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 –
Registered in the Register of Banking Groups (*Albo dei Gruppi Bancari*) under no. 1030.6
Direction 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 31.12.2020

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GOVERNING BODIES AND INDEPENDENT AUDITORS

BOARD OF DIRECTORS	**SOLE STATUTORY AUDITOR**	**INDEPENDENT AUDITORS**
CHAIRMAN SAMUELE TROMBINI	WERTHER MONTANARI	PricewaterhouseCoopers S.p.A.
DIRECTORS ANDREA FANTUZ BARBARA FONTANI		

TABLE OF CONTENTS

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 2020 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 2020

As we know, the beginning of 2020 saw the onset of a new disrupting factor, the Covid-19 pandemic. Italy was among the first countries to be affected before the virus spread all over the world. Its effects were also felt in the second part of the year and are still occurring owing to a second wave after a let-up in the summer.

Economic activity fell abruptly as a result of the pandemic and of the measures brought in to contain it. During the first two quarters, the considerable losses in terms of jobs and income and the exceptionally high level of uncertainty as to economic prospects led to a substantial decline in consumer expenditure and investments.

In Italy, however, higher than expected growth in the third quarter showed that its economy had a strong capacity of recovery. During this period, the recovery in Italian exports of goods and services was very considerable, far higher than that recorded in world trade in general. This trend continued in the autumn but less vigorously.

Inflows of capital and purchases of Italian government bonds on the part of non-residents resumed in the later months of 2020.

The variation in consumer prices remained negative, reflecting price trends in the services sectors most damaged by the crisis. Consumer prices continue to suffer from weak demand.
Italian banks continued to meet demand for funds from businesses. Conditions of supply, overall, have remained easy owing to continued support from monetary policy and public guarantees. The cost of banks' bond financing went down further and rates on business and household loans are still at modest levels.
The recrudescence of the infection in the autumn, however, led to a slowdown in world business activity at the end of 2020, above all in the advanced countries.
When the health emergency flared up again in the last quarter of 2020, the Italian Government enacted further measures in support of households and businesses.
The launching of the vaccination campaigns has a favourable effect on medium-term prospects, but the timing and strength of recovery is still uncertain.

3. Significant events of the financial year

With reference to the Company, no significant events must be reported which occurred during the financial year.
However, it should be noted that the current macroeconomic circumstances are extraordinary, as the scenario is characterised by the effects of the health crisis linked to the spread of the COVID-19 pandemic on the real economy and financial markets. The slowdown in economy is affecting the ability of businesses and individuals to meet their obligations to credit institutions, despite the fact that measures in support of economy have been put in place by governments and financial institutions, through moratoria and suspensions in the repayment of mortgages and loans, aimed at dealing with debtors' liquidity crisis.
With reference to the Company's operations, the current emergency that has arisen from the COVID-19 pandemic did not have any significant impact on the management of the special purpose vehicle, while it had a significant impact through profit or loss due to the value adjustments to the securitised receivables, in consideration of the orders issued by the various supervisory authorities following the outbreak of the COVID-19 pandemic. In this regard, it should be noted that the amount of adjustments to securitised loans is provided by Banca Monte dei Paschi di Siena S.p.A., which is the Originator and Servicer for the transaction.
As regards the securitised portfolio, it should be noted that as at 31 December 2020, 6,872 securitised credit agreements, corresponding to Euro 0.7 billion of remaining debt (equal to approximately 6% of the securitised portfolio) benefitted from the moratoria provided for by the support measures adopted by the Italian government.
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 :

- at the payment date falling on 2 January 2020, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 1,000,000,000, in accordance with the contract documentation of the Programme and according to the Tests;
- on 3 January 2020 Banca Monte dei Paschi di Siena S.p.A., as the Issuer, carried out the early cancellation of the 23rd series for an amount equal to Euro 750,000,000;
- at the payment date falling on 30 March 2020, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 600,000,000, in accordance with the contract documentation of the Programme and according to the Tests; on 10 June 2020 the contract documentation was signed, which was aimed at appointing Barclays Bank PLC as the new Arranger and Dealer and Barclays Ireland as the new Dealer, as well as at revoking the mandate granted to Morgan Stanley & Co. International plc for the roles of Arranger and Dealer;
- on 15 June 2020, Banca Monte dei Paschi di Siena S.p.A. assigned a thirteenth portfolio of performing mortgage loans to the Company for an overall consideration of Euro 1,433,792,380.44. The consideration for the portfolio was financed through the granting by the assignor of a subordinated loan of an equal amount to the Company ;
- at the payment date falling on 29 September 2020, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 800,000,000, 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

As already reported in the paragraphs above, the evolution of the COVID-19 pandemic is continuing to affect the trends in global and domestic economy. The prospects for overcoming the current health emergency seem to augur well for a gradual return to normal life in the coming years, including thanks to the support measures adopted by national governments.

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 2020 to the date of approval of these financial statements.

With reference to segregated assets, there are no significant events to be reported, which occurred after the end of the Financial Year..

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

While preparing the Financial Statements, an assessment has been made as to the satisfaction of the requirements relating to the Company's ability to operate as a going concern within a time span of at least twelve months after the reporting date of the Financial Statements. To express this assessment, account has been taken of all the information available and of the specific business conducted by the Company, whose sole purpose, in compliance with Law no. 130 of 30 April 1999, is the participation in issues of covered bonds in the capacity as assignor and guarantor.

Accordingly, these Financial Statements have been prepared on a going concern basis, as no events have occurred or conditions have been fulfilled which could have raised doubt on the Company's ability to continue to operate as a going concern.

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 direction 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 current emergency 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), 24 February 2021

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

BALANCE SHEET

ASSETS

	Assets	2020	2019
10.	Cash and cash equivalents		
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	62,864	8,800
	a) receivables from banks	62,864	8,800
	b) receivables from financial companies		
	c) receivables from customers		
50.	Hedging derivatives		
60.	Value adjustments to financial assets subject to macro-hedging (+/-)		
70.	Equity investments		
80.	Property, plant and equipment		
90.	Intangible assets		
	of which:		
	- goodwill		
100.	Tax assest	1,726	2,010
	a) current	1,726	2,010
	b) deferred		
110.	Non-current assets held for sale and disposal groups of assets		
120.	Other assets	251	46,510
	TOTAL ASSETS	**64,841**	**57,320**

LIABILITIES AND EQUITY

	Liabilities and equity	2020	2019
10.	Financial liabilities measured at amortised cost		
	a) payables		
	b) outstanding securities		
20.	Financial liabilities held for trading		
30.	Financial liabilities at fair value		
40.	Hedging derivatives		
50.	Value adjustment to financial liabilities subject to macro-hedging (+/-)		
60.	Tax liabilities	1,705	2,182
	a) current	1,705	2,182
	b) deferred		
70.	Liabilities associated with assets held for sale		
80.	Other liabilities	50,939	42,941
90.	Employee severance pay		
100.	Provisions for risks and charges:		
	a) commitments and guarantees issued		
	b) pension fund and similar obligations		
	c) other provisions for risks and charges		
110.	Quota capital	10,000	10,000
120.	Own quotas (-)		
130.	Equity instruments		
140.	Issue premium	2,000	2,000
150.	Reserves	197	197
160.	Valuation reserves		
170.	Profit (Loss) for the year		
	TOTAL LIABILITIES AND EQUITY	**64,841**	**57,320**

INCOME STATEMENT

	Items	2020	2019
10.	Interest earned and similar income		
	of which: interest income calculated according to the effective interest method		
20.	Interest expense and similar charges	-	-
30	**INTEREST MARGIN**	-	-
40.	Commissions earned		
50.	Commissions expense	(122)	(161)
60	**NET COMMISSIONS**	**(122)**	**(161)**
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.	**OPERATING INCOME**	**(122)**	**(161)**
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.	**NET PROFIT (LOSS) FROM FINANCIAL OPERATIONS**	**(122)**	**(161)**
160.	Administrative expenses:	(128,828)	(143,155)
	a) personnel costs	(23,745)	(32,265)
	b) other administrative expenses	(105,083)	(110,890)
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	130,655	145,498
210.	**OPERATING COSTS**	**1,827**	**2,343**
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.	**PROFIT (LOSS) BEFORE TAX FROM CURRENT OPERATIONS**	**1,705**	**2,182**
270.	Income tax from current operations from the year	(1,705)	(2,182)
280.	**PROFIT (LOSS) AFTER TAX FROM CURRENT OPERATIONS**	-	-
290.	Profit (Loss) after tax from discontinued operations		
300.	**PROFIT (LOSS) FOR THE YEAR**	-	-

STATEMENT OF COMPREHENSIVE INCOME – FINANCIAL INTERMEDIARIES

	Items	2020	2019
10.	**Profit (Loss) for the year**	-	-
	Other comprehensive income, net of tax without transfer to P&L		
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		
	Other comprehensive income, net of tax with transfer to P&L		
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.	**Total other comprehensive income, net of tax**		
180.	**Comprehensive income (Item 10+170)**	-	-

STATEMENT OF CHANGES IN EQUITY

	Equity at 31/12/2019	Change in Opening Balances	Equity at 01/01/2020	Allocation of result from Previous Year		Changes over the Year						Comprehensive Income - FY 2020	Equity at 31/12/2020
							Transactions on Equity						
				Reserves	Dividends and Other Allocations	Changes in Reserves	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													
EQUITY	12,197		12,197									-	12,197

	Equity at 31/12/2018	Change in Opening Balances	Equity at 01/01/2019	Allocation of result from Previous Year		Changes over the Year						Comprehensive Income - FY 2019	Equity at 31/12/2019
							Transactions on Equity						
				Reserves	Dividends and Other Allocations	Changes in Reserves	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													
EQUITY	12,197		12,197									-	12,197

Cash Flow Statement

A	OPERATING ACTIVITIES	Amount	
		2020	2019
1	**OPERATIONS**	**(477)**	**779**
	operating result (+/-)		
	capital gains/losses on financial assets held for trading and other financial assets/liabilities at fair value through profit of 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 (+)	(477)	779
	net value adjustments to discontinued operations, net of tax effect (+/-)		
	other adjustments (+/-)		
2	**CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS**	**46,543**	**(1,880)**
	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	46,543	(1,880)
3	**CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES**	**7,998**	**(8,276)**
	financial liabilities at amortised cost		
	financial liabilities held for trading		
	financial liabilties designated at fair value		
	other liabilities	7,998	(8,276)
	Net cash Flow generated from/used by operating activities	**54,064**	**(9,377)**
B	**INVESTING ACTIVITIES**		
1	**CASH FLOW GENERATED FROM:**	**0**	**0**
	sales of equity investments		
	dividends collected on equity investments		
	sales of property, plant and equipment		
	sales of intangible assest		
	sales of business units		
2	**CASH FLOW USED BY:**	**0**	**0**
	purchases of equity investments		
	purchases of property, plant and equipment		
	purchases of intangible assets		
	purchases of business units		
	Net Cash Flow generated from/used by investing activities	**0**	**0**
C	**BORROWING ACTIVITIES**		
	issues/purchases of own quotas		
	issues/purchases of equity instruments		
	distributions of dividends and other purposes		
	Net Cash Flow generated from/used by borrowing activities	**0**	**0**
D	**NET CASH FLOW GENERATED/USED IN THE YEAR**	**54,064**	**(9,377)**

KEY
(+) generated
(-) used

RECONCILIATION	2020	2019
Cash and cash equivalents at the beginning of the Year	8,800	18,177
Net cash flow generated/used in the Year	54,064	(9,377)
Cash and cash equivalents: foreign exchange effect	0	0
Cash and cash equivalents at the end of the Year	62,864	8,800

"Cash and cash equivalents at the end of the Year" include sight funds available in current bank accounts classified under item 40 "Financial assets measured at amortised cost" of the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2020

PREMABLE

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

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..

PART A – ACCOUNTING POLICIES

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 2020.

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 Banca Monte dei Paschi di Siena S.p.A. 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 6th 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 30 November 2018, as supplemented by a notice dated 27 January 2021, concerning the impact of the Covid-19 pandemic and the measures put in place in support of economy and amendments to IAS/IFRS, 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, the Company applied, in preparing these financial statements, the abovementioned schedules with regard to corporate management operations. As regards segregated assets, reference was made to the Bank of Italy's Order of 15 December 2015 (3rd 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).

Below are the accounting standards that will be applicable from 1 January 2020 and that have already been endorsed by the European Commission:

- Regulation (EU) No. 2075 of 29 November 2019 – "Amendments to References to the Conceptual Framework in IFRS";
- Regulation (EU) No. 2104 of 29 November 2019 – "Definition of Material Amendments to IAS 1 and IAS 8";
- Regulation (EU) No. 551 of 21 April 2020 - "Definition of a business" – Amendments to IFRS 3;
- Regulation (EU) No. 1434 of 9 October 2020 – "Covid-19-Related Rent Concessions" – Amendments to IFRS 16.

It should be noted that the amendments reported above had no impact on the Company's financial position and results of operations at 31 December 2020.

Furthermore, note the following new accounting standards, amendments and interpretations issued by the IASB, but not yet endorsed by the European Union, as at 31 December 2020:

- IFRS 17 – *Insurance Contracts* and Amendments to IFRS 17 (applicable from 1 January 2023);
- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current* (applicable from 1 January 2023);
- Amendments to IFRS 3, IAS 16 and IAS 37 / Annual improvements cycle (IFRS 3, IAS 16 and IAS 37) (applicable from 1 January 2022).

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."

As a consequence, 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

With reference to segregated assets, there are no significant events to be reported, which occurred after the end of the Financial Year.

Section 4 – Other aspects

Risks, uncertainties and impacts of the Covid-19 pandemic

The Coronavirus epidemic has spread globally, including in Italy, since it emerged at the beginning of January 2020.

In order to contain the epidemic, the government of each country has consequently taken various measures to restrict movements and has caused the disruption of economic and commercial activities in a number of sectors. These measures have mainly hit the sectors of tourism, services to households, real estate and raw materials. Manufacturing has been less affected. Among the few sectors that have benefitted from the pandemic are e-commerce and virtual services in general, as well as the sectors of food, telecommunications and healthcare.

The European bodies have played a key role in managing the situation, launching a plan that is unprecedented in terms of the amount of resources involved, in order to provide favourable financing conditions to all sectors for as long as it takes to ensure full support to global economy. The governments of each country have also adopted measures in support of households and businesses in order to cope with the adverse effects of the orders issued to contain the epidemic, mainly aimed at protecting employment, income and safeguarding the liquidity of the economic system. In particular, the Italian Government has adopted measures aimed at strengthening wage-support schemes, issuing public guarantees, introducing extraordinary moratoria, in addition to granting unsecured loans for VAT holders who have suffered significant falls in turnover and reducing the tax burden.

Growth is still largely dependent on the exceptional stimulus measures adopted in all major economies. The start of vaccination campaigns has having a favourable impact on the outlook for the medium term, but the timing and intensity of the recovery remain still uncertain.

Given the type of the Company's business, the risks and uncertainties that the Company may face in the performance of its operations, even considering the effects of Covid-19, are not significant and are therefore not such as to cast doubts on its ability to continue as a going concern.
The crisis due to the Covid-19 emergency, while taking account of the items valued in the assets and liabilities of the Company's Balance Sheet, has not had any impact on the Company's financial position and results of operations or on the securitisation transaction as a whole.

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 4 – Financial assets measured at amortised cost

Criteria for recognition
A receivable is recognised initially on the date of payment or, in the case of a debt instrument, on the settlement date, or when the company becomes a party to the contractual clauses and, as a consequence, is lawfully entitled to receive cash flows. The initial recognition is made at a fair value equal to the amount paid out, or the subscription price, including transaction costs and fees which are directly attributable and determinable from the beginning of the transaction.
Costs are excluded that have the above characteristics but are repayable by the debtor counterparty or that may be classified under normal internal administrative costs.

Criteria for classification

This category includes financial assets attributable to the Held to Collect business model, which pass the SPPI test required by IFRS9. In particular, receivables which include short- and medium-to-long term loans to banks and customers, fall within the broadest category of non-derivative financial assets that are not listed on an active market (Levels 2 and 3).

Criteria for measurement and recognition of income components
After initial recognition, receivables are measured at amortised cost, equal to the initial entry value as decreased by repayments of capital, as decreased/increased by value adjustments/write-backs and

decreased by amortisation - calculated based on the effective interest rate method - of the difference between the amount paid out and the amount repayable on expiry, typically attributable to the costs/income charged directly to the individual receivable.
The effective interest rate is the rate used to discount future payment flows estimated over the expected term of the loan in order to obtain the exact net accounting value on its initial recognition, including both directly attributable transaction costs and all fees paid or received by the various contracting parties. This method of accounting uses a finance-based logic and allows the distribution of the economic effect of the costs/income throughout the expected residual maturity of the receivable.
The amortised cost method is not applied to short-term receivables since the effect arising from the application of discounting principles is negligible. They are thus valued at their historical cost. An analogous valuation criterion is adopted for receivables without a defined due date or subject to revocation.
Furthermore, an analysis is carried out aimed at identifying doubtful debts showing objective evidence of any possible impairment loss (stage 3: impaired loans), which are valued analytically.

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.

QUANTITATIVE INFORMATION

A.4.5 Fair value hierarchy

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

Assets/Liabilities measured at fair value on a recurring basis	31.12.2020				31.12.2019			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost 2. Property, plant and equipment held for investment 3. Non-current assets held for sale and disposal groups of assets	62,864			62,864	8,800			8,800
Total	**62,864**			**62,864**	**8,800**			**8,800**
1. Financial liabilities measured at amortised cost 2. Liabilities associated with assets held for sale								
Total								

Receivables relate to the balance of the current bank accounts at 31 December 2020. It is believed that the book value of the abovementioned item corresponds to the fair value in consideration of the fact that the current accounts are at sight and reflect market conditions.

PART B – INFORMATION ON THE BALANCE SHEET

ASSETS

Section 4 – Financial assets measured at amortised cost – Item 40

4.1 Financial assets measured at amortised cost: breakdown of receivables from banks by product

Breakdown	2020						2019					
	Book value			Fair value			Book value			Fair value		
	First or second stage	Third stage	of which: impaired assets acquired or originated	L1	L2	L3	First or second stage	Third stage	of which: impaired assets acquired or originated	L1	L2	L3
1. Deposits and current accounts	62,864					62,864	8,800					8,800
2. Loans												
2.1 Repos												
2.2 Financial lease												
2.3 Factoring												
- *with recourse*												
- *without recourse*												
2.4 Other loans												
3. Debt securities												
- *structured securities*												
- *other debt securities*												
4. Other assets												
Totale	**62,864**	-	-	-	-	**62,864**	**8,800**	-	-	-	-	**8,800**

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..

It is deemed that the book value of the abovementioned item corresponds to the fair value in consideration of the fact that the current accounts are at sight and reflect market conditions.

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	31/12/2020	31/12/2019
Current tax assets	1,726	2,010

"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	31/12/2020	31/12/2019

Current tax liabilities	1,705	2,182

Current tax liabilities include accrued IRES tax (*Imposta sul Reddito delle Società*, Corporate Income Tax) for Euro 938 (at a rate of 24%) and IRAP tax (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) for Euro 767 (at a rate of 3.90%).

Section 12 – Other assets (Item 120)

12.1 Other assets: breakdown

120 – OTHER ASSETS	31/12/2020	31/12/2019
Accrued income for administrative services	193	17,324
Advances to securitised assets	0	29,128
Prepaid expenses for services paid in advance	58	58
TOTAL OTHER ASSETS	251	46,510

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", referred to in comparative data, 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 2020, pursuant to the Administrative Services Agreement.

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

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

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

080 – OTHER LIABILITIES	31/12/2020	31/12/2019
Payables to supplies for invoices to be received	12,588	15,562
Accrued expenses for administrative services	193	17,324
Payables to suppliers	6,155	8,537
Withholding tax payables to the Tax Office under art. 25-25*bis*	1,000	1,518
Advances to securitised assets	31,002	0
TOTAL OTHER LIABILITIES	50,939	42,941

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 2020 but not yet received at the closing date of the Financial Statements.
"Accrued expenses for administrative services" relate to costs which are common to two Financial Years, as determined on an accruals basis in the application of the principle of matching costs to revenues of the Financial Year. In particular, they include the payable for the cost for the administrative and corporate management of the securitisation vehicle, as calculated as per contract on an annual basis, accruing at 31 December 2020, for which the supplier will issue the invoice in the next Financial Year.
"Payables to suppliers" relate to invoices not yet paid.
"Withholding tax payables to the Tax Office under art. 25-25*bis*" relate to deductions applied to the performance of professional services received.

"Advances to securitised assets" 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		31/12/2020	31/12/2019
1.	Quota Capital	10,000	10,000
	1.1 Ordinary Quotas /Equity investments	no. 2	no. 2
	1.2 Other Quotas	0	0
Total Book Value		**10,000**	**10,000**

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.	100%	1,000
	100%	**10,000**

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

11.4 Issue premiums: breakdown

Types / Values		31/12/2020	31/12/2019
1.	Issue Premium	2,000	2,000
	1.1 Ordinary Quotas /Equity investments	no. 2	no. 2
	1.2 Other Quotas	0	0
Total Book Value		**2,000**	**2,000**

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
A.	**Opening Balance**		**150**	**1,885**	**(1,838)**	**0**	**197**
B.	**Increases**		**0**	**0**		**0**	**0**
	B.1	Allocations of Profits	0	0			
	B.2	Other changes					
C.	**Decreases**		**0**	**0**	**0**	**0**	**0**
	C.1	Uses					
		- loss coverage			0		
		- distribution					
		- transfer of capital					
	C.2	Other changes			0		
D.	**Closing Balance**		**150**	**1,885**	**(1,838)**	**0**	**197**

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
Quota capital	**10,000**				
Capital reserves	**2,000**				
Issue premium	2,000	B	0		
Retained earnings:	**197**		**0**		
Legal reserve	150	B	0		
Extraordinary reserve	1,885	B	0		
Other Reserves	0		0		
Profits/(Losses) carried forward	(1,838)	B			
Losses					
Total	**12,197**		**0**		
Non-distributable share	**197**		**0**		
Distributable share	**0**		**0**		

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	31/12/2020	31/12/2019
1. Guarantees received		
2. Distribution of services from third parties		
3. Collection and payment services	122	161
4. Other commissions (to be specified)		
Total	**122**	**161**

Section 10 – Administrative expenses (Item 160)

10.1 Personnel costs: breakdown

Items/Sectors	31/12/2020	31/12/2019
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	23,745	32,265
4. Staff on retirement		
5. Recoveries of expense for employees seconded to other companies		
6. Reimbursements of expense for employees seconded to the Company		
Total	**23,745**	**32,265**

10.3 Other administrative expenses: breakdown

110b - OTHER ADMINISTRATIVE EXPENSES	31/12/2020	31/12/2019
Auditing costs	19,928	25,359
Other non-deductible taxes and duties	124	124
CONSOB contributions	1,853	1,231
Government licensing fee	310	310
Notarial fees	0	146
Stamp tax	48	48
Corporate management services	82,821	83,672
TOTAL OTHER ADMINISTRATIVE EXPENSES	105,083	110,890

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

14.2 Other operating income : breakdown

Items	31/12/2020	31/12/2019
Other operating income	130,655	145,498

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

19.1 Income taxes for the year from current operations: breakdown

Items	31/12/2020	31/12/2019
1. Current taxes	1,705	2,182
2. Change in current taxes of previous financial years		
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		
Taxes accrued in the year	**1,705**	**2,182**

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

	Taxable income	Tax rate	Tax
Theoretical IRES tax	**1,705**	**24.00%**	**409**
Increases			
Non-deductible costs	2,205	24.00%	529
Decreases			
Effective IRES tax	**3,910**	**24.00%**	**938**

	Taxable income	Tax rate	Tax
Theoretical IRAP tax	**1,705**	**3.90%**	**66**
Increases			
Personnel and insurance costs	23,745	3.90%	926
Other non-deductible expenses	2,205	3.90%	86
Decreases			
Lump-sum deduction	(8,000)	3.90%	(312)
Effective IRAP tax	**19,655**	**3.90%**	**767**

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 six 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 25.05.2010 (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
Purchase price of the portfolio	**4,416,091,531.98**

Second portfolio purchased on 29.11.2010 (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
Purchase price of the portfolio	**2,409,924,688.18**

Third portfolio purchased on 28.02.2011 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**3,913,159,845.33**

Fourth portfolio purchased on 27.05.2011 (Banca Antonveneta S.p.A., now Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**2,387,174,076.31**

Fifth portfolio purchased on 20.09.2011 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**2,329,554,914.82**

Sixth portfolio purchased on 17.06.2013 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**416,127,565.07**

Seventh portfolio purchased on 21.09.2015 (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
Purchase price of the portfolio	**1,529,159,380.22**

Eighth portfolio purchased on 31.10.2016 (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
Purchase price of the portfolio	**775,586,059.70**

Ninth portfolio purchased on 22.12.2016 (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
Purchase price of the portfolio	**238,172,772.54**

Tenth portfolio purchased on 03.05.2018 (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

Purchase price of the portfolio	**1,308,047,736.29**

Eleventh portfolio purchased on 27.02.2019 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**1,808,684,920.72**

Twelfth portfolio purchased on16.10.2019 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**1,263,722,414.30**

Thirteenth portfolio purchased on 15.06.2020 (Banca Monte dei Paschi di Siena S.p.A.):

Description	Amount
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
Purchase price of the portfolio	**1,433,792,380.44**

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, but are consistent with the accounting policies applied in previous years. They 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.
The write-down on receivables is determined by the Servicer in accordance with IFRS9, which requires financial assets that are not measured at fair value through profit or loss, consisting of debt securities and loans, to be subjected to the impairment model based on expected loss (ECL – Expected Credit Losses).

According to the information provided by the Servicer, value write-backs and write-downs relate to the impairment of loans classified in Stage 1, Stage 2, Stage 3, depending on the evolution of the debtor's credit rating.

Specifically:

a) Stage 1: performing financial assets the credit risk of which has not increased significantly compared to the date of initial recognition or the credit risk of which is considered to be low. The impairment is based on the estimated expected credit loss making reference to a period of time of one year;

b) Stage 2: performing financial assets the credit risk of which has increased significantly compared to the date of initial recognition. The impairment is commensurate with the estimated expected credit loss making reference to a period of time equal to the entire residual life of the financial asset;

c) Stage 3: impaired financial assets (probability of default equal to 100%) The impairment is commensurate with the estimated expected credit loss on the specific financial asset throughout its entire life.

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 partially balancing the Deficit arising from previous periods.

Therefore, a Surplus was reported for the period.

RECONCILIATION OF STATEMENT L.1

TOTAL ASSETS	12,579,158,738
TOTAL LIABILITIES	12,590,248,848
FINANCIAL DIFFERENCE	**(11,090,110)**
RESULTS FROM PREVIOUS YEARS	22,817,445
RRSULT FROM THE TRANSACTION FOR THE CURRENT FINANCIAL YEAR	**11,727,336**

TABLE 1: SUMMARY STATEMENT OF SECURITISED ASSETS AND LOANS RECEIVED

	STATEMENT L.1	31/12/2020	31/12/2019
A.	**Securitised assets**	**11,897,191,424**	**11,922,470,662**
A.1	Receivables	11,891,504,181	11,918,477,293
A.3	Other assets	5,687,243	3,993,369
B.	**Use of liquidity from management of receivables**	**681,967,314**	**1,803,766,571**
B.3	Cash	645,175,233	1,770,043,738
B.5	Accrued income and prepaid expenses	33,565,436	33,665,099
B.6	Other receivables	3,226,645	57,734
D.	**Loans received**	**12,584,796,349**	**13,733,706,901**
E.	**Other liabilities**	**5,452,499**	**15,347,777**
E.1	Suppliers for services rendered to securitisation	3,504,617	5,847,184
E.2	Accrued expenses and deferred income	336	6,331,685
E.3	Payables to the Originator	1,944,034	3,139,780
E.4	Sundry Payables	3,512	29,128
G.	**Transaction commissions and fees**	**12,382,745**	**11,765,051**
G.1	For Servicing	12,050,389	11,422,316
G.2	For other services	332,356	342,735
H.	**Other charges**	**212,972,009**	**217,420,454**
H.1	Value adjustments to receivables	19,249,989	192,287
H.2	Interest expense	190,500,276	215,073,656
H.4	Other charges	3,221,743	2,154,511
I.	**Interest generated from securitised assets**	**204,557,485**	**204,039,771**
L.	**Other revenues**	**32,524,605**	**52,545,436**
L.2	Value write-backs on receivables	0	21,176,282
L.3	Swap differential receivable	32,276,383	31,098,611
L.4	Other revenues	248,222	270,543

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

		STATEMENT L.1 – BREAKDOWN OF ITEMS	31/12/2020	31/12/2019
A.1		**Receivables**	**11,891,504,181**	**11,918,477,293**
	a.	Amounts falling due – capital quota	11,832,786,199	11,841,814,532
	b.	Adjustment to the value of receivables at amortised cost	662,516	3,338,262
	c.	Receivables for default interest	14,466	0
	d.	Loan instalments fallen due – capital quota	51,821,158	56,448,420
	e.	Receivables for deferred interest (*)	36,820,370	25,102,053
	f.	Loan instalments fallen due – interest	15,291,998	17,498,887
	g.	Provision for write-down of purchased receivables	(45,878,059)	(25,724,861)
	h.	Provision for bad debts for default interest	(14,466)	0
A.3		**Other assets**	**5,687,243**	**3,993,369**
	a.	Accrued interest income from loans	5,687,243	3,993,369
B.3		**Cash**	**645,175,233**	**1,770,043,738**
	a.	Main program account	594,229,427	1,622,822,866
	b.	Reserve account	49,297,881	51,799,450
	c.	Collection account	1,646,812	1,689,247
	d.	Swap Collateral Account	0	93,731,000
	e.	Swap Collateral Account GBP	1,113	1,175
B.5		**Accrued income and prepaid expenses**	**33,565,436**	**33,665,099**
	a.	Accrued income on intercompany swap	33,541,667	33,633,562
	b.	Prepaid expenses	23,770	31,537
B.6		**Other receivables**	**3,226,645**	**57,734**
	a.	Withholding tax receivables from the Tax Office on interest income from current accounts	49,726	49,726
	b.	Group VAT receivables	0	8,008
	c.	Advances for recurring operations	31,002	0
	d.	Suppliers on account of advances	3,145,917	0
D.		**Loans received**	**12,584,796,349**	**13,733,706,901**
	a.	Subordinated loans	12,516,578,513	13,482,786,132
	b.	Interest expense from subordinated loan	68,217,836	157,189,769
	c.	Payables for guarantee fund	0	93,731,000
E.1		**Suppliers for services rendered to securitisation**	**3,504,617**	**5,847,184**
	a.	Suppliers on account of invoices to be received	3,507,104	3,698,272
	b.	Suppliers	(2,486)	2,148,912
E.2		**Accrued expenses and deferred income**	**336**	**6,331,685**
	a.	Accrued expenses on intercompany swap	0	6,302,000
	b.	Accrued expenses	336	29,685
E.3		**Payables to the Originator**	**1,944,034**	**3,139,780**
	a.	Payables for undue receipts	908,303	2,102,853
	b.	Payables for servicing fees	1,034,618	1,035,752
	c.	Payables for undue sums	1,113	1,175
E.4		**Sundry payables**	**3,512**	**29,128**
	a.	Advances of expenses for recurring operations	0	29,128
	b.	VAT payables to the Tax Office	2,750	0
	c.	Withholding tax payables to the Tax Office under art. 25-25*bis*	762	0
G.1		**Servicing commissions**	**12,050,389**	**11,422,316**

	a.	Servicing	12,050,389	11,422,316
G.2		**Commissions for other services**	**332,356**	**342,735**
		Corporate Expenses	130,655	145,498
		Ongoing Expenses	201,701	197,237
H.1		**Value adjustments to receivables**	**19,249,989**	**192,287**
	a.	Write-down of receivables under IFRS9	19,235,523	192,287
	b.	Write-down of default interest	(1,183)	0
	c.	Contingent liabilities for default interest	15,648	0
H.2		**Interest expense**	**190,500,276**	**215,073,656**
	a.	Interest expense on subordinated loans	113,263,587	184,304,044
	b.	Interest expense on subordinated loans – additional remuneration	72,496,654	23,607,643
	c.	Commissions expense	4,740,035	7,161,969
H.4		**Other charges**	**3,221,743**	**2,154,511**
	a.	Legal and notarial fees	23,928	6,952
	b.	Contingent liabilities	4	160,208
	c.	Translation expenses	3,416	2,129
	d.	Insurance premiums	1,196	1,666
	e.	Bank charges and expenses	119	13
	f.	Up-front expenses	0	24,400
	g.	Charges for IAS adjustments	3,193,081	1,947,311
	h.	Publication expenses	0	11,832
I.		**Interest generated from securitised assets**	**204,557,485**	**204,039,771**
	a.	Interest income from loans	193,076,672	207,020,546
	b.	Non-recurring charges on interest income	11,466,347	(2,980,775)
	c.	Default interest income	(1,183)	0
	d.	Contingent assets for default interest	15,648	0
L.2		**Value write-backs on receivables**	**0**	**21,176,282**
	a.	Value write-backs on receivables	0	21,176,282
L.3		**Swap differential receivable**	**32,276,383**	**31,098,611**
	a.	Charges/income from swap	32,276,383	31,098,611
L.4		**Other revenues**	**248,222**	**270,543**
	a.	Penalties receivable from third parties for damages	238,029	270,543
	b.	Contingent assets	10,193	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 (*Società per azioni*)
➢ 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 accruing interest, adjustment to amortised cost and to the provision for bad debts):	Euro 4,416,091,531.98. 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. 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.
➢ 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.
➢ 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 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 interest, adjustment to amortised cost and	Euro 3,913,159,845.33. The consideration for the portfolio has

to the provision for bad debts):	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. 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.

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 2 January 2020, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 1,000,000,000; at the payment date falling on 30 March 2020, it proceeded with the partial repayment of the subordinated loan in an amount of Euro 600,000,000 and at the payment date falling on 29 September 2020, it proceeded with the partial repayment of the subordinated loan in an amount of Euro 800,000,000.

Information relating to the performance of the receivable

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 reported in the "Sole Director's (Directors') Report on Operations", the Governments have brought in a series of measures to assist their economies in order to counter the destabilising effects of the COVID-19 pandemic that is currently in progress. The deferment of the payment of tax and social security contributions was the fiscal instrument most commonly employed, followed by government-backed business loans, moratoria on loan repayments and leasing instalments, support for household income, wage support schemes and redundancy funds.
As regards the securitised portfolio, it should be noted that as at 31 December 2020, 6,872 securitised credit agreements, corresponding to Euro 0.7 billion of remaining debt (equal to approximately 6% of the securitised portfolio) 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.)

It should be noted that on 28 October 2020 there was the completion of the merger of, among others, Securitisation Services S.p.A. by incorporation into Banca Finanziaria Internazionale S.p.A. by a deed dated 26 October 2020, file no. 54597, dossier no. 30824, drawn up by Alberto Sartorio, Notary Public, registered in the Treviso-Belluno Register of Companies.

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

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

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

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

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^ 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	31/12/2020	From the date of inception to 31/12/2019
Balance of receivables at the beginning of the Year	**11,918,477,293**	**0**
Increases:		
Purchase of portfolios of receivables, including IAS value adjustments	1,433,158,855	21,679,805,342
Other Increases, of which:		
Interest income	191,777,994	1,942,102,644
Deferred interest	0	24,865,459
Adjustment to the value of receivables at amortised cost	0	(68,926,922)
Penalties for early redemptions	238,029	2,881,323
Contingent assets	0	10,794,576
IAS adjustments	0	6,329,090
Value write-back on receivables	0	49,554,798
Value write-back on receivables under IFRS 9	0	2,593,766
Default interest income	(1,183)	0
Contingent items on default interest income	15,648	0
Decreases:		
Receipts from receivables	(1,548,383,106)	(10,542,319,479)
Charges on deferred interest income	11,466,347	(11,630,761)
Value adjustments to the provision for bad debts under IFRS9	(19,235,523)	(41,622,555)
Assignments to third parties, including IAS adjustments	(92,802,927)	(1,131,026,074)
Charges for IAS adjustments	(3,193,081)	(4,923,913)
Write-down of default interest	1,183	0
Contingent liabilities for write-down of default interest	(15,348)	0
Balance of receivables at the end of the Year	**11,891,504,181**	**11,918,477,293**

The sum of amounts collected on receivables and of the Assignments to third parties correspond to the amount of receipts on securitised loans stated in point L.9.

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	2020	2019
Opening Balance	73,947,306	64,969.682
Accrued Instalments	1,634,351,882	1,494,493,814

Instalments Collected	(1,641,186,033)	(1,485,516,189)
Closing Balance	**67,113.156**	**73,947,306**

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.

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

Inflows	**2020**	**2019**
1. Balance of current accounts and investments	1,770,043,739	1,450,967,304
2. Receipts from securitised loans (including repurchases)	1,641,186,033	1,490,019,890
3. Collection of Swap proceeds from Swap Counterparty	57,500,000	57,500,000
4. Collection of guarantee from Swap counterparty	58,880,000	71,226,411
5. Collection of amounts not accrued	0	1,129
6. Reversal of bank fees from previous years	10,193	0
Total Inflows during the Year	**3,527,619,965**	**3,069,714,734**

Outflows	**2020**	**2019**
1. Payment of Swap charges to Swap counterparty	26,066,278	26,813,167
2. Consideration for the Price relating to the purchased Portfolio	0	1,000,000,000
3. Interest expense on subordinated loan	274,732,174	189,354,880
4. Repayment of capital of the Subordinated Loan	2,400,000,000	0
5. Bank expenses and charges debited to current accounts	122	14
6. Corporate management expenses	125,599	116,279
7. Sundry payments to Suppliers	7,546,051	6,426,203
8. Payment of the Swap counterparty guarantee	152,611,000	61,922,386
9. Fees due to the Servicer and return of payables for undue sums	21,363,446	14,805,087
10. Exchange differences	62	232,978
Total Outflows during the Year	**2,882,444,733**	**1,299,670,995**

Balance of current accounts (Item B.3 of statement L.1)	**645,175,233**	**1,770,043,739**

The imbalance between inflows and outflows represents the balance of current accounts at 31 December 2020 (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, while they do not include receipts that did not accrued and that were returned during the Financial Year.
The amounts that were actually collected during 2020 totalled Euro 1.6 million: 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 909 million during 2021, 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**

Residual Maturity	Balance of Receivables - FY 2020
01) Until 3 months	1,111,307
02) From 3 months to 1 year	9,465,714
03) From 1 year to 5 years	403,122,878
04) Beyond 5 years	11,419,086,301
Indefinite maturity (***)	67,113,156
Total receivables at the end of the Year:	11,899,899,356

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

Geographical Area	Balance of Receivables - FY 2020
Other countries	8,002,295
Italy	11,887,362,909
EMU countries	4,534,153
Total receivables at the end of the Year:	11,899,899,356

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

Classes of amount (Euro)	Number of Customers	Balance of Receivables – FY 2020
01) 0 – 25,000	16,601	235,076,942
02) 25,001 – 75,000	60,653	3,111,329,186
03) 75,001 – 250,000	68,896	7,903,499,231
04) Beyond 250,000	1,773	649,993,997
Total receivables at the end of the Year:	147,923	11,899,899,356

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 2020 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.

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 31/12/2020	Amount at 31/12/2019
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 2020 financial year, the Quotaholders' Meeting passed a resolution on the following fees:

- annual fees of Euro 7,000.00, as adjusted by the ISTAT [Italian Statistics Institute] index during the years, to Director Andrea Fantuz;
- fees equal to Euro 10,000.00 to the Chairman of Board of Directors Samuele Trombini and the Director Barbara Fontani, broken down as follows:
  - fees of Euro 5,000.00 to the Chairman of the Board of Directors Samuele Trombini;
  - fees of Euro 5,000.00 to Director Barbara Fontani;

  as well as it established that such out-of-pocket expenses may be reimbursed as might be incurred by each of them for the purposes of one's office, and the annual ISTAT index adjustment to the aforesaid fees may be granted, if positive.

Statutory Auditor

The Sole Statutory Auditor's fees, accrued at 31 December 2020, amounted to Euro 6,344.00, 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 62,864; the income statement reports costs for commissions expense of Euro 122. 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 2019. 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 2019, 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 2019	31 12 2018*
10.	Cash and cash equivalents	830,134,881	934,343,468
20.	Financial assets measured at fair value through profit and loss	1,343,880,429	2,552,063,507
	a) financial assets held for trading	680,150,203	800,567,990
	c) other financial assets mandatorily measured at fair value	663,730,226	1,751,495,516
30.	Financial assets measured at fair value through other comprehensive income	6,564,298,174	10,533,159,628
40.	Financial assets measured at amortised cost	107,036,499,311	101,603,299,471
	a) Loans to banks	32,146,409,597	28,836,807,852
	b) Loans to customers	74,890,089,714	72,766,491,619
50.	Hedging derivatives	71,391,521	257,675,737
60.	Change in value of macro-hedged financial assets (+/-)	617,259,653	165,689,537
70.	Equity investments	2,763,249,390	2,653,300,592
80.	Property, plant and equipment	2,531,178,213	1,026,254,912
90.	Intangible assets	3,180,618	13,991,121
100.	Tax assets	2,101,675,899	3,319,249,166
	a) current	576,055,810	583,878,179
	b) deferred	1,525,620,089	2,735,370,987
110.	Non-current assets and groups of assets held for sale and discontinued operations	75,232,663	71,682,737
120.	Other assets	1,637,985,422	1,726,899,432
	Total assets	**125,575,966,174**	**124,857,609,308**

** The Bank has made use of the option not to restate, on a uniform basis, the comparative data in the financial year of the first-time adoption of IFRS 16.*

to be continued: Balance Sheet

(euro units)

Total Liabilities and Shareholders' Equity		31 12 2019	31 12 2018*
10.	Financial liabilities measured at amortised cost	111,361,586,334	109,733,724,900
	a) loans to banks	28,030,615,350	28,063,446,258
	b) loans to customers	67,053,575,991	68,343,924,860
	c) debts securities issued	16,277,394,993	13,326,353,782
20.	Financial liabilities held for trading	583,506,664	623,032,334
30.	Financial liabilities designated at fair value	372,836,995	370,199,542
40.	Hedging derivatives	1,315,904,617	907,617,281
50.	Fair value change of financial liabilities in hedged portfolio (+/-)	31,390,345	18,145,090
60.	Tax liabilities	303,939	-
	a) current	303,939	-
80.	Other liabilities	3,041,615,605	3,322,426,667
90.	Provision for employees severance pay	172,756,088	185,483,335
100.	Provisions for risks and charges:	1,118,333,376	1,384,836,669
	a) financial guarantees and other commitments	156,891,174	243,454,586
	b) post-employment benefits	32,093,170	33,392,233
	c) other provisions	929,349,031	1,107,989,850
110.	Valuation reserves	(28,398,878)	(276,918,630)
140.	Reserves	(1,361,989,957)	(1,441,676,532)
160.	Share capital	10,328,618,260	10,328,618,260
170.	Treasury shares (-)	(185,957,994)	(185,957,994)
180.	Profit (loss) (+/-)	(1,174,539,220)	(111,921,614)
	Total Liabilities and Shareholders' Equity	125,575,966,174	124,857,609,308

** The Bank has made use of the option not to restate, on a uniform basis, the comparative data in the financial year of the first-time adoption of IFRS 16.*

Income Statement

(euro units)

Items		31 12 2019	31 12 2018*
10.	Interest income and similar revenues	1,940,270,072	2,186,632,336
	of which interest income calculated applying the effective interest rate method	*1,917,374,319*	*2,101,311,797*
20.	Interest expense and similar charges	(697,741,760)	(664,705,411)
30.	**Net interest income**	**1,242,528,312**	**1,521,926,925**
40.	Fee and commission income	1,578,140,576	1,661,259,978
50.	Fee and commission expense	(189,445,203)	(187,843,875)
60.	**Net fee and commission income**	**1,388,695,373**	**1,473,416,103**
70.	Dividends and similar income	69,404,846	99,282,738
80.	Net profit (loss) from trading	51,519,000	32,296,958
90.	Net profit (loss) from hedging	(6,205,763)	(16,999,867)
100.	Gains/(losses) on disposal/repurchase of:	117,456,137	39,305,237
	a) financial assets measured at amortised cost	*58,619,728*	*4,331,226*
	b) financial assets measured at fair value through other comprehensive income	*52,450,793*	*24,502,652*
	c) financial liabilities	*6,385,616*	*10,471,359*
110.	Net profit (loss) from financial assets and liabilities measured at fair value through other comprehensive income	49,579,057	(112,641,530)
	a) financial assets and liabilities measured at fair value	*(11,201,079)*	*3,958,608*
	b) other financial assets mandatorily at fair value through profit or loss	*60,780,136*	*(116,600,138)*
120.	**Net interest and other banking income**	**2,912,976,962**	**3,036,586,564**
130.	Net impairment (losses)/reversals on	(622,894,380)	(554,325,478)
	a) financial assets measured at amortised cost	(617,309,315)	(559,426,018)
	b) financial assets measured at fair value through other comprehensive income	(5,585,065)	5,100,540
140.	Modification gains/(losses)	(4,226,664)	(8,184,379)
150.	**Net income from banking activities**	**2,285,855,918**	**2,474,076,707**
160.	Administrative expenses:	(2,374,587,986)	(2,717,915,547)
	a) personnel expenses	*(1,291,894,883)*	*(1,452,567,532)*
	b) other administrative expenses	*(1,082,693,103)*	*(1,265,348,015)*
170.	Net provision for risks and charges:	(69,444,279)	(75,699,768)
	a) commitments and guarantees issued	*86,563,412*	*2,891,057*
	b) other net provisions	*(156,007,691)*	*(78,590,825)*
180.	Net adjustments to/recoveries on property, plant and equipment	(143,964,972)	(76,224,401)
190.	Net adjustments to/recoveries on intangible assets	(10,822,208)	(24,672,423)
200.	Other operating expenses/income	215,294,166	247,059,078
210.	**Operating expenses**	(2,383,525,279)	**(2,647,453,061)**
220.	Gains (losses) on investments	(52,380,641)	(333,753,633)
250.	Gains (losses) on disposal of investments	2,827,100	482,430
260.	**Profit (loss) before tax from continuing operations**	(147,222,902)	**(506,647,557)**
270.	Tax (expense)/recovery on income from continuing operations	(1,027,316,318)	394,725,943
280.	**Profit (loss) after tax from continuing operations**	(1,174,539,220)	(111,921,614)
300.	**Profit (loss)**	**(1,174,539,220)**	**(111,921,614)**

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** The Bank has made use of the option not to restate, on a uniform basis, the comparative data in the financial year of the first-time adoption of IFRS 16.*

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 13,864.00 (net of VAT, out-of-pocket and secretary's office expenses to be invoiced within 5% of the supervision contribution in favour of CONSOB and ISTAT [Italian

Statistics Institute] index adjustment) will be paid out to the independent auditors PricewaterhouseCoopers S.p.A.. for the 2020 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 mad.

Conegliano (TV), 24 February 2021

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