and notarial fees	5,114	10,931
b.	Contingent liabilities	0	12
c.	Translation expenses	3,538	3,538
d.	Insurance premiums	2,409	1,159
e.	Bank charges and expenses	56	142
f.	Up-front expenses	24,400	12,200
g.	Charges for IAS adjustments	257,099	901,620
h.	Publication expenses	5,562	5,853
<b>I.</b>	<b>Interest generated from securitised assets</b>	<b>227,282,240</b>	<b>198,107,170</b>
a.	Interest income from loans	231,628,192	199,132,644
b.	Non-recurring charges on interest income	(4,345,666)	(1,020,868)
c.	Default interest income	(286)	(4,607)
<b>L.1</b>	<b>Interest income</b>	<b>1,421,518</b>	<b>0</b>
a.	Interest income from collection account	43,633	0
b.	Interest income from reserve account	210,199	0
c.	Interest income from investment account	481,814	0
d.	Interest income from main collection account	685,872	0
<b>L.2</b>	<b>Value write-backs on receivables</b>	<b>10,519,915</b>	<b>5,220,084</b>
a.	Value write-backs on receivables	10,519,915	5,220,084
<b>L.3</b>	<b>Swap differential receivable</b>	<b>12,744,577</b>	<b>23,322,182</b>
a.	Charges/income from swap	12,744,577	23,322,182
<b>L.4</b>	<b>Other revenues</b>	<b>12,168,495</b>	<b>236,081</b>
a.	Penalties receivable from third parties for damages	254,429	236,081
b.	Revenues for IAS adjustments	11,914,066	0

(\*) The account reflects the balance reported by Banca Monte dei Paschi di Siena S.p.A. separately from the IT flows used to update the performance of securitised portfolio for accounting purposes.

## QUALITATIVE INFORMATION

### L.2 DESCRIPTION AND PERFORMANCE OF THE TRANSACTION

#### Date of the transaction

The transaction was completed through the execution of the assignment agreement of receivables on 25 May 2010. This agreement regulates the assignment of the initial portfolio of receivables and the subsequent assignments which will be included in a single issue of covered bonds issued by Banca Monte dei Paschi di Siena S.p.A., in the context of which the Company acts in the capacity as Guarantor through the provision of an irrevocable, unconditional and autonomous first-demand guarantee in favour of the holders of covered bonds.

- |   |            |
|---|------------|
| ➤ Date of the agreement of Initial Assignment (legal effect):                                   | 25/05/2010 |
| ➤ Effective date of the economic effects of the Initial Assignment:                             | 21/05/2010 |
| ➤ Valuation date of the Initial Portfolio:  | 21/05/2010 |
| ➤ Date of issue by Banca Monte dei Paschi di Siena S.p.A. of the first series of covered bonds: | 30/06/2010 |
| ➤ Date of signature of the guarantee on covered bonds:  | 25/05/2010 |
| ➤ Date of disbursement of the Subordinated Loan:  | 25/05/2010 |

#### Assignor

- |  |   |
|--|---|
| ➤ Company/Business Name:                 | Banca Monte dei Paschi di Siena S.p.A.            |
| ➤ Legal status:                          | Joint-stock company ( <i>Società per azioni</i> ) |
| ➤ Registered Office:                     | Piazza Salimbeni no. 3, 53100 Siena               |
| ➤ Fiscal code and Register of Companies: | 00884060526                                       |
| ➤ Register of Banks:                     | 5274  |
| ➤ Banking group:                         | Monte dei Paschi Banking Group                    |

## Assigned receivables

The Assignor has assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including Euro 4,416,091,531.98. accruing interest, adjustment to amortised cost and to the provision for bad debts): The consideration for the portfolio has been fully financed through the granting by the assignor of a subordinated loan to the guarantor.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 63 of 29 May 2010, also in order to notify the debtors that the assignment had taken place.
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 29 November 2010 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a second portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.



- Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): Euro 2,409,924,688.18. Euro 2.409.924.688,18  
The consideration for the portfolio has been financed through the granting by the assignor of a subordinated loan to the guarantor in an amount of Euro 2,085,477,685.18, from the amount of Available Funds in Capital Accounts equal to Euro 124,447,003 and from the Amount of Integration Eligible Assets available in the Guarantor's Accounts arising from a subordinated loan granted by the Assignor on 30 September 2010, equal to Euro 200,000,000. Il corrispettivo per il p... finanziato mediante la parte del cedente subordinato al garante Euro 2.085.477.685,18 di Fondi Disponibili pari a Euro dall'Ammontare degli Integrativi disponibili Garante derivanti da subordinato concesso d 30 settembre 2010 200.000.000
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 143 of 2 December 2010, also in order to notify the debtors that the assignment had taken place. Le caratteristiche dei sono state dettagliatam Gazzetta Ufficiale part dicembre 2010, allo notificare l'avvenuta ce
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy. Al momento della c erano classificati come ai criteri applicati osservanza della no dalla Banca d'Italia.

On 28 February 2011 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a third portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing Euro 3,913,159,845.33.

interest, adjustment to amortised cost and to the provision for bad debts):

- Nature of purchased receivables: The consideration for the portfolio has been fully financed through the granting by the assignor of a subordinated loan to the guarantor. The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 25 of 3 March 2011, also in order to notify the debtors that the assignment had taken place.
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 27 May 2011 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a fourth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): Euro 2,387,174,076.31. The consideration for the portfolio has been fully financed through the granting by the assignor of a subordinated loan to the guarantor.

- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 63 of 4 June 2011, also in order to notify the debtors that the assignment had taken place.
  
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 21 September 2011 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a fifth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): Euro 2,329,554,914.82. The consideration for the portfolio has been financed through the granting by the assignor of a subordinated loan to the guarantor for an amount of Euro 1,779,554,914.82 and from the amount of Available Funds in Capital Accounts equal to Euro 550,000,000.00.

- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 111 of 24 September 2011, also in order to notify the debtors that the assignment had taken place.
  
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 17 June 2013 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a sixth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): Euro 416,127,565.07. The consideration for the portfolio has been financed through the granting by the assignor of a subordinated loan to the guarantor for an amount of Euro 116,127,565.07 and from the amount of Available Funds in Capital Accounts, equal to Euro 300,000,000.00.

- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 73 of 22 June 2013, also in order to notify the debtors that the assignment had taken place.
  
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 21 September 2015 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a seventh portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): Euro 1,529,159,380.22. The consideration for the portfolio has been financed through the granting by the assignor of a subordinated loan to the guarantor for an amount of Euro 529,159,380.22 and from the amount of Available Funds in Capital Accounts, equal to Euro 1,000,000,000.00.

- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 110 of 24 September 2015, also in order to notify the debtors that the assignment had taken place.
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 31 October 2016 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, an eighth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 775,586,059.70. The consideration for the portfolio has been financed in full through the granting by the assignor of a subordinated loan to the guarantor in the same amount.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 131 of 5 November 2016, also in order to notify the debtors that the assignment had taken place.

- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 22 December 2016 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a ninth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 238,172,772.54. The consideration for the portfolio has been financed in full through the use of Available Funds in the Company's Capital Accounts.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 154 of 31 December 2016, also in order to notify the debtors that the assignment had taken place.

- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 3 May 2018 the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a tenth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 1,308,047,736.29. The consideration for the portfolio has been financed in full through the assignor's granting of a subordinated loan of an equal amount to the guarantor.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 54 of 10 May 2018, also in order to notify the debtors that the assignment had taken place.
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.



On 27 February 2019, the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, an eleventh portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 1,808,684,920.72.  
The consideration for the portfolio has been partially financed through the granting by the assignor of a subordinated loan to the Company in an amount of Euro 808,684,920.72 and partially through the use of available funds on account of principal on the payment date falling on 29 March 2019 in an amount of Euro 1,000,000,000.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 28 of 7 March 2019, also in order to notify the debtors that the assignment had taken place.
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 16 October 2019, the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law

no. 130 of 30 April 1999, a twelfth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 1,263,722,414.30.  
The consideration for the portfolio has been financed in full through the assignor's granting of a subordinated loan of an equal amount to the guarantor.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 124 of 22 October 2019, also in order to notify the debtors that the assignment had taken place.
- Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 15 June 2020, the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a thirteenth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 1,433,792,380,44.  
The consideration for the portfolio has been financed in full

- through the granting by the assignor of a subordinated loan to the guarantor in the same amount.
- Nature of purchased receivables: The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no 71 of 18 June 2020, also in order to notify the debtors that the assignment had taken place.
  - Quality of receivables purchased: At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 18 May 2021, the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a fourteenth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

- Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts): Euro 1,665,496,815.99. The consideration for the portfolio has been financed partially through the granting by the assignor of a subordinated loan to the Company in an amount of Euro 1,165,320,539.19 and partially through the use of available funds on account of principal i) on the payment date falling on 30 June 2021 in an

amount of 500,000,000.00 and ii) on the payment date falling on 29 September 2021 in an amount of Euro 176,276.80 following the *Notice of adjustment to the Consideration for the Portfolio transferred on 18 May 2021*.

➤ Nature of purchased receivables:

The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no 60 of 22 May 2021, also in order to notify the debtors that the assignment had taken place.

➤ Quality of receivables purchased:

At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

On 20 June 2022, the Assignor assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of articles 1 and 4 of Law no. 130 of 30 April 1999, a fifteenth portfolio of monetary receivables and related accessory rights, classified as performing loans pursuant to the Supervision Instructions for Banks, arising from loan agreements, backed by mortgages on residential buildings, entered into by the Assignor in favour of individuals and companies.

➤ Price of assignment (including accruing interest, adjustment at amortised cost and the provision for bad debts):

Euro 911,426,400.63.

The consideration for the portfolio has been financed partially through the granting by the assignor of a subordinated loan to the Company in an

amount of Euro 261,426,400.63 and partially through the use of available funds on account of principal i) on the payment date falling on 30 June 2022 in an amount of 650,000,000.00.

➤ Nature of purchased receivables:

The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no 72 of 23 June 2022, also in order to notify the debtors that the assignment had taken place.

➤ Quality of receivables purchased:

At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

### **Performance of the transaction**

The transaction is being carried out regularly, no irregularities have been reported with respect to the provisions under the contractual documentation.

Specifically, in relation to the payments referable to the subordinated loan, it should be noted that, during the year just ending, the Company took steps to duly pay any accrued interest in accordance with the payment priority order prepared by the Computation Agent.

In accordance with the contract documentation of the Programme and according to the Tests, at the payment date falling on 29 September 2022, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 300,000,000.

It should be noted that, at the payment date falling on 3 January 2023, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 350,000,000, in accordance with the contract documentation of the Programme and according to the Tests.

### **Information relating to the performance of the receivables**

For monitoring purposes, Banca Monte dei Paschi di Siena S.p.A., as Pre-Issuer Default Test Calculation Agent, is required to arrange, on a quarterly basis, for the following tests:

- Nominal Value Test: the overall nominal value of the assets comprising the segregated assets must be equal at least to the nominal value of the Covered Bonds in place;
- Net Present Value Test: the present value of the assets comprising the segregated assets, net of all transaction costs to be borne by the Guarantor, including expected costs and charges from derivative contracts (if any) entered into to hedge financial risks in relation to the transaction, must be equal at least to the net present value of the Covered Bonds in place;
- Interest Coverage Test: interest and any other income generated from assets comprising the segregated assets, net of costs to be borne by the Guarantor, must be sufficient to cover interest and costs payable by the issuing bank on the Covered Bonds in place, taking account of derivative contracts (if any) entered into to hedge financial risks in relation to the transaction.

Banca Monte dei Paschi di Siena S.p.A., as Pre-Issuer Default Test Calculation Agent, is also required to arrange, on a monthly basis, for the following test:

- Asset Coverage Test: it verifies, in a dynamic manner, that the assets comprising the segregated assets, which are weighted differently according to the type and quality, are able to ensure the minimum level of overcollateralization required by rating agencies.

The compliance with the abovementioned ratios has been monitored by the Asset Monitor of the transaction, which prepares, on six-monthly basis, a Report relating to the verification of the arithmetic accuracy of the calculations made to determine the ratios through an autonomous recalculation and to the verification of the consistency of the calculation algorithm used to determine the value of the segregated assets and of the present value of Covered Bonds.

As regards the securitised portfolio, it should be noted that as at 31 December 2022, 50 securitised credit agreements, corresponding to Euro 4 million of remaining debt (equal to approximately 0.036% of the securitised portfolio) still benefitted from the moratoria provided for by the support measures adopted by the Italian government.

### **Other information relating to significant events**

With reference to the segregated assets, the covered bond transaction had a regular performance.

### L.3 INDICATION OF THE PARTIES INVOLVED

Guarantor of the CBs	MPS Covered Bond S.r.l.
Issue of the CBs	Banca Monte dei Paschi di Siena S.p.A.
Assignor	Banca Monte dei Paschi di Siena S.p.A.
Additional Assignor	Banca Antonveneta S.p.A. (now Banca Monte dei Paschi di Siena S.p.A.)
Originator	Banca Monte dei Paschi di Siena S.p.A.
Servicer	Banca Monte dei Paschi di Siena S.p.A.
Additional Servicer	Banca Antonveneta S.p.A. (now Banca Monte dei Paschi di Siena S.p.A.)
Guarantor Corporate Servicer	Securitisation Services S.p.A. (now Banca Finint S.p.A.)
Guarantor Calculation Agent	Securitisation Services S.p.A. (now Banca Finint S.p.A.)
Principal Paying Agent	The Bank of New York Mellon (Luxembourg) S.A., Italian Branch
Luxembourg Listing and Paying Agent	The Bank of New York Mellon (Luxembourg) S.A.
Representative of the Covered Bonds	BNY Corporate Trustee Services Limited
Asset Swap Provider	Banca Monte dei Paschi di Siena S.p.A. (until 20 December 2013)
Covered Bond Swap Provider	Banca Monte dei Paschi di Siena S.p.A. (until 20 December 2013) UBS Limited and Société Générale (from 20 December 2013), NatWest Markets Plc (formerly The Royal Bank of Scotland plc) (from 12 June 2014) and Credit Suisse International (from 9 July 2014 to 14 July 2015)
Cash Manager	Banca Monte dei Paschi di Siena S.p.A.
Test Calculation Agent	Banca Monte dei Paschi di Siena S.p.A.
Italian Account Bank	Banca Monte dei Paschi di Siena S.p.A.
English Account Bank	Banca Monte dei Paschi di Siena S.p.A. London Branch
English Back-Up Account Bank	The Bank of New York Mellon S.A./N.V., London Branch (English Account Bank as from 5 November 2010)
Subordinated Loan Provider	Banca Monte dei Paschi di Siena S.p.A.
Additional Subordinated Loan Provider	Banca Antonveneta S.p.A. (now Banca Monte dei Paschi di Siena S.p.A.)
Asset Monitor	Deloitte & Touche S.p.A.
German Paying Agent and Registrar	Deutsche Bank Aktiengesellschaft
Back-up Servicer Facilitator	Securitisation Services S.p.A. (now Banca Finint S.p.A.)
Back-up Servicer	Securitisation Services S.p.A. (now Banca Finint S.p.A.)

#### Obligations of the assignor

At the date of assignment, the Company in its capacity as Guarantor and Banca Monte dei Paschi di Siena S.p.A. in its capacity as assignor entered into a guarantee and indemnity agreement pursuant to which the assignor made specific representations and warranties in favour of the Guarantor in relation to the portfolio of receivables assigned and agreed to indemnify the Guarantor in relation to certain

costs, expenses and liabilities which the latter should incur in relation to the purchase and ownership of the portfolio.

For the illustration of any other possible obligations of the assignor and of any other party involved in the transaction for any reason whatsoever, reference is made to section L.5 Additional financial transactions.

### **Contractual relationships between the parties involved**

The Guarantor has appointed Banca Monte dei Paschi di Siena S.p.A. as Servicer for the management of receipts on the securitised portfolio. Pursuant to Law no. 130/1999, the Servicer is responsible for monitoring the transaction so that it may be carried out in accordance with law and the prospectus.

Any receipts from the receivables are transferred and paid to the Italian Collection Accounts, which are registered in the name of the Guarantor and held with the Italian Account Bank by the business day immediately after the date of the collection by the Servicer or by the Additional Servicer and automatically transferred to the Main Programme Account registered in the name of the Guarantor and held with the English Account Bank.

On the basis of the reports provided by the Servicer in relation to the performance of the transaction and, more specifically, to the receipts on receivables and the other items which contribute to the setting-up of the funds available to the Guarantor, Securitisation Services S.p.A. (now Banca Finint S.p.A.), in its capacity as Guarantor Calculation Agent, distributes these funds at each date of payment on account of fees and expenses to the various persons which have been appointed to carry out specific functions for the segregated assets and by way of remuneration of the subordinated loan. Paragraph L.4 considers, more in detail, the funds available to the Guarantor and the priority order that it is required to comply with in order to make payments to the counterparties.

The management of administrative and accounting services is the responsibility of Securitisation Services S.p.A. (now Banca Finint S.p.A.), in the capacity as Guarantor Corporate Servicer.

The role of Representative of the Holders of covered bonds is carried out by BNY Corporate Trustee Services Limited.

### **L.4 CHARACTERISTICS OF THE ISSUES**

For information purposes, below is reported the following information relating to the bonds issued by Banca Monte dei Paschi di Siena S.p.A., for which the vehicle performs the duties of Guarantor.

Series	Series 1
ISIN Code	IT0004618226
Common Code	052139856
Date of issue	30/06/2010
Currency	Euro



Amount 1,000,000,000.00  
Type of rate Fixed  
Benchmark 3.125%  
Coupon Annual  
Applicable law Italian law  
Duly repaid on the maturity date of 30 June 2015.

Series Series 2  
ISIN Code IT0004627789  
Common Code 053104592  
Date of issue 03/08/2010  
Currency Euro  
Amount 1,000,000,000.00  
Type of rate Variable  
Benchmark 6-month EURIBOR + spread of 0.90% p.a.  
Coupon Six-monthly  
Applicable law Italian law  
Repaid in advance and cancelled on 30 August 2012.

Series Series 3  
ISIN Code IT0004640881  
Common Code 054323549  
Date of issue 23/09/2010  
Currency Euro  
Amount 1,250,000,000.00  
Type of rate Fixed  
Benchmark 2.50%  
Coupon Annual  
Applicable law Italian law  
Duly repaid on the maturity date of 23 September 2013.

Series Series 4  
ISIN Code IT0004689912  
Common Code 059089285  
Date of issue 09/02/2011  
Date of issue of 2nd tranche 28/03/2011  
Date of issue of 3rd tranche 19/08/2011  
Currency Euro  
Amount 1,000,000,000.00  
Amount of 2nd tranche 470,000,000.00  
Amount of 3rd tranche 400,000,000.00  
Type of rate Fixed  
Benchmark 5.00%  
Coupon Annual  
Applicable law Italian law  
Third tranche repaid in advance and cancelled on 29 June 2012.

Series Series 5  
ISIN code IT0004702251  
Common Code 060625301

Date of issue	15/03/2011
Currency	Euro
Amount	1,250,000,000.00
Type of rate	Fixed
Benchmark	4.875%
Coupon	Annual
Applicable law	Italian law

Duly repaid on the maturity date of 15 September 2016.

Series	Series 6
ISIN Code	IT0004754674
Common Code	066404307
Date of issue	12/08/2011
Currency	Euro
Amount	1,600,000,000.00
Type of rate	Fixed
Benchmark	3.25%
Coupon	Annual
Applicable law	Italian law

From 20 February 2012:

Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 1.80% p.a.
Coupon	Quarterly
Applicable law	Italian law

Duly repaid on the maturity date of 2 January 2014.

Series	Series 7
ISIN Code	IT0004765696
Common Code	068561957
Date of issue	27/09/2011
Currency	Euro
Amount	1,000,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 1.80% p.a.
Coupon	Quarterly
Applicable law	Italian law

Duly repaid on the maturity date of 1 July 2014.

Series	Series 1 – RCB
ISIN Code	IT0004721541
Date of issue	13/05/2011
Currency	Euro
Amount	75,000,000.00
Type of rate	Fixed
Benchmark	5.375%
Coupon	Annual
Applicable law	Italian/German law

Series	Series 2 – RCB
ISIN Code	IT0004721558
Date of issue	13/05/2011

Currency Euro  
Amount 75,000,000.00  
Type of rate Fixed  
Benchmark 5.500%  
Coupon Annual  
Applicable law Italian/German law

Series Series 3 – RCB  
ISIN Code IT0004721566  
Date of issue 13/05/2011  
Currency Euro  
Amount 50,000,000.00  
Type of rate Zero coupon  
Applicable law Italian/German law

Series Series 8  
ISIN Code IT0004985195  
Common Code 101165949  
Date of issue 27/12/2013  
Currency Euro  
Amount 500,000,000.00  
Type of rate Variable  
Benchmark 3-month EURIBOR + spread of 2.00% p.a.  
Coupon Quarterly  
Applicable law Italian law  
Repaid in advance and cancelled on 17 September 2014.

Series Series 9  
ISIN Code IT0004985211  
Common Code 101166023  
Date of issue 27/12/2013  
Currency Euro  
Amount 500,000,000.00  
Type of rate Variable  
Benchmark 3-month EURIBOR + spread of 2.00% p.a.  
Coupon Quarterly  
Applicable law Italian law  
Duly repaid on the maturity date of 29 September 2015.

Series Series 10  
ISIN Code IT0004985245  
Common Code 101166139  
Date of issue 27/12/2013  
Currency Euro  
Amount 500,000,000.00  
Type of rate Variable  
Benchmark 3-month EURIBOR + spread of 2.00% p.a.  
Coupon Quarterly  
Applicable law Italian law  
Repaid in advance and cancelled on 3 April 2014.

Series	Series 11
ISIN Code	IT0004999162
Common Code	103392969
Date of issue	20/02/2014
Currency	Euro
Amount	400,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 2.00% p.a.
Coupon	Quarterly
Applicable law	Italian law

Repaid in advance and cancelled on 3 April 2014.

Series	Series 12
ISIN Code	IT0004999196
Common Code	103398576
Date of issue	20/02/2014
Currency	Euro
Amount	400,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 2.00% p.a.
Coupon	Quarterly
Applicable law	Italian law

Repaid in advance and cancelled on 29 March 2016.

Series	Series 13
ISIN Code	IT0004999204
Common Code	103405548
Date of issue	20/02/2014
Currency	Euro
Amount	500,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 2.00% p.a.
Coupon	Quarterly
Applicable law	Italian law

Series	Series 14
ISIN Code	IT0004999246
Common Code	103405823
Date of issue	20/02/2014
Currency	Euro
Amount	500,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 2.00% p.a.
Coupon	Quarterly
Applicable law	Italian law

Duly repaid on the maturity date of 29 September 2017.

Series	Series 15
ISIN Code	IT0005013971
Common Code	105910592

Date of issue	17/04/2014
Currency	Euro
Amount	1,000,000,000.00
Type of rate	Fixed
Benchmark	2.875%
Coupon	Annual
Applicable law	Italian law

Duly repaid on the maturity date of 16 April 2021.

Series	Series 16
ISIN Code	IT0005038283
Common Code	108827572
Date of issue	16/07/2014
Date of issue of the 2nd tranche	26/09/2014
Currency	Euro
Amount	1,000,000,000.00
Amount of the 2nd tranche	500,000,000.00
Type of rate	Fixed
Benchmark	2.875%
Coupon	Annual
Applicable law	Italian law

Series	Series 17
ISIN Code	IT0005140188
Common Code	131317824
Date of issue	28/10/2015
Currency	Euro
Amount	750,000,000.00
Type of rate	Fixed
Benchmark	1.250%
Coupon	Annual
Applicable law	Italian law

Duly repaid on the maturity date on 20 January 2022.

Series	Series 18
ISIN Code	IT0005151854
Common Code	132653607
Date of issue	26/11/2015
Currency	Euro
Amount	1,000,000,000.00
Type of rate	Fixed
Benchmark	2.125%
Coupon	Annual
Applicable law	Italian law

Series	Series 19
ISIN Code	IT0005200024
Common Code	143814556
Date of issue	24/06/2016
Currency	Euro

Amount 500,000,000.00  
 Type of rate Variable  
 Benchmark 3-month EURIBOR + spread of 0.80% p.a.  
 Coupon Quarterly  
 Applicable law Italian law  
 Early repaid and cancelled on 12 January 2018.

Series Series 20  
 ISIN Code IT0005204349  
 Common Code 145236690  
 Date of issue 18/07/2016  
 Currency Euro  
 Amount 350,000,000.00  
 Type of rate Variable  
 Benchmark 3-month EURIBOR + spread of 0.80% p.a.  
 Coupon Quarterly  
 Applicable law Italian law  
 Early repaid and cancelled on 22 January 2018.

Series Series 21  
 ISIN Code IT0005218307  
 Common Code 150849284  
 Date of issue 20/10/2016  
 Currency Euro  
 Amount 700,000,000.00  
 Type of rate Variable  
 Benchmark 3-month EURIBOR + spread of 0.80% p.a.  
 Coupon Quarterly  
 Applicable law Italian law  
 Early repaid and cancelled on 22 July 2019.

Series Series 22  
 ISIN Code IT0005221301  
 Common Code 152985789  
 Date of issue 02/12/2016  
 Currency Euro  
 Amount 450,000,000.00  
 Type of rate Variable  
 Benchmark 3-month EURIBOR + spread of 0.90% p.a.  
 Coupon Quarterly  
 Applicable law Italian law  
 Early repaid and cancelled on 18 January 2019.

Series Series 23  
 ISIN Code IT0005340499  
 Common Code -  
 Date of issue 01/08/2018  
 Currency Euro  
 Amount 750,000,000.00  
 Type of rate Variable

Benchmark 3-month EURIBOR + spread of 0.60% p.a.  
 Coupon Quarterly  
 Applicable law Italian law  
 Early repaid and cancelled on 3 January 2020.

Series Series 24  
 ISIN Code IT0005340507  
 Common Code -  
 Date of issue 01/08/2018  
 Currency Euro  
 Amount 750,000,000.00  
 Type of rate Variable  
 Benchmark 3-month EURIBOR + spread of 0.65% p.a.  
 Coupon Quarterly  
 Applicable law Italian law  
 Duly repaid on the maturity date on 30 June 2022.

Series Series 25  
 ISIN Code IT0005349037  
 Common Code -  
 Date of issue 24/10/2018  
 Currency Euro  
 Amount 500,000,000.00  
 Type of rate Variable  
 Benchmark 3-month EURIBOR + spread of 0.95% p.a.  
 Coupon Quarterly  
 Applicable law Italian law

Series Series 26  
 ISIN Code IT0005359507  
 Common Code 194513879  
 Date of issue 29/01/2019  
 Currency Euro  
 Amount 1,000,000,000.00  
 Type of rate Fixed  
 Benchmark 2.00% per year  
 Coupon Annual  
 Applicable law Italian Law

Series Series 27  
 ISIN Code IT0005386922  
 Common Code 206441178  
 Date of issue 08/10/2019  
 Currency Euro  
 Amount 1,000,000,000.00  
 Type of rate Fixed  
 Benchmark 0.875% per year  
 Coupon Annual  
 Applicable law Italian Law

Series Series 28

ISIN Code	IT0005447252
Common Code	-
Date of issue	10/06/2021
Currency	Euro
Amount	1,000,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 0.28% p.a.
Coupon	Quarterly
Applicable law	Italian law

Series	Series 29
ISIN Code	IT0005482606
Common Code	-
Date of issue	04/02/2022
Currency	Euro
Amount	750,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 0.23% p.a.
Coupon	Quarterly
Applicable law	Italian law

Series	Series 30
ISIN Code	IT0005499899
Common Code	-
Date of issue	05/07/2022
Currency	Euro
Amount	750,000,000.00
Type of rate	Variable
Benchmark	3-month EURIBOR + spread of 0.50% p.a.
Coupon	Quarterly
Applicable law	Italian law

### **Allocation of cash flows arising from the portfolio of receivables**

The allocation of the cash flows arising from the portfolio of purchased receivables follows the order provided for in the Intercreditor Agreement, or Agreement between the creditors.

The funds available to the Guarantor are allocated according to two priority orders relating to the application of the funds that are considered to be available on account of interest and on account of capital, which are reported below:

Priority order relating to the application of the funds that are considered to be available on account of interest:

- payment of corporate expenses and reinstatement of the Retention Amount;
- payment to the Representative of covered bonds;
- payments to the Company's Agents;
- payments on account of interest to the Swap counterparties;



- payment of interest on the Subordinated Loan;
- payment of the Required Reserve Amount (as defined in the contract documentation);
- in the case of a Servicer Termination Event, transfer of all remaining available funds to the Main Programme Account;
- other payments due to the Swap counterparty;
- transfer of the Interest Shortfall Amount (if any) occurring on the previous Payment Dates to the available funds on account of capital;
- payment of other amounts to the Main Assignor or to Additional Assignors (if any), arising from the Programme Documents;
- payment of an Additional Premium on the Subordinated Loan.

On 17 June 2011 some contract amendments were signed, which were aimed at changing the structure of the set of consecutive payments on account of interest.

The previous structure of the set of consecutive payments on account of interest provided for any available funds on account of interest to be used to pay any accrued interest payable on the subordinated loans disbursed in favour of the Company. Should these funds not be sufficient, the funds required to complete the payment should have also included any available funds on account of capital. The abovementioned amending agreements are aimed at preventing the use of receipts on account of capital for the payment of any accrued interest payable on the subordinated loans disbursed in favour of the Company, thus providing for the payment of interest on subordinated loans to be conditional on a sufficient amount of funds available to the Company on account of interest.

Priority order relating to the application of the funds that are considered to be available on account of interest as from June 2011:

- payment of corporate expenses and reinstatement of the Retention Amount;
- payment to the Representative of covered bonds;
- payments to the Company's Agents;
- payments on account of interest to the Swap counterparties;
- payment of the Required Reserve Amount (as defined in the contract documentation);
- payment of interest on the Subordinated Loan;
- in the case of a Servicer Termination Event, transfer of all remaining available funds to the Main Programme Account;
- other payments due to the Swap counterparty;
- transfer of the Interest Shortfall Amount (if any) occurring on the previous Payment Dates to the available funds on account of capital;
- payment of other amounts to the Main Assignor or to Additional Assignors (if any), arising from the Programme Documents;

- payment of an Additional Premium on the Subordinated Loan.

Priority order relating to the application of the funds that are considered to be available on account of capital:

- transfer of the Interest Shortfall Amount (if any) occurring on the current payment date to the available funds on account of interest;
- payment of the price of new portfolios and/or of Top-Up Assets and/or of other Eligible Assets (as defined in the contract documentation) not financed through the funds arising from the execution of an additional subordinated loan;
- payment on account of capital to the Swap counterparties;
- repayment (if any) of the Subordinated Loan on account of capital.

## **L.5 ADDITIONAL FINANCIAL TRANSACTIONS**

The contract documentation relating to the Programme provides for a cash reserve (Required Reserve Amount) to be set aside, the amount of which is recalculated on each Payment Date of the Guarantor.

The reserve is aimed at providing the Company, in the case of default of Banca Monte dei Paschi S.p.A. as Issuer close to a payment date of covered bonds, with the liquid funds required to make payments of interest due under the guarantee in the three months after the calculation of the Reserve, so as to be able to use a cash reserve in favour of the holders of Covered Bonds.

Following the contract amendments completed on 14 July 2015, the reserve is calculated as the sum of i) any amounts due by the Company a) for any payment, cost, expense or tax to be paid in order to preserve the existence of the Guarantor or to maintain it in good standing, or in accordance with applicable laws and regulations, and b) for the remuneration of the Principal Servicer or of Additional Servicers (if any) and ii) of an amount that is alternatively equal to: a) the sum of interest payable in the subsequent six months on the Covered Bonds for which Banca Monte dei Paschi S.p.A. should act, at the time of the calculation of the reserve, as a “Covered Bond Swap Counterparty” within the Programme or in the case of the lack of a Covered Bond Swap contract with reference, from time to time, to each individual series of Covered Bonds, or b) the sum of the amounts due by the Guarantor to the Swap Counterparty in the subsequent six months and on the basis of the “Covered Bond Swap Agreements” relating to the Covered Bonds, during which a Covered Bond Swap contract should be in force with reference, from time to time, to each individual series of Covered Bonds, but in the event that Banca Monte dei Paschi S.p.A. should not act, at the time of the calculation of the reserve, as a Covered Bond Swap Counterparty within the Programme.

On 18 June 2010 MPS Covered Bond S.r.l. entered into an Interest Rate Swap contract in order to hedge interest rate risks arising from the misalignment between interest income flows on the portfolio of purchased receivables (Cover Pool) and the performance of 3-month EURIBOR (Asset Swap).

Furthermore, on 28 June 2010, and at the same time as each of the subsequent issues of Covered Bonds, MPS Covered Bond S.r.l. entered into an Interest Rate Swap contract in order to hedge interest rate, currency or any other risks arising from the misalignment between the sum of interest income flows on the Cover Pool and of the flows arising from the Asset Swap, and the flows of interest payable by the Guarantor in relation to the subordinated loan, or in the case of the Default of the Issuer, the flows of interest payable by the Guarantor itself in relation to the Covered Bonds (Covered Bond Swap).

On 21 September 2010 Banca Monte dei Paschi di Siena S.p.A. was affected by the downgrade by the Rating Agency Fitch Ratings Ltd. of the long-term rating from and of the short-term rating. As a result, Banca Monte dei Paschi di Siena S.p.A. transferred liquid funds, in order to maintain the role of Swap counterparty to the transaction, to a new current account named Swap Collateral Account, which was held with the English Back Up Account Bank and which was registered in the name of the Guarantor, as security, in accordance with the provisions laid down in the contract Documentation.

Following the additional downgrades involving Banca Monte dei Paschi di Siena S.p.A., the latter was no longer eligible to act as a swap counterparty within the contracts entered into to hedge interest rate risks in accordance with the criteria applied by the rating agencies.

Therefore, on 20 December 2013 there was a restructuring of the interest rate risk hedging contracts in place. Specifically, the following events occurred:

- the termination by mutual agreement of all the contracts entered into to hedge interest rate risks arising from the assets comprising the overall portfolio of receivables owned by the Company, whose effects ceased to apply as from 20 December 2013;
- the termination by mutual agreement of some contracts entered into to hedge interest rate risks with reference to Series 1 (ISIN IT0004618226) issued on 30 June 2010 and to the three Series of Registered Covered Bonds issued on 13 May 2011, whose effects ceased to apply as from 20 December 2013;
- a reduction in minimum ratings set out in the interest rate risk hedging contracts, which are currently reported in the contract documentation of the Programme, in order to bring them into line with the criteria applied by the rating agencies in consideration of the present rating assigned to the Programme itself;
- the appointment of UBS Limited as the new swap counterparty to the hedging contracts still in place, with reference to Series 4 (ISIN IT0004689912) issued on 9 February 2011 and the appointment of Société Générale with reference to Series 5 (ISIN IT0004702251) issued on 15 March 2011 and to Series 4 2<sup>a</sup> tranche (ISIN IT0004689912) issued on 28 March 2011.

Following the termination by mutual agreement of all the interest rate risk hedging contracts in place with Banca Monte dei Paschi di Siena S.p.A., an amount of liquid funds was returned to Banca Monte dei Paschi di Siena S.p.A., which had been paid to the current account named Swap Collateral

Account, held with the English Back Up Account Bank and registered in the name of the Guarantor, as security, in accordance with the provisions laid down in the contract Documentation.

On 12 June 2014 NatWest Markets Plc (formerly The Royal Bank of Scotland Plc) was appointed as the new additional swap counterparty to the Programme.

On 9 July 2014 Credit Suisse International was appointed as the new additional swap counterparty to the Programme.

On 14 July 2015 the swap counterparty NatWest Markets Plc (formerly The Royal Bank of Scotland Plc) (which was already a party to the Programme) replaced Credit Suisse International in the contract obligations still in place.

Furthermore, the Company entered into, at the same time as the issue of the fifteenth and sixteenth series of Covered Bonds, an Interest Rate Swap contract in order to hedge interest rate, currency or any other risks arising from the misalignment between the sum of interest income flows on the Cover Pool and the flows of interest payable by the Guarantor in relation to the subordinated loan, or in the case of the Default of the Issuer, the flows of interest payable by the Guarantor itself in relation to the Covered Bonds (Covered Bond Swap).

As it did not meet the minimum rating requirements set out in the contract documentation, NatWest Markets Plc (formerly The Royal Bank of Scotland Plc) was required, in order to act as a Swap counterparty to the transaction, to pay liquid funds to current accounts named RBS Swap Collateral Accounts, which were held with the English Back Up Account Bank and which were registered in the name of the Guarantor, as security, in accordance with the provisions laid down in the contract Documentation. Following an upgrade of NatWest Markets Plc (formerly Royal Bank of Scotland Plc) on the part of the Moody's Investors Service Rating Agency on 24 November 2020, it is no longer necessary as per contract to pay cash and cash equivalents as security, in favour of the Guarantor; as a result, the current accounts named as RBS Swap Collateral Accounts showed a balance equal to zero as at the reporting date of the Financial Year.

## **L.6 OPERATIONAL POWERS OF THE ASSIGNEE COMPANY**

The Company, as assignee and guarantor, has operational powers limited by its articles of association. Specifically, section 3 provides that:

“The sole purpose of the Company is the acquisition from banks of the assets listed below, for valuable consideration, within one or more issues (including both single transactions and issue programmes) of covered bonds (*Obbligazioni Bancarie Garantite*) implemented pursuant to article 7-bis of Law no. 130 of 30 April 1999, as possibly amended and supplemented and related implementing provisions:

- (i) land and mortgage loans, which can also be identified in bulk;
- (ii) receivables that are claimed from or secured by public authorities, which can also be identified in bulk;

(iii) securities issued within securitisation transactions concerning receivables that are of the same type;

(iv) additional eligible assets or integration eligible assets that are permitted by the aforesaid regulations;

through the raising of loans granted or secured also by the assignor banks, as well as the provision of guarantees issued by the same banks or by other banks.

The Company will carry out the abovementioned activities according to such terms and conditions and in such manners as those set out in the regulations applicable to the issues of covered bonds pursuant to article 7-bis of Law no. 130 of 30 April 1999, as possibly amended and supplemented and relating implementing provisions.

In accordance with the aforesaid provisions of law, the receivables and securities purchased by the Company and the amounts paid out by the related debtors are aimed at satisfying the claims, also pursuant to article 1180 of the Italian Civil Code, of the holders of the covered bonds referred to in article 7-bis, paragraph 1, of Law no. 130 of 30 April 1999, to the benefit of which the Company has provided guarantees, as well as of the counterparties to the derivative contracts entered into to hedge the risks associated with the receivables and securities purchased and to any other additional contract. They are also aimed at the payment of other transaction costs, on a priority basis with respect to the repayment of loans granted or secured also by the assignor banks pursuant to article 7-bis, paragraph 1, of Law no. 130 of 30 April 1999.

Any receivables and securities purchased by the Company in relation to each issue transaction or programme constitute assets which are separate for all purposes both from the Company's assets and from those relating to other issue transactions or programmes, in relation to which no actions may be taken by any creditors other than the holders of the covered bonds issued and by the additional creditors referred to in the previous paragraph.

Within the limits permitted by Law no. 130 of 30 April 1999 and related implementing provisions, the Company may also carry out additional transactions to be entered into for the provision of guarantees and the successful completion of the issues of covered bonds in which it participates or which are in any case instrumental to the achievement of its corporate purpose, as well as may carry out, in cases when it is permitted by the relevant regulations and according to the procedures and within the limits set out therein, transactions of re-investment in other financial assets of funds deriving from the management of the receivables and securities which are purchased and which are not immediately used to satisfy the rights of the holders of covered bonds and to pay transaction costs.

Within the transactions effected by it, and according to the procedures and in compliance with the provisions of law, the Company may appoint third-party persons for the collection of any purchased receivables and for the provision of cash and payment services; it may also carry out any other activity permitted by article 7-bis of Law no. 130/1999 and related implementing regulations.”

All the main operational activities connected with the management of the transaction have been contracted out to third parties (see point L.3).

## QUANTITATIVE INFORMATION

### L.7 FLOW DATA RELATING TO RECEIVABLES

Description	31/12/2022	From the date of inception to 31/12/2021
<b>Balance of receivables at the beginning of the Year</b>	<b>12,103,591,926</b>	<b>0</b>
<b>Increases:</b>		
Purchase of portfolios of receivables, including IAS value adjustments	912,293,907	24,778,823,203
Other Increases, of which:		0
Interest income	231,628,192	2,333,414,762
Deferred interest	0	24,865,459
Adjustment to the value of receivables at amortised cost	11,914,066	(68,926,922)
Penalties for early redemptions	254,429	3,355,433
Contingent assets	0	10,794,576
IAS adjustments	0	6,329,090
Value write-back on receivables	10,519,915	54,774,882
Value write-back on receivables under IFRS 9	0	2,593,766
Default interest income	(286)	(5,789)
Contingent items on default interest income	0	15,648
<b>Decreases:</b>		
Receipts from receivables	(1,501,817,691)	(13,685,665,187)
Charges on deferred interest income	(4,345,666)	(1,185,282)
Value adjustments to the provision for bad debts under IFRS9	(2,849,365)	(73,706,836)
Assignments to third parties, including IAS adjustments	(33,371,434)	(1,274,650,731)
Charges for IAS adjustments	(257,099)	(7,215,373)
Write-down of default interest	286	(3,424)
Contingent liabilities for write-down of default interest	0	(15,348)
<b>Balance of receivables at the end of the Year</b>	<b>11,727,561,181</b>	<b>12,103,591,926</b>

Pursuant to Section 18.1 (Repurchase Option) of the Master Assignment Agreement, the Main Assignor and/or, as the case may be, each Additional Assignor holds an option right according to which the Main Assignor and/or each Additional Assignor will be entitled to repurchase certain Assets before the occurrence of an Issuer Event of Default.

### L.8 TREND IN OVERDUE RECEIVABLES

Description	2022	2021
Opening Balance	73,576,830	67,113,156
Accrued		
Instalments	1,541,663,433	1,652,248,006
Instalments		
Collected	(1,532,535,679)	(1,645,784,332)
<b>Closing Balance</b>	<b>82,704,583</b>	<b>73,576,830</b>

In the table above the balance of receivables does not include the provisions for bad debts, receivables for default interest, receivables for deferred interest and the adjustment at amortised cost as a result of the transition to accounting standards IAS/IFRS.

The collection and recovery of overdue receivables are the responsibility of Banca Monte dei Paschi di Siena S.p.A. according to the Servicing Agreement.

The loans in the portfolio as at 31 December 2022 were adjusted, as appropriately disclosed by the Servicer, in order to align the carrying value of the securitised portfolio with their presumed realisable value, which reflects the actual prospects of their recovery.

During the transaction the Servicer continued to monitor the receivables and took recovery actions according to the manners set out in the Servicing Agreement.

## L.9 CASH FLOW

<b>Inflows</b>	<b>2022</b>	<b>2021</b>
1. Balance of current accounts and investments	211,869,894	645,175,233
2. Receipts from securitised loans (including repurchases)	1,540,774,841	1,651,212,156
3. Collection of Swap proceeds from Swap Counterparty	28,750,000	56,904,000
4. Collection of amounts not accrued	0	74
5. Collection of interest income from current accounts	1,410,173	0
<b>Total Inflows during the Year</b>	<b>1,782,804,908</b>	<b>2,353,291,462</b>
<b>Outflows</b>	<b>2022</b>	<b>2021</b>
1. Payment of Swap charges to Swap counterparty	8,640,389	13,273,028
2. Consideration for the Price relating to the purchased Portfolio	650,000,000	500,176,277
3. Interest expense on subordinated loan	120,303,502	235,931,554
4. Repayment of capital of the Subordinated Loan	300,000,000	1,370,000,000
5. Bank expenses and charges debited to current accounts	56	154
6. Corporate management expenses	37,698	81,363
7. Sundry payments to Suppliers	2,091,468	4,987,251
8. Fees due to the Servicer and return of payables for undue sums	17,986,820	16,971,941
9. Exchange differences	61	0
<b>Total Outflows during the Year</b>	<b>1,099,059,993</b>	<b>2,141,421,568</b>
<b>Balance of current accounts (Item B.3 of statement L.1)</b>	<b>683,744,915</b>	<b>211,869,894</b>

The imbalance between inflows and outflows represents the balance of current accounts at 31 December 2022 (item B.3 of the summary statement of securitised assets and loans received, net of letter f. banks on account of interest to be paid).



The receipts on securitised receivables differ from the information reported in point L.7 as they also include repurchases.

The amounts that were actually collected during 2022 totalled Euro 1.5 billion: the higher amount compared to expected receipts was due to early redemptions and repurchases on the part of the Assignor.

On the basis of the financial plans provided by the Servicer, it is expected that the receipts arising from receivables assigned by Banca Monte dei Paschi di Siena S.p.A. will come to about Euro 1 billion during 2023, on account of capital and interest.

#### **L.10 SITUATION OF GUARANTEES AND LIQUIDITY FACILITIES**

As pointed out in section L.5, in 2010 Banca Monte dei Paschi di Siena S.p.A. was affected by the downgrade by the Rating Agency Fitch Ratings Ltd. of the long-term rating and of the short-term rating. As a result, Banca Monte dei Paschi di Siena S.p.A. transferred liquid funds, in order to maintain the role of Swap counterparty to the transaction, to a new current account named Swap Collateral Account, which was held with the English Back Up Account Bank and which was registered in the name of the Guarantor, as security, in accordance with the provisions laid down in the contract documentation.

Following the termination by mutual agreement of all the interest rate risk hedging contracts in place with Banca Monte dei Paschi di Siena S.p.A., an amount of liquid funds was returned to Banca Monte dei Paschi di Siena S.p.A., which had been paid to the current account named Swap Collateral Account, held with the English Back Up Account Bank and registered in the name of the Guarantor, as security, in accordance with the provisions laid down in the contract Documentation.

As it did not meet the minimum rating requirements set out in the contract documentation, NatWest Markets Plc (formerly The Royal Bank of Scotland Plc) was required, in order to act as a Swap counterparty to the transaction, to pay liquid funds to current accounts named RBS Swap Collateral Accounts, which were held with the English Back Up Account Bank and which were registered in the name of the Guarantor, as security, in accordance with the provisions laid down in the contract Documentation. Following an upgrade of NatWest Markets Plc (formerly Royal Bank of Scotland Plc) on the part of the Moody's Investors Service Rating Agency on 24 November 2020, it is no longer necessary as per contract to pay cash and cash equivalents as security, in favour of the Guarantor; as a result, the current accounts named as RBS Swap Collateral Accounts showed a balance equal to zero as at the reporting date of the Financial Year.

## L.11 BREAKDOWN BY RESIDUAL MATURITY

### Assets

#### ▪ Receivables

<b>Residual Maturity</b>	<b>Balance of Receivables - FY 2022</b>
01) Until 3 months	743,952
02) From 3 months to 1 year	8,478,122
03) From 1 year to 5 years	321,624,072
04) Beyond 5 years	11,319,886,389
Indefinite maturity (***)	82,704,583
<b>Total receivables at the end of the Year:</b>	<b>11,733,437,118</b>

The balance of receivables includes the provisions for bad debts, receivables for default interest, receivables for deferred interest and the adjustment at amortised cost as a result of the transition to accounting standards IAS/IFRS.

#### ▪ Other Assets

Other Assets are made up of: accruing interest (item A.3 of the summary statement), “Cash” (item B.3 of the summary statement), “Investments and Investments treated as Liquidity” (item B.4 of the summary statement), “Accrued income and prepaid expenses” (item B.5 of the summary statement) and “Other Receivables” (item B.6 of the summary statement), which have a maturity of within 3 months, except for the Receivable from the Tax Office for the deductions applied to interest income from current accounts, which has an indefinite maturity.

### Liabilities

#### ▪ Other Liabilities

Other liabilities are made up of: “Suppliers for services rendered to securitisation”, “Accrued expenses and deferred income”, “Payables to the Originator” and “Sundry Payables” (items E.1, E.2., E.3. and E.4 of the summary statement), which have a maturity of less than 3 months.

The loans received have a residual maturity equal to the redemption of the last series of bonds issued.

## L.12 BREAKDOWN BY GEOGRAPHICAL AREA

<b>Geographical Area</b>	<b>Balance of Receivables - FY 2022</b>
Other countries	8,390,355
Italy	11,720,356,302
EMU countries	4,690,461
Total receivables at the end of the Year:	11,733,437,118

The balance of receivables includes the provisions for bad debts, receivables for default interest, receivables for deferred interest and the adjustment at amortised cost as a result of the transition to accounting standards IAS/IFRS.

## L.13 RISK CONCENTRATION

<b>Classes of amount (Euro)</b>	<b>Number of Customers</b>	<b>Balance of Receivables – FY 2022</b>
01) 0 – 25,000	18,037	250,866,145
02) 25,001 – 75,000	64,572	3,309,156,538
03) 75,001 – 250,000	66,858	7,590,976,953
04) Beyond 250,000	1,610	582,437,482
Total receivables at the end of the Year:	151,077	11,733,437,118

In the table above the balance of receivables does not include the provisions for bad debts, receivables for default interest, receivables for deferred interest and the adjustment at amortised cost as a result of the transition to accounting standards IAS/IFRS.

At 31 December 2022 there were no receivables whose capital due was more than 2% of the total receivables in portfolio.

## **Section 2 – SECURITISATION TRANSACTIONS, DISCLOSURE ON STRUCTURED ENTITIES NOT CONSOLIDATED IN THE ACCOUNTS (OTHER THAN SECURITISATION SPVs) AND TRANSFERS OF ASSETS**

This Section is not applicable since the Company is not an originator intermediary in securitisation transactions.

## **Section 3 - INFORMATION ON RISKS AND THE RELATED HEDGING POLICIES**

### **3.1 Credit risk**

#### **QUALITATIVE INFORMATION**

With reference to the corporate assets, the Company mainly claims receivables from segregated assets as a result of the charge-back of operating costs. Given the collection forecasts on receivables from segregated assets and the priority in which these receipts will be applied to the payment of the abovementioned receivables, it is believed that no risks exist in relation to the possibility of them being recovered.

At present, it is believed that the Covid-19 emergency, the Russian-Ukraine conflict and the related emerging present and prospective risks will have no consequences that could affect the Company's ability to continue as a going concern.

#### **QUANTITATIVE INFORMATION**

The quantitative information can be exhaustively inferred from what is reported in part B of the Notes to the Financial Statements.

### **3.2 Market risk**

#### **QUALITATIVE INFORMATION**

The Company has no financial assets and liabilities which expose it to significant interest rate and price risks. Furthermore, the Company is active at a domestic level only and, accordingly, it is not exposed to exchange risks.

#### **QUANTITATIVE INFORMATION**

The quantitative information can be exhaustively inferred from what is reported in part B of the Notes to the Financial Statements.

As a result of the principle of segregation of the purchased assets as required by Law no. 130/1999, the Company does not assume credit or market risks (if any) on the securities regarding the implementation of the securitisation transaction that are instead transferred to the Subordinated Loan Provider.

### 3.3 Operating risks

#### QUALITATIVE INFORMATION

As regards operating risks, it is recalled that the Company has no employees and the performance of its functions, together with the connected operating risk, was delegated to entities contractually appointed for the purpose.

#### QUANTITATIVE INFORMATION

Given the Company's scope of operations, this request for information is not considered to be applicable.

### 3.4 Liquidity risk

#### QUALITATIVE INFORMATION

With reference to the corporate management, the Company believes that it has sufficient cash and cash equivalents to meet its financial commitments.

#### QUANTITATIVE INFORMATION

As a result of the principle of segregation of assets as required by Law no. 130/1999, the Company does not assume liquidity risks regarding the implementation of the covered bond transaction, given the limited recourse of all the obligations undertaken, that are instead transferred to the Subordinated Loan Provider.

## Section 4 – INFORMATION ON EQUITY

### 4.1 The Company's equity

#### 4.1.1 Qualitative information

In accordance with the provisions under article 7-*bis* of Law no. 130/1999, the Company has been established as a limited liability company and has a quota capital equal to Euro 10,000.00 fully paid-up.

Given the sole purpose of the Company, it pursues the objective of preserving its equity over time, while obtaining the coverage of its operating expenses from the segregated assets.

#### 4.1.2 Quantitative information

Items/values	Amount at 31/12/2022	Amount at 31/12/2021
1. Quota capital	10,000	10,000
2. Issue premiums	2,000	2,000
3. Reserves		
- retained earnings		
a) legal reserve	150	150
b) reserve required by the articles of association	1,885	1,885
c) own quotas		
d) others		

- others	(1,838)	(1,838)
4. (Own quotas)		
5. Valuation reserves		
- Financial assets available for sale		
- Property, plant and equipment		
- Intangible assets		
- Hedging of foreign investments		
- Cash flow hedge		
- Foreign exchange differences		
- Non-current assets held for sale and disposal groups of assets		
- Special revaluation laws		
- Actuarial gains/losses relating to defined-benefit plans		
- Portion of revaluation reserves relating to equity-accounted investments		
6. Equity instruments		
7. Profit (loss) for the year	0	0
Total	12,197	12,197

#### 4.1.2.1 The Company's equity: breakdown

#### 4.2 The regulatory capital and ratios

Given the scope of the Company's operations and the provisions reported in Section 4.1, this Section is deemed not applicable.

### Section 5 – ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

According to what is reported in the Statement of Comprehensive Income, the Company's Profit/Loss coincides with its comprehensive income.

### Section 6 – RELATED-PARTY TRANSACTIONS

#### 6.1 Information on the fees due to key executives

The Company has no employees and has appointed a Sole Statutory Auditor.

#### *Board of Directors*

For the 2022 financial year, the Quotaholders' Meeting passed a resolution on the following fees:

- annual fees of Euro 7,000, as adjusted by the ISTAT (Italian Statistics Institute) index during the years of the term of his office, to Director Andrea Fantuz;
- annual fees equal to Euro 5,000 to the Chairman of Board of Directors Samuele Trombini;
- annual fees equal to Euro 5,000 to the Director Barbara Fontani;
- the reimbursement of such out-of-pocket expenses as might be incurred by each of them for the purposes of one's office, as well as the annual ISTAT (Italian Statistics Institute) index adjustment to the aforesaid fees, if positive.

### ***Statutory Auditor***

The Sole Statutory Auditor's annual fees, accrued at 31 December 2022, amounted to Euro 6,344, including social security contributions, VAT and the reimbursements of expenses.

### **6.2 Loans and guarantees issued to the benefit of directors and statutory auditors**

Neither loans have been granted, nor have guarantees been issued, to the benefit of the members of the Board of Directors and of the Sole Statutory Auditor.

### **6.3 Information on related-party transactions**

The corporate management has in place two current account relationships with Banca Monte dei Paschi di Siena S.p.A., which show an overall credit balance of Euro 28,831; the income statement reports costs for commissions expense of Euro 401. These transactions were carried out at arm's length.

Pursuant to article 2497-*bis* of the Italian Civil Code, the statement attached hereto reports the essential data of the last approved financial statements of the company which carries out direction and coordination activities, i.e. Banca Monte dei Paschi di Siena S.p.A., which is registered in the Register of Banking Groups (*Albo dei Gruppi Bancari*) under no. 1030.6. The controlling company also prepares the Consolidated Financial Statements of the Group. The essential data of the financial statements of Banca Monte dei Paschi di Siena S.p.A. reported below have been taken from the related annual accounts at 31 December 2021 (the latest available accounts). For an adequate and complete understanding of the financial position and cash flows of Banca Monte dei Paschi di Siena S.p.A. at 31 December 2021, as well as of the result of operations achieved by the company in the financial year ended at that date, reference is made to the financial statements which, accompanied by the independent auditors' report, are available in the forms prescribed by law.

## Balance Sheet

		(Euro units)	
Assets		31 12 2021	31 12 2020*
10.	Cash and cash equivalents	3,020,461,265	2,265,890,325
20,	Financial assets measured at fair value through profit and loss	980,752,195	1,082,427,739
	a) financial assets held for trading	611,809,865	711,205,223
	c) other financial assets mandatorily measured at fair value	368,942,330	371,222,516
30,	Financial assets measured at fair value through other comprehensive income	5,312,987,811	5,605,071,466
40,	Financial assets measured at amortised cost:	111,382,878,496	116,726,422,171
	a) loans to banks	39,656,674,108	44,152,772,885
	b) loans to customers	71,726,204,388	72,573,649,286
50,	Hedging derivatives	4,821,999	50,818,162
60,	Change in value of macro-hedged financial assets (+/-)	577,405,326	992,039,528
70,	Equity investments	2,494,336,453	2,507,653,088
80,	Property, plant and equipment	2,308,896,452	2,155,351,471
90,	Intangible assets	1,334,953	2,252,492
100,	Tax assets	1,204,416,406	1,402,059,051
	a) current	418,012,265	473,714,163
	b) deferred	786,404,140	928,344,889
110,	Non-current assets and disposal groups of assets	72,291,890	92,196,183
120,	Other assets	1,586,812,420	1,469,637,966
	<b>Total assets</b>	<b>128,947,395,666</b>	<b>134,351,819,642</b>



## to be continued: Balance sheet

		(Euro units)	
<b>Total Liabilities and Shareholders' Equity</b>		<b>31 12 2021</b>	<b>31 12 2020*</b>
10.	Financial liabilities measured at amortised cost	117,613,228,016	122,175,294,125
	a) loans to banks	36,717,073,472	33,586,764,692
	b) loans to customers	70,378,165,795	76,487,087,573
	c) debt securities issued	10,517,988,749	12,101,441,860
20.	Financial liabilities held for trading	516,980,622	600,022,088
30.	Financial liabilities designated at fair value	145,333,293	306,618,003
40.	Hedging derivatives	1,258,598,544	1,789,695,872
50.	Value adjustment to financial liabilities subject to macro-hedging (+/-)	15,874,620	45,427,888
60.	Tax liabilities	4,862	-
	a) current	4,862	-
80.	Other liabilities	2,633,713,999	2,737,305,074
90.	Provision for employee severance pay	153,827,465	160,878,745
100.	Provisions for risks and charges:	1,583,221,870	1,804,851,317
	a) financial guarantees and other commitments	141,153,805	152,364,235
	b) post-employment benefits	26,792,789	29,349,452
	c) other provisions	1,415,275,277	1,623,137,630
110.	Valuation reserves	168,395,984	51,107,702
140.	Reserves	(4,487,801,125)	(2,448,301,980)
160.	Share capital	9,195,012,197	9,195,012,197
170.	Treasury shares (-)	-	(185,957,994)
180.	Profit (loss) (+/-)	151,005,319	(1,880,133,395)
<b>Total Liabilities and Shareholders' Equity</b>		<b>128,947,395,666</b>	<b>134,351,819,642</b>

## Income Statement

(Euro units)

Items	31 12 2021	31 12 2020*
10. Interest income and similar revenues	1,696,840,907	1,796,065,168
<i>of which interest income calculated applying the effective interest rate method</i>	<i>1,470,866,704</i>	<i>1,683,410,516</i>
20. Interest expense and similar charges	(709,330,110)	(762,026,160)
<b>30. Net interest income</b>	<b>987,510,797</b>	<b>1,034,039,008</b>
40. Fee and commission income	1,530,875,891	1,451,022,602
50. Fee and commission expense	(121,260,917)	(134,328,514)
<b>60. Net fee and commission income</b>	<b>1,409,614,974</b>	<b>1,316,694,088</b>
70. Dividends and similar income	47,847,587	9,714,525
80. Net profit (loss) from trading	20,845,085	18,996,313
90. Net profit (loss) from hedging	12,243,119	2,890,294
100. Gains/(losses) on disposal/repurchase of:	138,382,232	129,774,901
a) financial assets measured at amortised cost	126,875,110	124,614,537
b) financial assets measured at fair value through other comprehensive income	6,206,727	296,702
c) financial liabilities	5,300,395	4,863,662
110. Net profit (loss) from financial assets and liabilities measured at fair value through comprehensive income	(21,677,364)	(17,649,659)
a) financial assets and liabilities measured at fair value	7,163,484	195,380
b) other financial assets mandatorily t fair value	(28,840,848)	(17,845,039)
<b>120. Net interest and other banking income</b>	<b>2,594,766,430</b>	<b>2,494,459,470</b>
130. Net impairment (losses)/reversals on:	(189,859,677)	(671,820,532)
a) financial assets measured at amortised cost	(192,780,394)	(671,316,568)
b) financial assets measured at fair value through other comprehensive income	2,920,717	(503,964)
140. Modification gains / (losses)	(7,620,284)	(15,400,242)
<b>150. Net income from banking activities</b>	<b>2,397,286,469</b>	<b>1,807,238,696</b>
160. Administrative expenses:	(2,300,439,629)	(2,456,396,731)
a) personnel expenses	(1,318,088,871)	(1,396,942,262)
b) other administrative expenses	(982,350,758)	(1,059,454,469)
170. Net provisions for risks and charges	(98,148,964)	(935,725,858)
a) commitments and guarantees issued	7,655,538	4,531,599
b) other net provisions	(105,804,502)	(940,257,457)
180. Net adjustments to/recoveries on property, plant and equipment	(102,394,956)	(129,933,126)
190. Net adjustments to/recoveries on intangible assets	(947,470)	(944,032)
200. Other operating expenses /income	229,391,810	241,479,496
<b>210. Operating expenses</b>	<b>(2,272,539,209)</b>	<b>(3,281,520,251)</b>
220. Gains (losse) on equity investments	(3,806,989)	(97,791,231)
230. Net profit (loss) from fair value measurement of property, plant and equipment and intangible assets	(37,491,546)	(16,296,211)
250. Gains (losses) on disposal of investments	11,093,472	54,271,866
<b>260. Profit (loss) before tax from continuing operations</b>	<b>94,542,197</b>	<b>(1,534,097,131)</b>
270. Tax (expense) / recovery on income from continuing operations	56,463,122	(346,036,264)
<b>280. Profit (loss) after tax from continuing operations</b>	<b>151,005,319</b>	<b>(1,880,133,395)</b>
<b>300. Profit (loss)</b>	<b>151,005,319</b>	<b>(1,880,133,395)</b>

With reference to the covered bond transaction, reference is made to paragraph L.3 of the Notes to the Financial Statements reporting the complete list of entities involved.

#### **Section 7 - OTHER INFORMATION DETAILS**

The Company has no employees, relying on external service providers for its functioning.

#### ***Independent Auditors***

An amount of fees of Euro 13,864 (net of VAT, out-of-pocket and secretary's office expenses and the supervision contribution in favour of CONSOB) will be paid out to the independent auditors PricewaterhouseCoopers S.p.A. for the 2022 Financial Year for the statutory audit of the Financial Statements, the auditing of bookkeeping and the correct recognition of management events in the accounting records, as well as for the signature of tax returns.

#### **Allocation of profits**

Dear Quotaholders,

the Financial Statements show a break-even result; therefore, there is no allocation of profits to be made.

Conegliano (TV), 7 March 2023

**MPS COVERED BOND S.r.l.**  
*The Chairman of the Board of Directors*  
Samuele Trombini