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EXTERNAL REVIEW ON BANCA MONTE DEI PASCHI DI SIENA'S ALLOCATION AND IMPACT REPORT (JULY 2025)



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

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¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Scope and objectives

Banca Monte dei Paschi di Siena (hereafter referred to as "MPS") founded in 1472 in Siena, Italy, is considered the world's oldest bank still in operation. The history of Monte dei Paschi is firmly rooted in its surrounding areas. As of the date of the Framework, the Ministry of Economy and Finance is BMPS's majority shareholder. Banca MPS is the Parent Company of the Montepaschi Group – one of the major Italian banking groups with significant market shares in the business areas in which it operates such as leasing, factoring, corporate finance and investment banking.

The Group operates across Italy and integrates the traditional retail and commercial banking services offered through fully-owned branches with a digital service system enhanced by a network of highly skilled financial advisors working at Widiba Bank.

In 2024, MPS has developed a Social, Social and Sustainability Bond Framework (the "Framework"). The Framework reflects its current and future sustainability commitments and ambitions – including those outlined in its 2022-26 Industrial Plan – as well as the breadth of assets the Bank originates. It aims to become the reference document for all future Green, social and sustainability debt instruments ("Sustainable Debt Instruments") issued by MPS Group.

DNV Business Assurance Italy S.r.l. (henceforth referred to as "DNV") has published a Second Party Opinion commenting on the alignment of the Framework with the International Capital Market Association's ("ICMA") Social Bond Principles 2021 (2022 appendix) ("SBP"), the 2023 edition of the Social Bond Principles ("SBP") and the 2021 edition of the Sustainability Bond Guidelines ("SBG"), as well as an analysis of the eligibility of the identified projects against the EU Taxonomy Regulation (EU) 2020/852.

In line with its commitment to sustainable finance and regional inclusion, MPS successfully allocated 100% of the €750 million in proceeds from its inaugural Social Covered Bond (ISIN: IT0005603367), issued in July 2024. The allocation was fully dedicated to eligible social categories. Proceeds were distributed across the two following categories:

- Access to Essential Services – Financial Services: Mortgages under the 80% Public Guarantee of the First Home Mortgage Guarantee Fund ("Fondo Prima casa") administered by CONSAP (Concessionaria Servizi Assicurativi Pubblici) granted to first-time buyers with ISEE (Equivalent Economic Situation Indicator) of <€40K/yr, for applicants who are young people below the age of 36 or single-parent families with minor children.
- Employment Generation: Financing SMEs located in areas with a GDP per capita below national average and ranking in the highest 30% in terms of unemployment rate. Short- medium-and long-term financing dedicated to SMEs which are incorporated in 8 regions of South Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily).

DNV has conducted a Social Bond Eligibility Assessment on the Bond using the Social Bond Principles (SBP) and the Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB).

No assurance is provided regarding the financial performance of Bond issued under the Bank's Framework, the value of any investments, or the long-term social and/or societal benefits of the associated transactions. Our objective has been to provide an assessment that the Report has met the criteria established on the basis set out below.

Responsibilities of the Management of MPS and DNV

The management of MPS has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform MPS management and other interested stakeholders in the Framework as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by MPS. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect.

Thus, DNV shall not be held liable if any of the information or data provided by MPS's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol, which now incorporates the requirements of the Harmonised Framework for Impact Reporting for Social Bonds and the Social Bond Principles to create a MPS-specific Allocation and Impact Report Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the HFIRSB and SBP-related criteria have been reviewed against the Allocation and Impact Report. The criteria are grouped under the five core Principles:

- **Principle One: Use of Proceeds**
The Use of Proceeds criteria require that the issuer of a Social Bond allocate the proceeds raised exclusively to eligible projects. These projects must deliver tangible social benefits.
- **Principle Two: Process for Project Evaluation and Selection**
The Project Evaluation and Selection criteria require that a Social Bond issuer clearly describe the process used to assess whether an investment qualifies for funding. Additionally, the issuer should specify any intended social impact goals considered during this evaluation.
- **Principle Three: Management of Proceeds**
The Management of Proceeds criteria require that Social Bond proceeds be tracked within the issuing organization. When appropriate, separate portfolios should be established, and the issuer must disclose how any unallocated proceeds will be managed.
- **Principle Four: Reporting**
The Reporting criteria recommend that, at a minimum, issuers provide Sustainability Reporting to Bond investors regarding the use of proceeds. Where possible, this reporting should include quantitative and/or qualitative performance indicators.
- **Principle Five: Impact Reporting**
Reporting also plays a key role in communicating the anticipated social impacts of the proceeds, and should be conducted at least annually. In addition to qualitative indicators and contextual details, the use of quantitative performance metrics is encouraged where feasible. In this context, core impact metrics—such as those outlined under the relevant project categories in the HFIRSB—are preferred over other types of quantitative measures, such as inputs, outputs, or outcomes.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by MPS in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion includes:

- Creation of a MPS-specific Protocol, adapted to the purpose of the Allocation and Impact Report, as described above, in the next page and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by MPS on the specific projects that have been (re)financed and supplemented by a high-level desktop research. These checks are used to confirm whether the projects identified fit into the project categories originally included in the Framework;
- Discussions with MPS management, as well as review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against the projects.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

Allocation and Impact Report

As what concerns the Allocation and Impact Report, DNV's findings are listed below, with further details in Schedule 2:

- **Principle One: Use of Proceeds.**

MPS has used the net proceeds of the Social Bond to finance or re-finance, in whole or in part, a pool of nominated Eligible Projects/Activities qualified under the terms of the Social Bond Principles. The Allocation and Impact Report specifies the following eligible project categories:

- Access to Essential Services – Financial Services: Mortgages under the 80% Public Guarantee of the First Home Mortgage Guarantee Fund (“Fondo Prima casa”) administered by CONSAP (Concessionaria Servizi Assicurativi Pubblici) granted to first-time buyers with ISEE (Equivalent Economic Situation Indicator) of <€40K/yr, for applicants who are young people below the age of 36 or single-parent families with minor children.
- Employment Generation: Financing SMEs located in areas with a GDP per capita below national average and ranking in the highest 30% in terms of unemployment rate. Short- medium-and long-term financing dedicated to SMEs which are incorporated in 8 regions of South Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily).

DNV conducted an assessment of the relevant project type to verify whether the proceeds were used to finance or refinance assets classified as 'Social' in accordance with the SBP. MPS has issued an Allocation and Impact Report outlining the use of proceeds. Additionally, it has provided supporting documentation demonstrating that the proceeds were exclusively allocated to refinance its loans.

DNV assessed the criteria for the project categories mentioned above to evaluate the eligibility of the nominated projects and assets. It concluded that the financed categories align with those defined in the Framework. The proceeds have been used to refinance these loans in accordance with the SBP.

- **Principle Two: Process for Project Evaluation and Selection.**

The proceeds from the Bond have been allocated to finance loans as specified in Schedule 1. The process for asset evaluation and selection described in the Framework has been respected. DNV has reviewed supporting evidence showing that MPS routinely evaluates opportunities for improvement and implements action plans and initiatives to address potential negative social impacts from its operations.

DNV concludes that MPS has adhered to the established process for project evaluation and selection.

- **Principle Three: Management of Proceeds**

From the total eligible portfolio, €750 million were selected and allocated to the 2024 Social Bond at the time of issuance. In the original Framework, MPS stated that the net proceeds of MPS' Sustainable Debt Instruments would be tracked and managed on internal systems by MPS' Treasury department using a Bond-by-Bond approach.

DNV has reviewed the evidence presented and can confirm that the proceeds have been appropriately managed.

- **Principle Four: Reporting**

MPS has reported annually, and will publish the Allocation and Impact Report on its website with the following information:

- ✓ the list of (re)financed loans with the net proceeds of the Bond;
- ✓ information on key performance indicators (KPIs) related to such Eligible Projects.

DNV has reviewed the evidence presented and can confirm that the reporting has been provided within one year from issuance.

- **Principle Five: Impact Reporting**

The assessment and measurement of the impacts generated by MPS Social Bond covered all the project categories. The specific KPIs were inspired by the HFIRSB and partially overlap with the list included in the Harmonised Framework.

DNV has reviewed the evidence presented and can confirm that the KPIs selected by MPS are in line with best market practice.



External Review on Allocation and Impact Report

DNV can confirm that MPS's Social Bond issued in 2024 respect the criteria set in the original Framework, and that appropriately describes the procedures of reporting in line with SBP and HFIRSB.

for DNV Business Assurance Italy S.r.l.

Vimercate, 01 July 2025


A handwritten signature in blue ink that reads "Giorgio Teresi".

Giorgio Teresi
Lead Assessor

A handwritten signature in blue ink that reads "Riccardo Arena".

Riccardo Arena
Technical Reviewer

Schedule 1: Description of identified loans that have been refinanced through MPS's 2024 Social Bond

| Eligible Social category | Project title | Contribution to UN-SDGs | Alignment with the project categories included in the Framework |
|-------------------------------------|--|---|---|
| ACCESS TO ESSENTIAL SERVICES | Financial Services: Mortgages under the 80% Public Guarantee of the First Home Mortgage Guarantee Fund ("Fondo Prima casa") administered by CONSAP (Concessionaria Servizi Assicurativi Pubblici) granted to first-time buyers with ISEE (Equivalent Economic Situation Indicator) of <€40K/yr, for applicants who are young people below the age of 36 or single-parent families with minor children. |  |  |
| EMPLOYMENT GENERATION | Financing SMEs located in areas with a GDP per capita below national average and ranking in the highest 30% in terms of unemployment rate. Short- medium-and long-term financing dedicated to SMEs which are incorporated in 8 regions of South Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily). | |  |

Schedule 2: Allocation and Impact Report - Eligibility Assessment Protocol

1. Use of proceeds

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|---------------------------|--|--|---|
| 1a | Type of Bond | <p>The Bond must fall in one of the following categories, as defined by the Social Bond Principles:</p> <ul style="list-style-type: none"> • Social Use of Proceeds Bond • Social Use of Proceeds Revenue Bond • Social Project Bond • Social Securitized Bond | <p>Review of:</p> <ul style="list-style-type: none"> • Green, Social, Sustainability Bond Framework (June 2024) • Allocation and Impact Report (July 2025) | <p>The evidence reviewed confirms that the Bond qualifies under the category of Social Use of Bond proceeds, affirming its alignment with recognized standards for socially impactful financing.</p> |
| 1b | Social Project Categories | <p>The cornerstone of Social Bond is the utilization of the proceeds of the Bond which should be appropriately described in the legal documentation for the security.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Green, Social, Sustainability Bond Framework (June 2024) • Allocation and Impact Report (July 2025) | <p>As outlined in the Framework, the net proceeds from the Social Bond have been exclusively directed toward refinancing a portfolio of loans that meet the eligibility criteria established by the Social Bond Principles.</p> |
| 1c | Social benefits | <p>All designated Social Project categories should provide clear socially sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Green, Social, Sustainability Bond Framework (June 2024) • Allocation and Impact Report (July 2025) | <p>The social benefits associated with all financed projects are clearly defined, highly relevant, and measurable. These benefits are quantified using specific Key Performance Indicators (KPIs), ensuring transparency and accountability in the use of proceeds.</p> |
| 1d | Refinancing share | <p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p> | <p>Review of:</p> <ul style="list-style-type: none"> • Green, Social, Sustainability Bond Framework (June 2024) • Allocation and Impact Report (July 2025) | <p>The 2024 Allocation and Impact Report clearly states that the net proceeds have been exclusively utilized to refinance the designated loans, in full alignment with the commitments outlined in the Framework.</p> |

2. Process for Project Selection and Evaluation

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|--|---|---|---|
| 2a | Investment-decision process | <p>The Issuer of a Social Bond should outline the decision-making process it follows to determine the eligibility of projects using Social Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Social Projects categories identified in the SBP; The criteria making the projects eligible for using the Social Bond proceeds; and The social sustainability objectives | <p>Review of:</p> <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) | <p>The decision-making process for determining project eligibility, as outlined in the Framework, has been duly followed. DNV concludes that MPS has established a rigorous and well-structured approach for evaluating and selecting loans, and that this process has been consistently applied in practice.</p> |
| 2b | Issuer / borrower's social and social and governance framework | <p>In addition to information disclosed by an issuer on its Social Bond process, criteria and assurances, Social Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding social sustainability.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) Sustainability Reporting 2024 | <p>As part of the previous Second Party Opinion (SPO) engagement, DNV conducted a review of MPS's Sustainability Strategy and Governance framework, drawing on publicly available information as well as the Green, Social, and Sustainability Bond Framework.</p> |

3. Management of proceeds

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|--------------------|---|--|--|
| 3a | Tracking procedure | <p>The net proceeds of Social Bond should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Social/Social Projects.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) | <p>The reviewed evidence demonstrates that MPS promptly allocated the net proceeds of the Social Bond upon issuance. The disbursement details and the remaining balance have been meticulously tracked through MPS's internal financial reporting system, ensuring transparency and accountability throughout the process.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|--------------------|--|---|---|
| 3b | Tracking procedure | So long as the Social Bond is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Social investments made during that period. | Review of: <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) | MPS has fully allocated the entire amount of proceeds, ensuring that all funds have been directed in accordance with the intended use outlined in the Framework |
| 3c | Temporary holdings | Pending such investments or disbursements to eligible Social Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds. | Review of: <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) | Not applicable, as the Bond has already been allocated. |

4. Reporting

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|----------------------|--|---|--|
| 4a | Periodical reporting | Issuers should make and keep readily available up to date information on the use of proceeds to be renewed annually until fully drawn, and as necessary thereafter in the event of material developments. This should include a list of the Social projects to which the Social Bond proceeds have been allocated and a brief description of the projects and the amounts allocated and their expected impact. In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Social Bond proceeds have been allocated including a brief description of the projects and the amounts disbursed, as well as the expected socially sustainable impact. | Review of: <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) | MPS has disclosed the following information on its website and/or within a dedicated section of its Sustainability Report: <ul style="list-style-type: none"> A comprehensive list of Eligible Loans refinanced using the net proceeds of the Bond; Key performance indicators (KPIs) associated with these Eligible Loans. Additionally, MPS has established a detailed register of all Eligible Loans, incorporating relevant impact indicators to monitor the social contributions of the financed projects. The Use of Proceeds allocation reporting was completed within one year of the Bond's issuance, following full allocation of the proceeds. DNV was engaged to deliver an independent assessment confirming that the established criteria have been met. |

5. Impact Reporting

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------|--|--|--|
| 5a | Impact reporting | <p>Reporting is a core component of the SBP, and Social Bond issuers are required to report on both the use of Social Bond proceeds, as well as their expected social impacts at least on an annual basis. Besides qualitative performance indicators and contextual information, the use of quantitative performance measures is recommended, where feasible. In this regard, core impact metrics such as those proposed under the relevant project categories in this Handbook are preferred over other quantitative metrics (e.g. inputs, outputs, outcomes).</p> <p>Depending on the process put in place for the allocation of proceeds, it is recommended that issuers either provide a list of projects to which Social Bond proceeds have been allocated, or report solely on a portfolio level.</p> <p>The impact report should illustrate the expected social impacts or outcomes made possible as a result of projects to which Social Bond proceeds have been allocated.</p> | <p>Review of:</p> <ul style="list-style-type: none"> Green, Social, Sustainability Bond Framework (June 2024) Allocation and Impact Report (July 2025) | <p>MPS has successfully met the reporting obligations set forth by both the Social Bond Principles (SBP) and the Harmonised Framework for Impact Reporting of Social Bonds (HFIRSB). Demonstrating a strong commitment to transparency, the Bank has issued annual updates detailing the allocation of Social Bond proceeds and the resulting social impacts. In alignment with industry best practices, MPS has incorporated quantitative performance indicators, prioritizing core impact metrics that correspond to the relevant project categories defined in the Harmonised Framework. The report features a comprehensive list of Eligible Loans along with their associated KPIs. Moreover, MPS's impact reports clearly articulate the anticipated social outcomes enabled by the financed projects, reinforcing the organization's adherence to the SBP's principles of accountability and social responsibility.</p> |