

**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

July 2025

Allocation and Impact Report



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Letter from The ESG Executive Committee

Letter from The ESG Executive Committee

At Banca Monte dei Paschi di Siena, we firmly believe that finance can be a powerful driver of inclusive and sustainable growth. In a rapidly evolving global and regulatory landscape, our mission goes beyond banking: it is about supporting people, businesses, and communities in building a more equitable future.

In this context, we are proud to present and report the results of our inaugural Social Covered Bond, issued in July 2024. This transaction represents a strategic milestone in our journey toward sustainability and marks the Bank's formal entry into the sustainable finance market through the issuance of use-of-proceeds bonds.

The Social Bond proceeds were fully allocated at issuance to refinance loans with clear and measurable social impact. These include access to credit for affordable housing for first-time homebuyers, and support to SMEs operating in lower GDP regions of Southern Italy. Our allocation aligns with our ESG strategy and directly supports the achievement of key UN Sustainable Development Goals (SDGs),

This issuance was the first step of our broader sustainability ambition set out in our **2024–2028 Business Plan**, where we have committed to:

- Reaching 30% of new financing with ESG objectives by 2028
- Achieving 25% of total bond issuances in sustainable format (Green and Social) over the same period

These targets reflect our conviction that sustainability is not only a strategic imperative, but also a lever of long-term value creation. Through this inaugural Social Bond, we reaffirm our commitment to transparency, accountability, and responsible banking.

We thank our stakeholders and investors for their trust, and we look forward to further contributing to a more sustainable economy.

—

The ESG Executive Committee

Banca Monte dei Paschi di Siena



“ set out in our 2024–2028 Business Plan, where we have committed to:

Reaching 30% of new financing
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Achieving 25% of total bond
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1. Allocation & Impact Executive summary

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In line with its commitment to sustainable finance and regional inclusion, Banca Monte dei Paschi di Siena 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, as defined in the BMPS Green, Social, Sustainability Bond Framework developed in alignment with the International Capital Market Association's ("ICMA") Green Bond Principles (June 2021 with June 2022 appendix), Social Bond Principles (June 2023), Sustainability Bond Guidelines (June 2021). 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).

Key Impact Highlights:



€750 million allocated to eligible social loans



6.033 families supported in accessing affordable housing



638 SMEs financed in low-GDP areas



Over **18.847 jobs** supported directly or indirectly



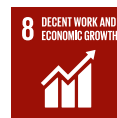
~31% of funds allocated to Southern Italy (Mezzogiorno)

The target populations reached include youth under 36 and families with limited access to traditional credit, and SMEs in areas with a GDP per capita below national average and ranking the worst 30% in terms of unemployment rate.

The proceeds contributed to advancing multiple Sustainable Development Goals (SDGs), with a particular focus on:



SDG 1 – No Poverty



SDG 8 – Decent Work and Economic Growth



SDG 10 – Reduced Inequalities

Full allocation and impact results have been externally reviewed by DNV as part of the annual reporting process.



2. Social Covered bond issuance overview

2. Social Covered bond issuance overview

IT0005603367

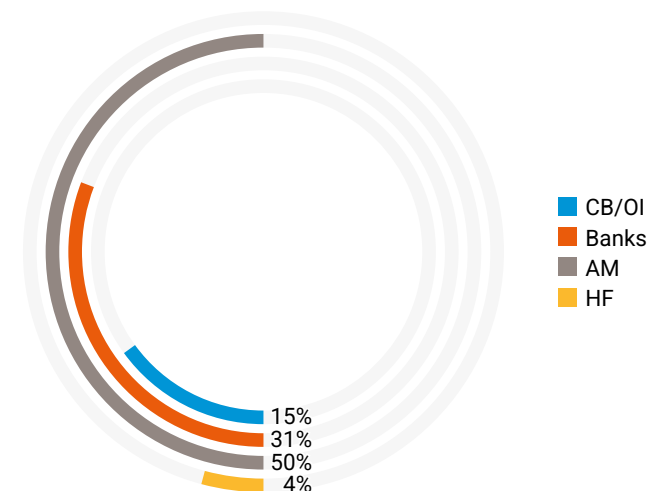
Settlement date: **16 July 2024**
 Notional: **€750m covered bond**
 Tenor: **6 years**
 Maturity date: **16 July 2030**

The final book collected orders above €1.1bn, allocated as follows

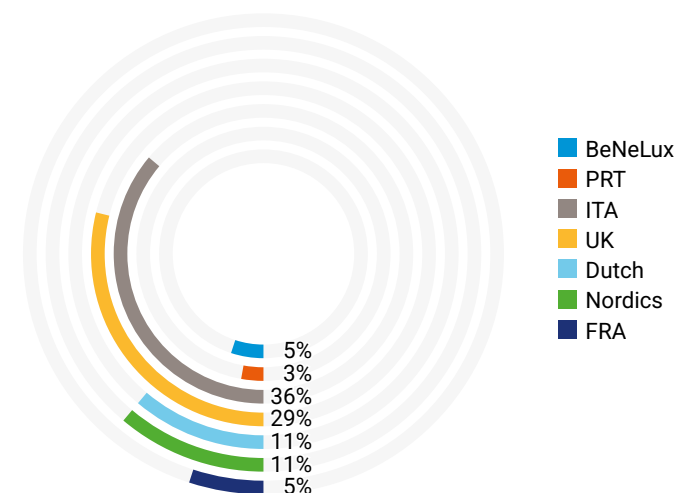
Outstanding Social Bonds as at 31st December 2024:

Issuer	Banca Monte dei Paschi di Siena S.p.A.
Issue Rating (Exp)	Aa3 by Moody's, AA- by Fitch and AA by DBRS
Status/Format Premium Covered Bond	Premium Covered Bond
Size	EUR 750mln
Announcement Date	09/07/24
Settlement Date	16/07/2024 (T+5)
Maturity	16/07/30
Re-offer / Issue Price	99.45%
Re-offer Yield	3.479% per annum
Re-offer Spread	MS + 65 bps
Coupon	3.375% Fixed, Annual Actual/Actual (ICMA), unadjusted
Documentation	Issued off the Banca Monte dei Paschi di Siena SpA EUR 20.000.000.000 Covered Bond Programme, dated 2 July 2024 (the "Base Prospectus"), and unconditionally and irrevocably guaranteed as to payments of interest and principal by MPS Covered Bond S.r.l. under the Base Prospectus
Min. Denomination	€ 100.000 + € 1.000
ISIN	IT0005603367
Distribution	Reg S, Bearer and dematerialised
Listing	Luxembourg Stock Exchange

Allocation by Type



Allocation by Region





3. BMPS's Sustainability strategy, achievements and governance

3.1

Sustainability Strategy and Key ESG Commitments

3.1 Sustainability Strategy and Key ESG Commitments

The Group, consistent with its historical focus, orients its actions towards the creation of shared long-term value, combining its distinctive way to do Banking with its distinctive and strong roots deeply rooted in our Strong ESG Culture.

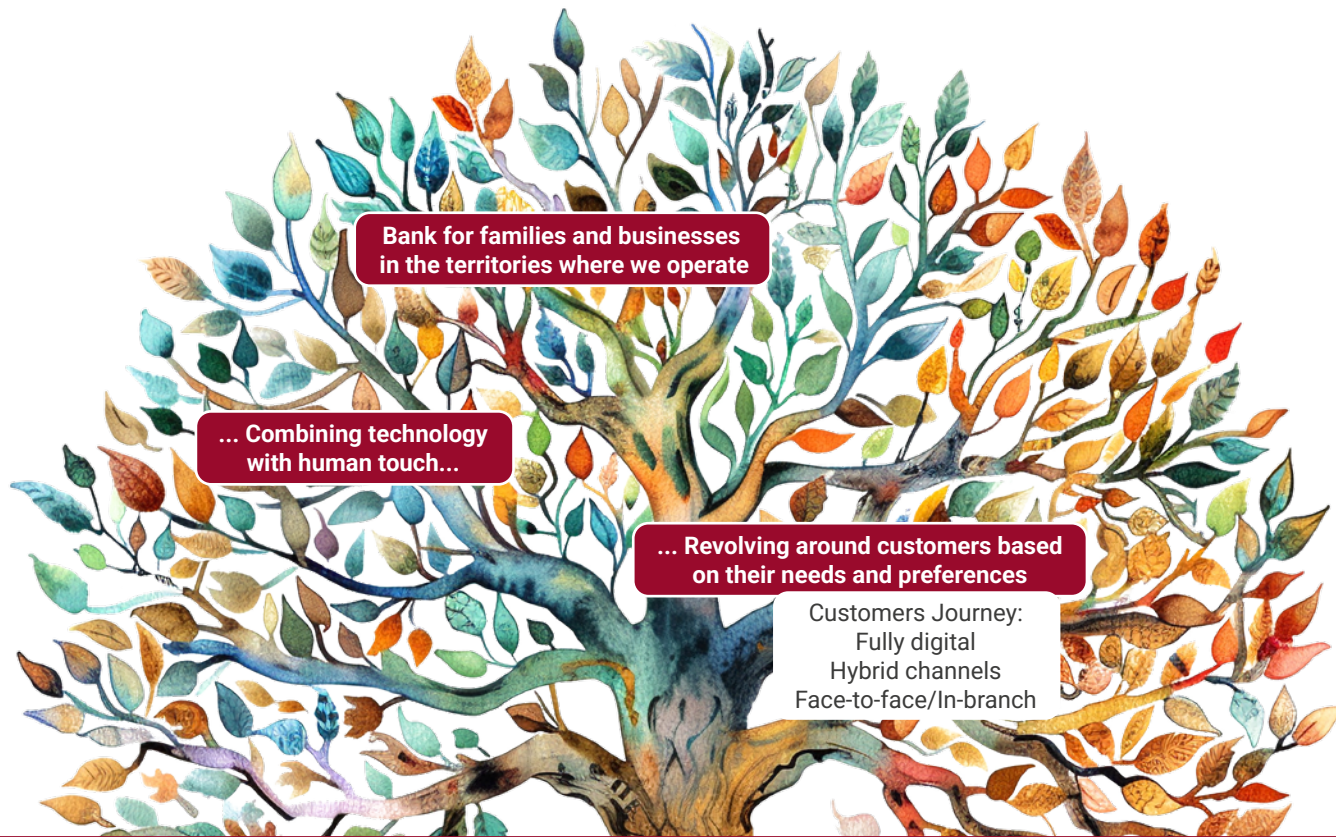
Its purpose:



“ The good of the Customer
and the Local areas
is our guiding light ”

Is to build a future where the well-being of people, territories and sustainability are at the centre of our strategic decisions.

Our distinctive way to do banking



Bank for families and businesses in the territories where we operate

... Combining technology with human touch...

... Revolving around customers based on their needs and preferences

Customers Journey:
Fully digital
Hybrid channels
Face-to-face/In-branch



MONTE DEI PASCHI DI SIENA
BANCA DAL 1472



Our renowned brand

Our 550+ years of history

Our locally entrenched network

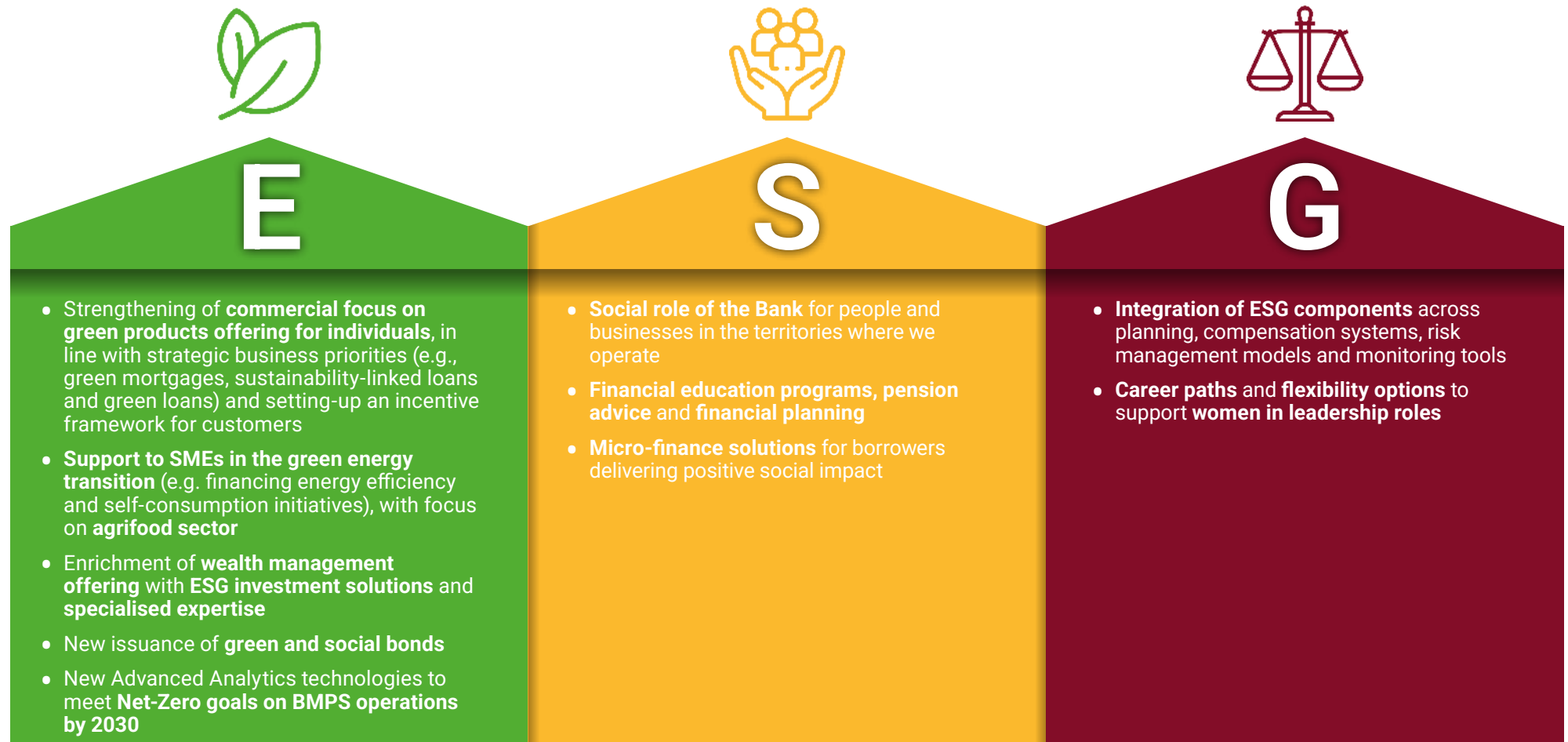
Our people & culture

Our distinctive & strong roots

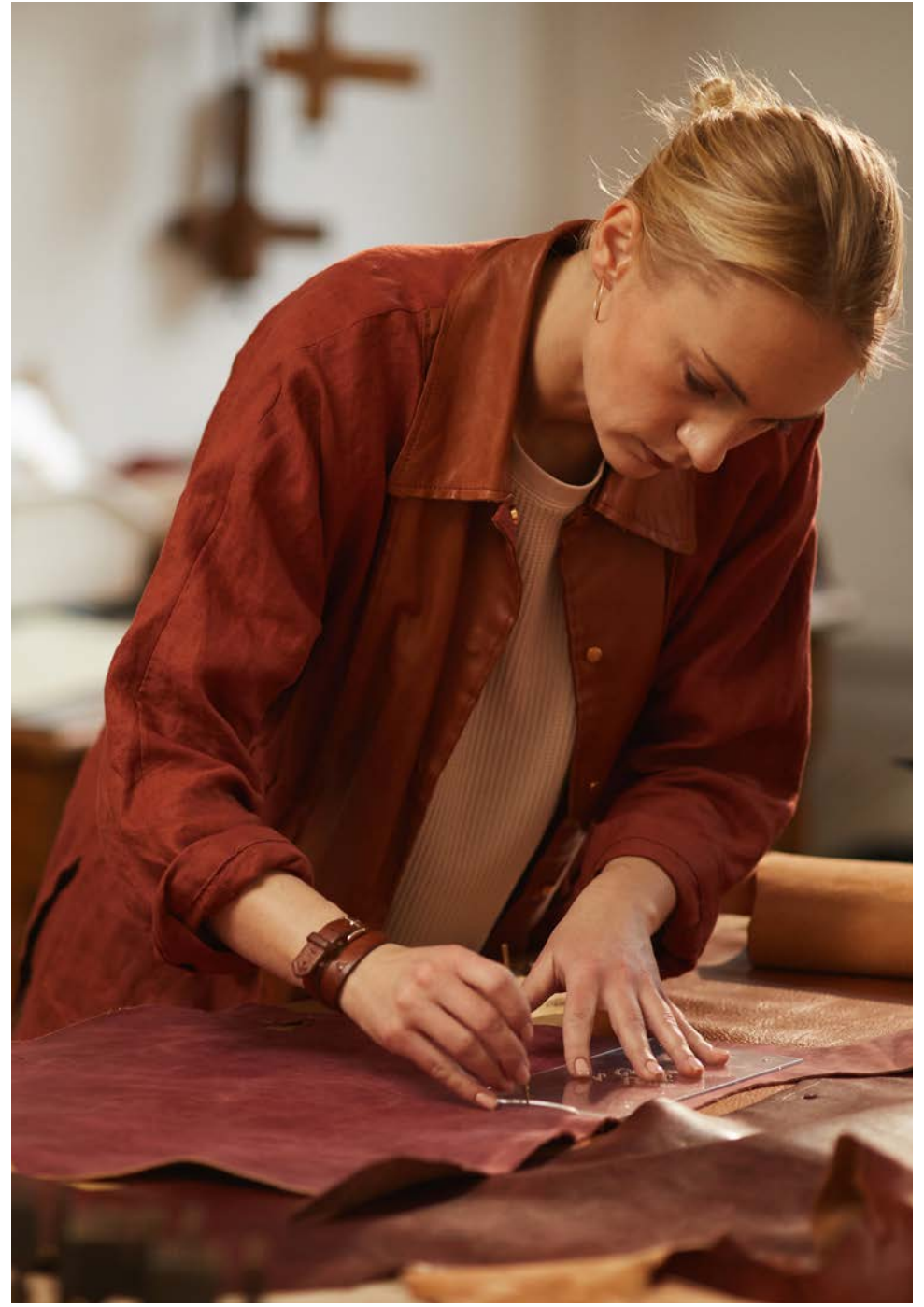
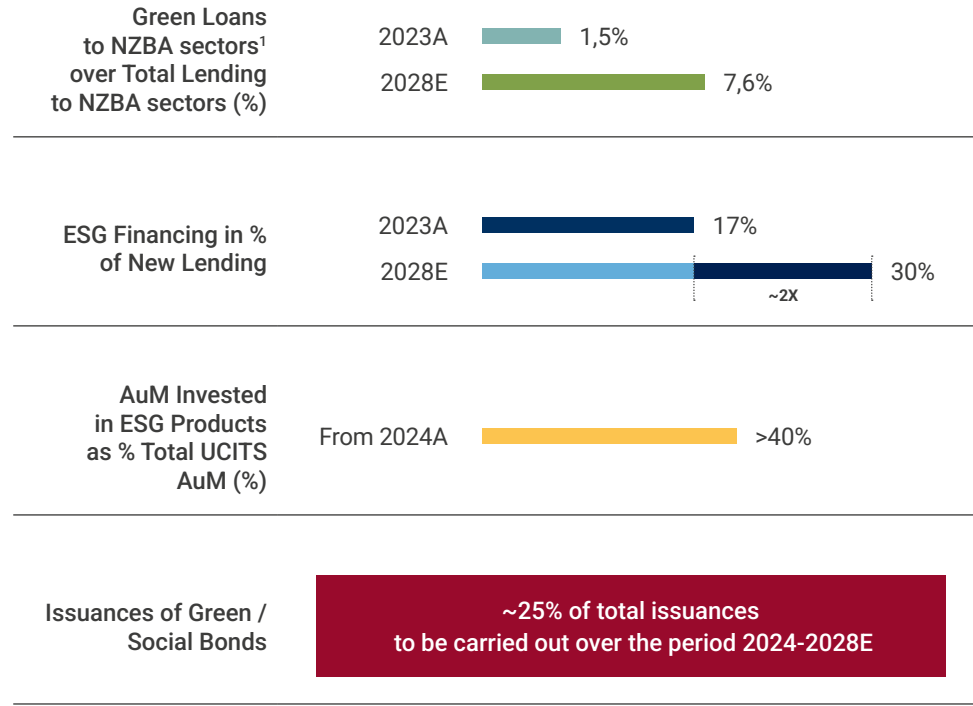
Seizing sustainability opportunities, especially around climate and environmental protection, while enhancing social impact, supporting stakeholder development, and managing related risks, is central to the Group's mission.

Sustainability, an integral part of the strategy outlined by the Group, is further reinforced in the 2024-2028 Business Plan "A Clear and Simple Commercial Bank, Revolving Around Customers, Combining Technology with Human Touch", which develops the dimensions of Sustainability with reference to the Group's entire business and value chain.

As part of its Sustainability Strategy, the Group has identified actions to pursue its targets



Selected Highlights



¹ Sectors with high emissions intensity (oil and gas, iron and steel, energy production and distribution, aluminium, cement, real estate, transports and agriculture).

3.2

Key ESG

Commitments

3.2 Key ESG Commitments

The Group pursues on a path of progressive and structural integration of ESG principles into its corporate strategy and business model voluntarily adhering to various sustainability initiatives and embracing the global objectives of international bodies aimed at preserving the planet, society and the interests of future generations.

Based on the double materiality assessment, the Group defined the main areas of intervention with reference to the three dimensions of sustainability: Environmental, Social and Governance.



ENVIRONMENT

Since 2022, the Group, has voluntarily joined the NZBA, strengthening its commitment on supporting the decarbonisation of its own activities and its downstream value chain setting, with an evidence-based approach based on long term climate scenarios, progressive targets to reduce direct and indirect emissions from its operations.

The Group also sees sustainable finance as an opportunity to promote and support the circular economy and further strengthen its contribution to climate change mitigation.

Key objectives of the 2024-2028 strategic plan

	Target to 2028
Green loans on total financing to NZBA sectors	7.60%
ESG financing volumes disbursed	30%
Green and Social Bonds	25%

Key objectives of the 2024-2028 strategic plan

NET ZERO on own operation by 2030 (scope 1 and 2 - market based)
100% use of renewable electricity
Net carbon neutrality by 2050 on lending portfolio

ACTIONS/INITIATIVES

Phase out, already achieved, form coal
No new disbursement at the exploration, development, and expansion of new conventional and unconventional oil and gas sites
Adoption of exclusion and/or more restrictive criteria to sector heavily impacts climate and ecosystem
Supporting the transition of SMEs to renewable energy sources with a special focus on the agri-food sector
Setting Target NZBA



SOCIAL

Supporting the development of fair and inclusive business models: **our main commitments.**

Leveraging the group's distinctive asset: our people and network and by assessing the impacts on the well-being of individuals and society of the funded projects: **our way.**

The Group is also committed to support the transition by:

Key objectives of the 2024-2028 strategic plan

Target to 2028

Cultural, scientific, social initiatives

Work orientation and financial education activities

Products and services for the most vulnerable and needy groups and individuals in society

Partnerships with local institutions for the sustainable growth, wellbeing and health

Cyber Resilience

Adoption of criteria for assessing the negative impact of funded project on society (gambling, violation of human rights, child and forced labour, health and safety regulations, money laundering, etc.)

Products and services dedicated for finance the transition of companies towards more equitable and inclusive business models

Products and services for the most vulnerable and disadvantaged sectors and categories

Specific support for the agri-food

The group is also committed to contribute to the spread of inclusive by setting a goal of gender equality for its resources and of financial inclusion for all people

Key objectives of the 2024-2028 strategic plan

Target to 2028

Diversion & Inclusion KPI - No. of responsibility roles held by the less represented gender	40%
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Savings and pension plans, among retail customers aged 18-35	7.40%
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GOVERNANCE

- Promotion of ESG culture through recurring training sessions and variable remuneration systems also linked to the achievement of ESG objectives;
- Adoption of credit policies and risk measurements integrated with ESG evaluation and risk factors and consistent with overall strategic ESG objectives.
- Further strengthening of ESG data quality and monitoring processes integrated into business processes to foster transparency on our ESG
- Strategy as well as on the results of implemented actions.

3.3

Key ESG

Achievements

3.3 Key ESG Achievements



ENVIRONMENT

Emission Reduction:

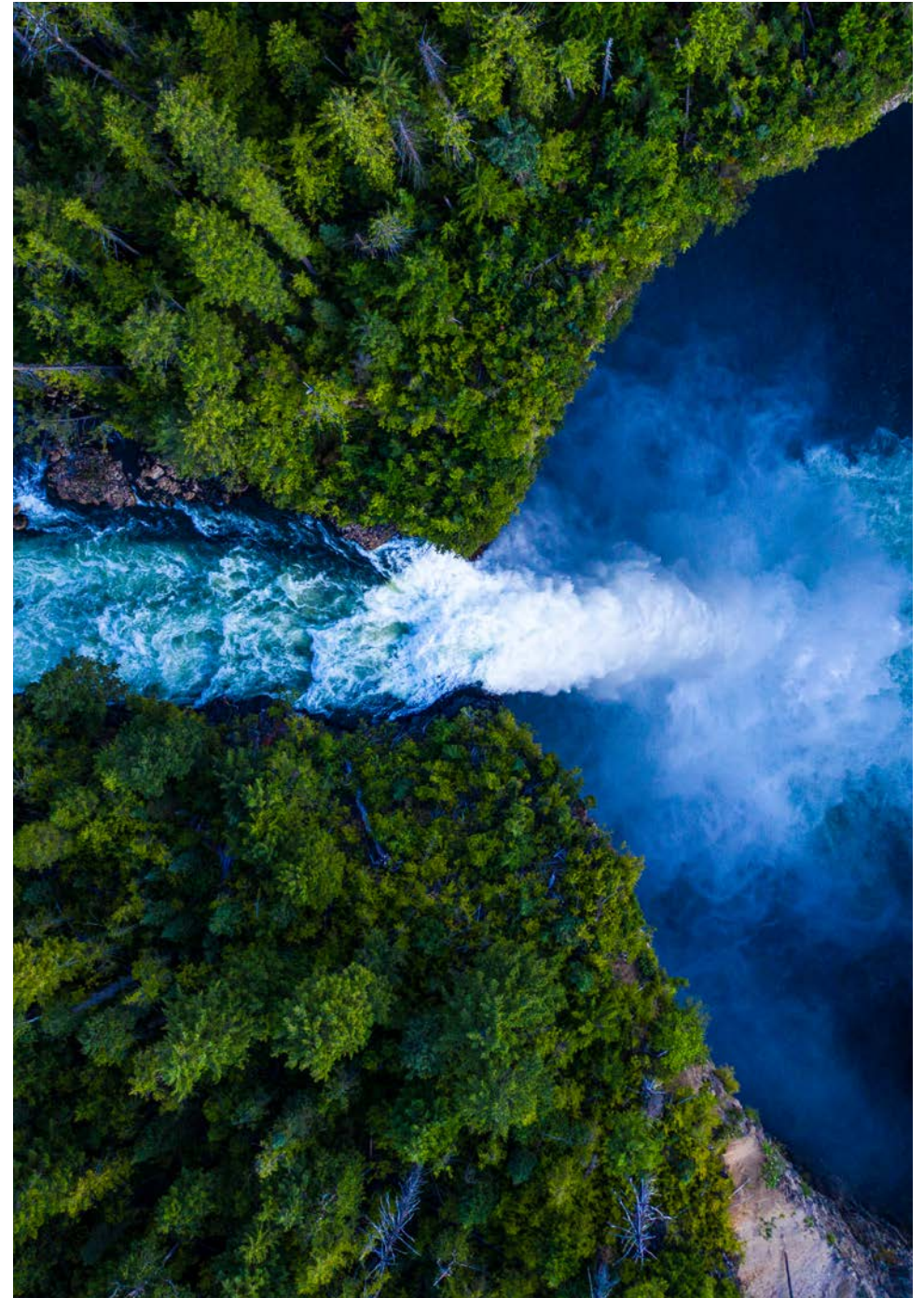
- Scope 1 emissions reduced by 75% compared to the 2017 baseline
- No biogenic CO₂ emissions for Scope 1, Scope 2 and Scope 3
- In 2024, the Group offset emissions from the use of 2 million cubic meters of natural gas, accounting for over 69% of total natural gas consumption.

Renewable Energy:

- 100% of renewable electricity certified through Guarantees of Origin

Green Finance:

- In June 2024 the Group published its Green, Social and Sustainability Bond Framework
- In 2024 the partnership agreement with SACE was renewed in relation to the *SACE Green New Deal* guarantee, with the aim of incentivising projects to reduce environmental impact and of launching an ecological transition through loans backed by SACE guarantees for around 80% of the total disbursed.





SOCIAL

- Issuance of social bonds for €750 million in 2024, representing more than 25% of total issuances
- At the end of 2024, the Group highlights 18% of financing disbursed with ESG purposes compared to total annual volumes disbursed of which 954 million euros with social purposes.

Inclusion and Diversity:

- Leadership Roles Held by Women: 37.6% at the end of 2024
- Employees with Disabilities: A proportion of 6% (52% men, 48% women) at the end of 2024

Initiatives and Engagement:

- First edition of "A Day in the Branch" in July 2024, with over 60 branches involved and approximately 2,500 participants
- Community support through projects that enhance local areas
- Continuation of the "MPS Orienta" program, dedicated to career guidance, development of transversal skills, and financial education

Training and Academic Collaborations:

- Activation of 40 internships in 2024, averaging 6 months, some concluding with employment
- Participation in Career Days organized by the University of Siena
- Agreement with Unitelma for discounted access to online degree courses and master's programs for employees and their families (43 enrollments in degree courses, 184 enrollments in master's programs from 2020 to 2024)

Events and Sponsorships:

- Participation in events such as Vinitaly, Divinazione Expo, G7 Agriculture, and "National and International Olive Growing States General"
- Sponsorship of the 2024 Guida Oli d'Italia promoted by Gambero Rosso

Agreements and Protocols:

- Memorandum of Understanding with Assocamerestero
- Agreements with government, public sector and trade associations



GOVERNANCE

Integration of ESG Strategy:

- Holistic Group sustainability strategy and management policy integrated with phaseout and transition guidelines for all Group activities
- Definition of lending strategies and commercial approaches differentiated by sector (environmental and social and impact) and exposure to climate risks
- Integration of ESG objectives into commercial planning processes
- Large adoption of ESG KPIs to determine variable remuneration

Code of Ethics:

- Adoption of a Code of Ethics to guide corporate Behavior

Corruption Prevention:

- Implementation of practices to prevent corrupt activities

Commercial offering:

- Diversification of ESG commercial offerings and services in line with NZBA targets and the sustainable transition

Ratings:

- Overall improvement in ESG ratings

Supply Chain assessment with:

- Environmental, social and governance criteria
- Pre-defined requirements in terms of economic soundness, competitiveness and quality
- Group's anti-corruption policies and procedures formally referenced in Contracts and General Purchasing Conditions
- Minimum sustainability criteria established by the Group, in accordance with the Code of Ethics and the relevant international, European and national agreements to which the Group adheres

Sustainability Initiatives



Sustainable Development Goals (SDGs)

The MPS Group is committed to achieving the Sustainability Development Goals (SDGs) promoted by the Member States of the United Nations Organisation

WE SUPPORT



UN Global Compact

Since 2002, the MPS Group has supported the Global Compact, which promotes responsible businesses based on principles and values such as human rights, labor, the environment and anti-corruption



Principles for Responsible Banking - UNEP FI

Banca Monte dei Paschi di Siena endorses the UNEP-FI Principles for Responsible Banking, a framework aimed at promoting the development of a sustainable banking industry, in line with the goals of the United Nations 2030 Agenda and with those of the Paris Climate Agreement, by supporting the integration of sustainability into all areas of banking business. The Montepaschi Group was among the first signatory banks to adhere in 2019



Net-Zero Banking Alliance

The MPS Bank is continuing on its path towards a sustainable development model and has adhered to the Net-Zero Banking Alliance (NZBA), an initiative promoted by the UNEP-FI to accelerate the global transition of the real economy to net-zero emissions by 2050. The MPS Group joined the Alliance in January 2022.



Valore D

The Group has been a member of Valore D since 2015 and in 2017 signed its Manifesto for Female Employment. The Group has set up a programme of initiatives dedicated to Diversity Management, with the aim of developing concrete actions that support and enhance diversity and inclusion



The "Women in Banking" Charter

The Group has adhered to the Italian Banking Association's Charter "Women in Banking" to promote inclusion and equal opportunities



M'illumino di meno

M'illumino di Meno is the radio campaign for environmental sustainability and resource conservation launched in 2005 by the programme Caterpillar on Rai Radio2. MPS Group is an active participant

3.4

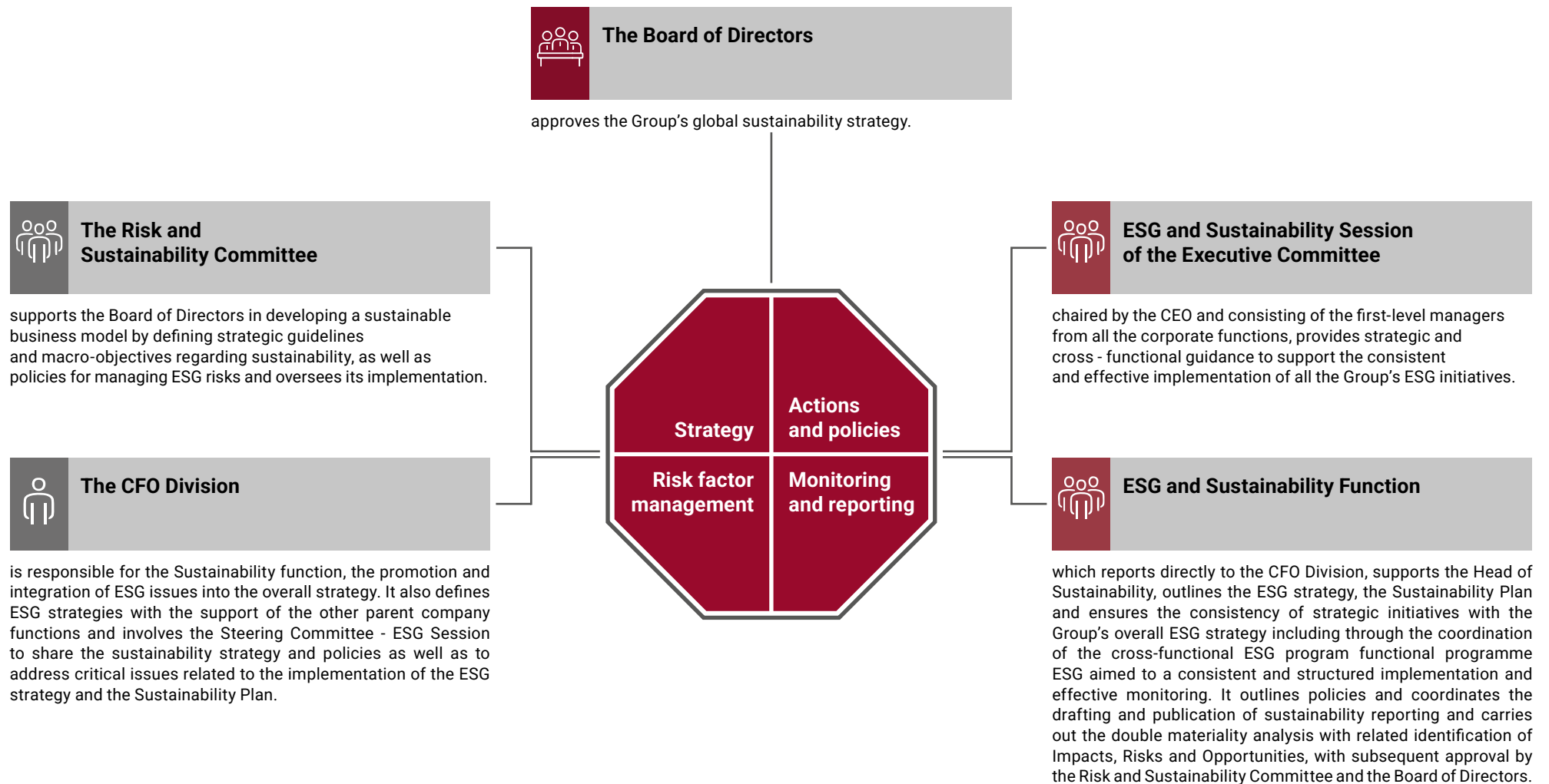
Sustainability Governance

3.4 Sustainability Governance

The Montepaschi Group's sustainability governance has evolved over time in line with the development of a sustainable model aimed at gradually integrating sustainability into corporate strategies.

The Bank's governance system provides for specific responsibilities regarding sustainability issues, distributed according to four areas (strategy, actions and policies, risk factor management, monitoring and reporting).

This transformation has involved both the top corporate bodies as well as the management structures.





4. Overview of Green, Social and Sustainability Bonds Framework

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In June 2024 Banca Monte dei Paschi di Siena published its Green, Social, Sustainability Bond Framework developed in alignment with the International Capital Market Association's ("ICMA") Green Bond Principles (June 2021 with June 2022 appendix), Social Bond Principles (June 2023), Sustainability Bond Guidelines (June 2021).

Use of Proceeds

The proceeds of each sustainable debt instruments are intended to be used to finance or refinance eligible green and eligible social assets



Eligible green categories

- Green Buildings
- Renewable Energy
- Energy Efficiency
- Clean Transportation
- Sustainable Agriculture



Eligible Social Categories

- Employment Generation
- Socioeconomic Advancement and Empowerment
- Access to Essential Services – Financial Services
- Affordable Housing

Process for Asset Evaluation and Selection

BMPS's ESG Funding Team is responsible for the process of selecting and evaluating Eligible Assets to be included in the Eligible Asset Portfolio, with input from subject matter experts including senior representatives from Treasury, Finance, the Credit department, the ESG and Sustainability Staff Unit, Business, Credit, Legal, and all relevant business areas involved in the origination of the Eligible Assets. This therefore ensures that the technical and sustainability characteristics of projects underlying the Eligible Assets are fully considered.

Management of Proceeds

The net proceeds of BMPS's Sustainable Debt Instruments will be tracked and managed on internal systems by BMPS's Treasury department using a bond-by-bond approach. BMPS intends to apply a three-year look period to any Eligible Assets selected for a Sustainable Debt Instrument. A revolving and substitution policy will be followed to maintain the relationship between the Eligible Asset Portfolio and the outstanding Sustainable Debt Instruments.

Reporting

BMPS will publish an annual report on its website – Sustainability Section, detailing both the allocation of the net proceeds of the Sustainable Debt Instruments issued, as well as the associated environmental and social impacts of each Sustainable Debt Instrument.






External Review

BMPS obtained an independent Second Party Opinion (SPO) from DNV to confirm the validity of BMPS's Green, Social and Sustainability Bond Framework and the alignment with ICMA's GBP, SBP. The SPO is available on BMPS's website.

4.1

Green Eligible Categories









4.1 Green Eligible Categories

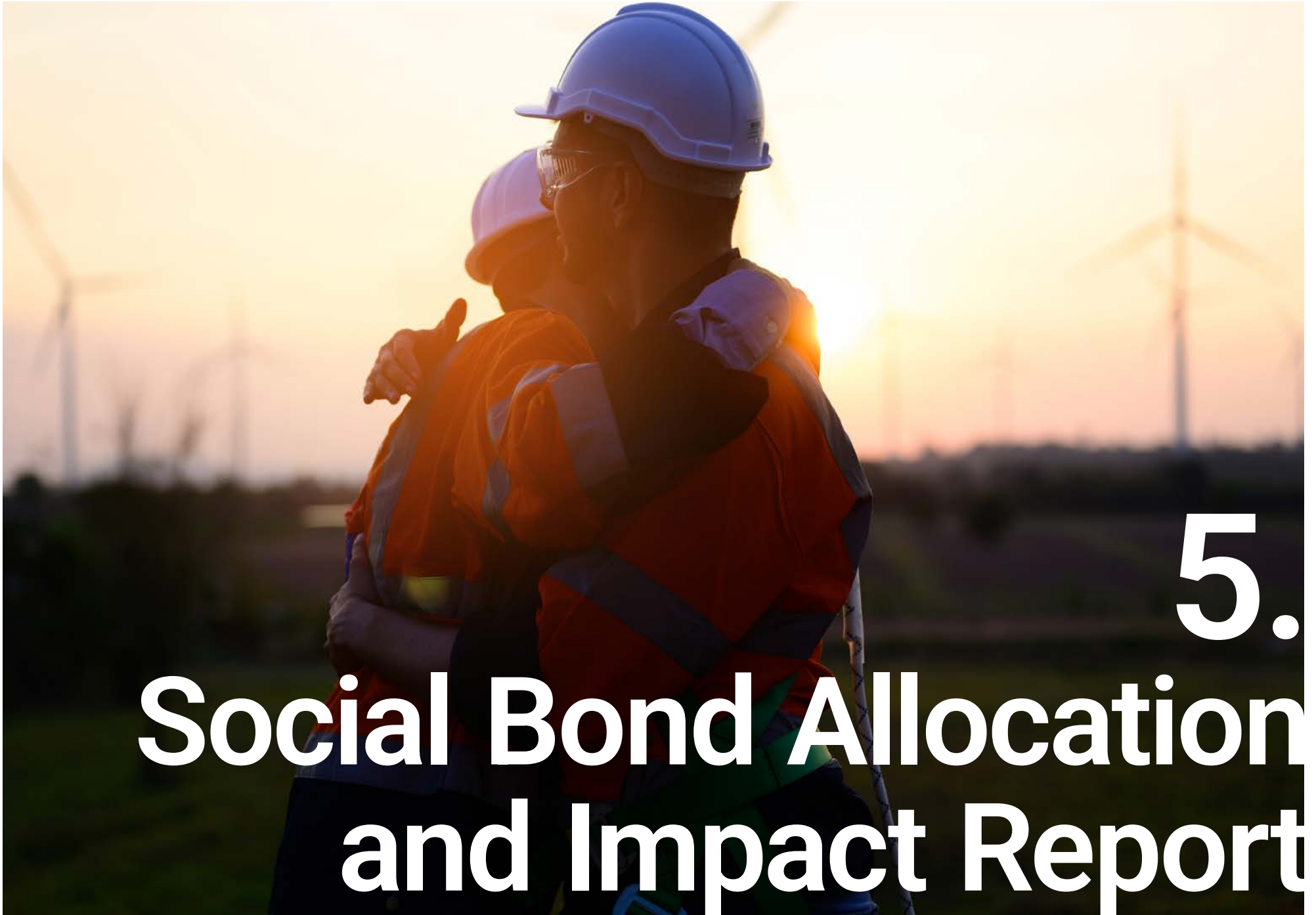
	Green Buildings	Renewable Energy	Energy Efficiency	Clean Transportation	Sustainable Agriculture
Eligibility Criteria	<ul style="list-style-type: none"> New or existing residential or commercial buildings built before 31 Dec 2020: (a) with an Energy Performance Certificate (EPC) class A, or (b) which belong to the top 15% of the local or regional building stock based on Primary Energy Demand (PED) New or existing residential or commercial buildings built after 31 Dec 2020 with PED at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements Renovation projects resulting in a reduction in PED of at least 30% and validated through an EPC 	<ul style="list-style-type: none"> Construction, acquisition, development, and maintenance of facilities generating and/or distributing energy from: <ul style="list-style-type: none"> Onshore and offshore wind Solar photovoltaic and concentrated solar power Hydropower: i) run-of-river plant without an artificial reservoir, or ii) power density >5W/m² or iii) lifecycle emissions <100gCO₂e/kWh Biomass, biogas or bioliquids facilities operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator Geothermal power plants and geothermal heating/cooling systems (limited to direct emissions of ≤100gCO₂e/kWh) Electricity T&D infrastructure (limited to infrastructure with an average grid emission factor below 100 gCO₂e/kWh over a rolling five-year average period) Direct connections, or expansion of existing direct connections of renewable energy sources Battery Electric Storage Systems 	<ul style="list-style-type: none"> Infrastructure, technology and services that contribute towards reduced energy usage and/or increased energy efficiency: <ul style="list-style-type: none"> Energy efficient equipment (HVAC systems, LED lighting, sensing equipment) Efficient district heating and cooling Smart grids and/or smart meters 	<ul style="list-style-type: none"> Zero tailpipe CO₂ emissions freight and passenger rail and road transport Zero tailpipe CO₂ emissions passenger cars and commercial vehicles Hybrid vehicles (passenger cars and commercial vehicles) with an emissions threshold of 50gCO₂/km (until 31 December 2025) Infrastructure enabling low-carbon road transport and public transport (e.g. EV charging stations) 	<ul style="list-style-type: none"> Financing of certified sustainable agriculture (e.g. EU Organic, AIAB) Financing the acquisition and installation of on-site renewable energy generation systems in the agriculture Sector
EU Environmental Objective(s)	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation 	<ul style="list-style-type: none"> Climate Change Mitigation Protection and Restoration of Biodiversity and Ecosystems
EU Taxonomy Activity	<ul style="list-style-type: none"> 7.1, 7.2, 7.7 	<ul style="list-style-type: none"> 3.1, 4.1, 4.2, 4.3, 4.5, 4.6, 4.8, 4.9, 4.10 	<ul style="list-style-type: none"> 3.5, 4.9, 4.15, 7.3 	<ul style="list-style-type: none"> 3.3, 6.1, 6.2, 6.3, 6.5, 6.6, 6.14, 6.15, 7.4 	<ul style="list-style-type: none"> -
UN SDGs					

4.2

Social Eligible Categories

4.2 Social Eligible Categories

	Employment Generation	Socioeconomic Advancement and Empowerment	Access to Essential Services – Financial Services	Affordable Housing
Eligibility Criteria	<ul style="list-style-type: none"> Financing of SMEs in response to natural disasters (e.g. earthquakes) and other health emergencies (e.g. Covid-19 pandemic crisis – includes loans granted with the Government Guarantee) Financing SMEs located in areas with a GDP per capita below national average and ranking in the highest 30% in terms of unemployment rate 	<ul style="list-style-type: none"> Loans granted to SMEs and Microenterprises led by female entrepreneurs Financing related to the Third Sector (associations, NGOs, Social Enterprises, Social Cooperatives, Foundations etc.) with positive social impacts in the following sectors: <ol style="list-style-type: none"> Healthcare Education Art and cultural activities Welfare & Solidarity Environmental protection 	<ul style="list-style-type: none"> Financing or refinancing of mortgages under the 80% Public Guarantee of the First Home Mortgage Guarantee Fund (“Fondo Prima casa”) administered by CONSAP (Concessionaria Servizi Assicurativi Pubblici): <ul style="list-style-type: none"> Loans to first-time buyers with ISEE (Equivalent Economic Situation Indicator) of <€40K/yr, for applicants who are i) young people below the age of 36, or ii) single-parent families with minor children. For these mortgages, a controlled rate of the loan is envisaged 	<ul style="list-style-type: none"> Financing related to the construction, renovation or upgrade of social housing in Italy (as defined by national law and regulations and administered by local authorities)
Target Population	<ul style="list-style-type: none"> SMEs in lower GDP regions SMEs affected by natural disasters and/or socioeconomic Crises 	<ul style="list-style-type: none"> Female Entrepreneurs Vulnerable populations that include youth, unemployed, elderly, undereducated, disabled individuals and migrants 	<ul style="list-style-type: none"> First-time home buyers 	<ul style="list-style-type: none"> Low-income individuals and households
Social objective	<ul style="list-style-type: none"> Creating and preserving decent jobs 	<ul style="list-style-type: none"> Equal employment opportunities for women Supporting local communities Social protection and inclusion of all 	<ul style="list-style-type: none"> Enabling financial empowerment and economic inclusion 	<ul style="list-style-type: none"> Improving access to good-quality housing to reduce social vulnerabilities
UN SDGs		  	 	 



5. Social Bond Allocation and Impact Report

5.1 Total Social Eligible Portfolio

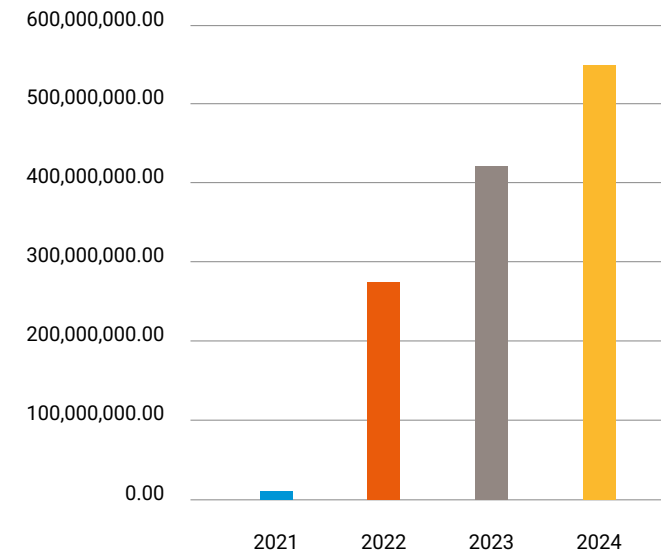
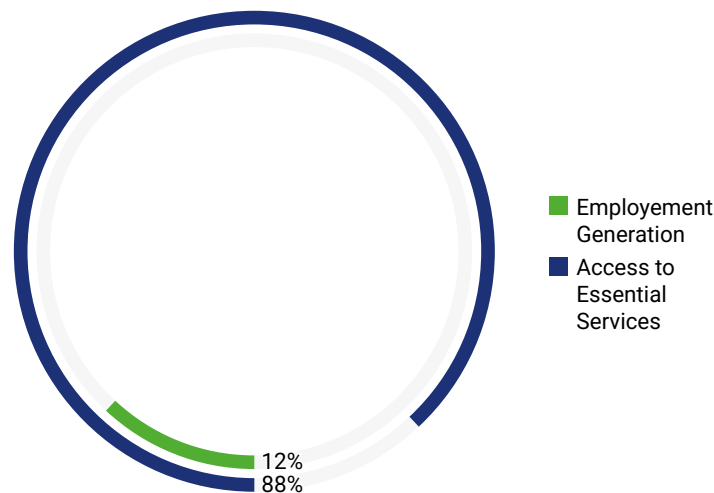
5.1 Total Social Eligible Portfolio¹

The total social eligible portfolio under the 2024 BMPS Green, Social, Sustainability Bond Framework amounts to approximately **€1.265 billion**, covering loans disbursed between July 2021 and July 2024. Eligible assets were selected in line with the Framework's look-back criteria, focusing exclusively on loans with clear social objectives and outstanding balances at the reporting date.

The portfolio includes several programs supporting vulnerable individuals and SMEs. The chart shows the distribution of products included in the social portfolio:

- **88% CONSAP-guaranteed mortgages** (first-time homebuyers)
- **12% SME loans** located in low GDP Areas

Social Portfolio categories	Outstanding amount / EUR (as of end of December 2024)	Average ticket size on residual debt / K EUR	Number of loans
Access to Essential Services	1,110,534,837	101,875	10,901
Employment Generation	154,684,258	235,082	658
Total Social Eligible Portfolio	1,265,219,095	109,457	11,559



5.2

Social Bond Allocation Report

5.2 Social Bond – Allocation Report

The ELIGIBLE SOCIAL ASSETS CATEGORIES



This section describes the allocation of the net proceeds from BMPS's Series 32 Social Covered Bond. The proceeds were exclusively used to refinance eligible social loans with the objective of addressing or mitigating specific social issues and achieving positive social outcomes—particularly for target populations. The allocation was made on a social bond portfolio basis, in line with the Social Bond Principles and BMPS's GSS Bond Framework:

From the total eligible portfolio, €750 million were selected and allocated to the 2024 Social Bond at the time of issuance.

From the total eligible portfolio, € 750 million were selected and allocated to the 2024 Social Bond at the time of issuance.

- **100%** of proceeds were allocated at issuance
- **100%** of the allocated assets refinanced loans that had already been disbursed prior to July 2024

The allocation aligns with two ICMA Social Bond Principles categories:

- **79%:** Access to Essential Services (housing via CONSAP)
- **21%:** Employment Generation (SME financing)

Social Bond allocation

Social Eligible Category	Social Portfolio Categories Loans to:	Allocation (€ mln)	N. Loans	% Allocation vs Total Eligible Portfolio
Access to Essential Services	Consap Loans	595	6,033	79%
Employment Generation	SME's Low GDP Area	155	658	21%
Total		750	6,691	100%

As per 31.12.2024, The weighted average residual life for SMEs Loans is 3,6 years, while for Consap Loans is 27,8 years.

**This allocation supports key Sustainable Development Goals:
SDG 1 (No Poverty), SDG 8 (Decent Work), SDG 10 (Reduced Inequalities).**



This allocation reflects BMPS's strategic commitment to advancing social equity through targeted financial instruments, supporting both vulnerable individuals and SMEs in economically disadvantaged regions, in line with its GSS Framework and the United Nation's Sustainable Development Goals

Sustainability Finance Framework Eligible Category	Sustainable Finance Target Population	BMPS Social Covered Bond Projets	BMPS Social Covered Bond Target Population
Employment Generation	SMEs in lower GDP regions	Short- medium-and long-term financing dedicated to SMEs located in areas with a GDP per capita below national average and ranking in the highest 30% in terms of unemployment rate	"SMEs in 8 regions of South Italy (i.e. Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardiniaand Sicily)
Access to Essential Services	First-time home buyers	Loans to first time buyers with ISEE (Equivalent Economic Situation Indicator) of <€40K/ yr	First time buyer under 40k i) young people below the age of 36 ii) single parent families with minor children

5.3

Social Bond Impact Report

5.3 Social Bond – Impact Report²

This section describes the positive social impact for each project category. BMPS recognizes that the indicators shown can be considered as **outputs indicators**.

CONSAP Loans fall in the category **Access to essential services** outlined in the SBP.

Social objectives aim to enable financial empowerment and economic inclusion, and social benefits aim to support the target population by widening the availability of financing.

Target Population:

First time buyer under 40k€ ISEE

- Young people below age of 36, or
- Single-parent families with minor children

SDGs:



For Social Housing loans, the positive impact is measured by the number of components of families who have benefited from the mortgage, and who have an average monthly net income below the national average (source: ISTAT)³ as shown below:

Social Portfolio categories Loans to:	Allocation (€ mln)	N. Families	N. Family Members	N. Family Members on N. Families	Average Monthly Net Income per Family	Average Italian Net Income	Difference in Net Income btw Families Financed and Italian Average ²
Consap Loans	595	6,033	15,678	2.60	2,323	2,503	180

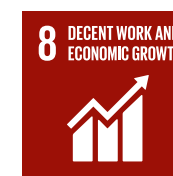
Financing SMEs located in areas with a GDP per capita below national average and ranking in the highest 30% in terms of unemployment rate fall in the category **Employment generation** outlined in the SBP.

Social objectives aim to create and preserve decent job, and social benefits aim to achieve a wider availability of job opportunities and economic growth for the target population by supporting the generation of employment opportunities.

Target Population:

SMEs in 8 regions of South Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily)

SDGs:



Distribution of number of employees for loans to SMEs Low GDP Area:

Social Portfolio categories Loans to:	Allocation (€ mln)	N. Companies	N. Employees	N. Employees on N. Companies	Diff. In N. Employees 2024 vs 2021
Loans to SME's	155	638	18,847	29.5	7,183

² Please note that indicators presented can be considered as **output indicators**.

³ Data on GDP per capita are from ISTAT at the following link: http://dati.istat.it/Index.aspx?DataSetCode=DCCN_PILT#

In relation to the Consap Loans, below it is shown the numeric composition of the families and the allocation distribution by borrowers' age:

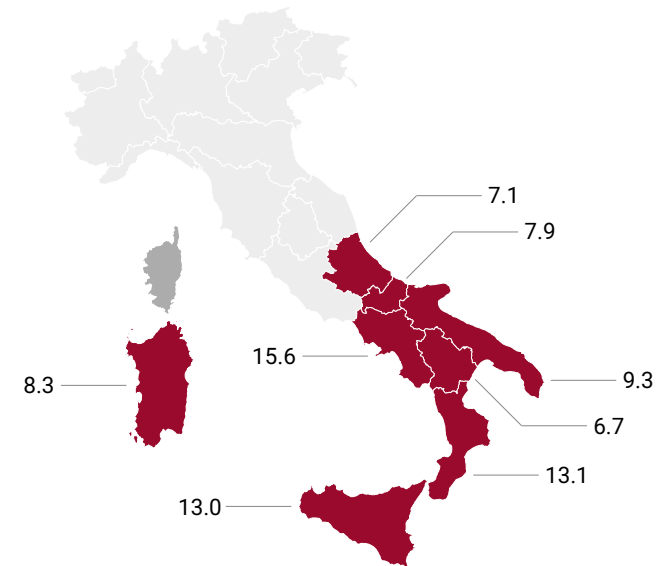
N. Family Members	Consap Loans
1	1,745
2	1,191
3	1,437
4	1,210
5 or more	450
Total	6,033

Age	Allocation (€ mln)
<22	18
23-25	66
26-28	120
29-30	93
31-33	151
34-36	147
Total	595

The chart below illustrates the unemployment rate across the eight selected Southern Italian regions. These areas are characterized by ranking among the bottom 30% nationally in terms of unemployment rate and GDP per capita (source: ISTAT)

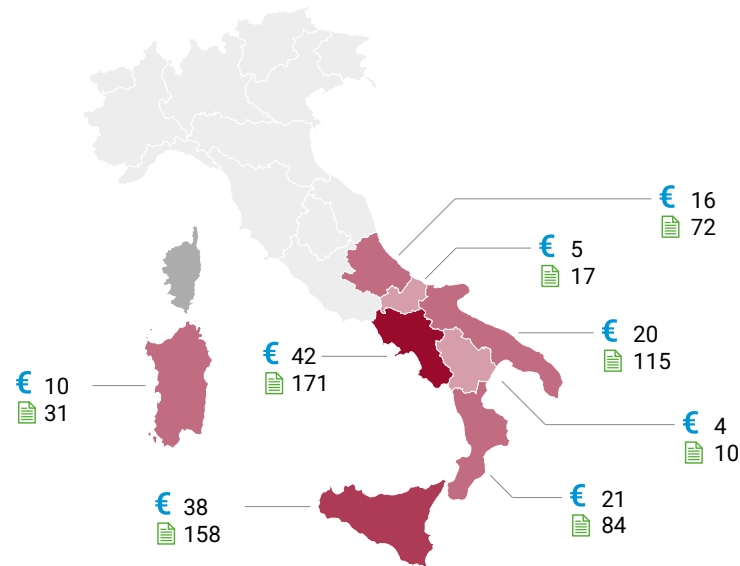
These regions show structural economic vulnerability, confirming the relevance of the selected social loans in reducing regional inequalities:

Average Italian Unemployment Rate (ISTAT)	6.28
Abruzzo	7.1
Basilicata	6.7
Calabria	13.1
Campania	15.6
Molise	7.9
Puglia	9.3
Sardegna	8.3
Sicilia	13.0



In relation to the loans to SMEs in low GDP Areas, below it is shown the allocation distribution by regions

Region	Allocation (€ mln)	N. Loans
ABRUZZO	16	72
BASILICATA	4	10
CALABRIA	21	84
CAMPANIA	42	171
MOLISE	5	17
PUGLIA	20	115
SARDEGNA	10	31
SICILIA	38	158
Total	155	658

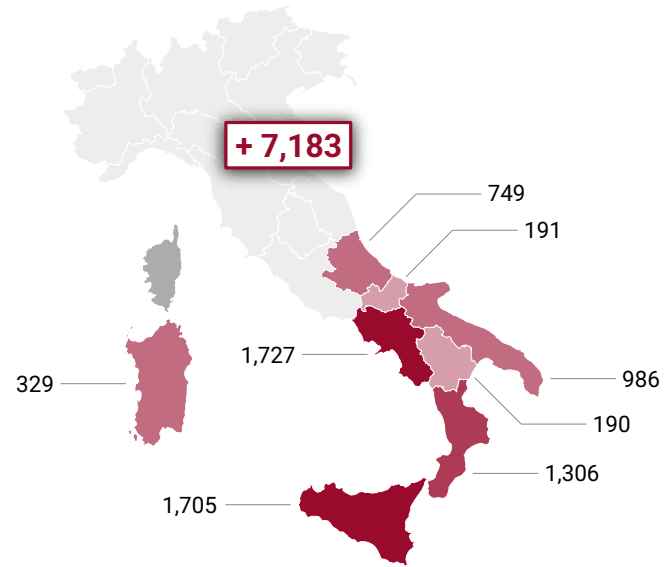


For loans to SMEs, below it is shown the distribution of employees for the most relevant economic sector in terms of residual debt:

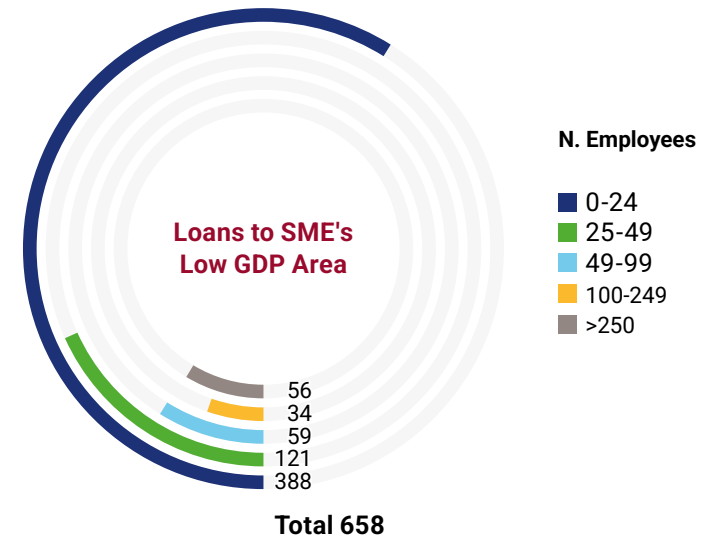
Economic Sector	Loans to SME's Low GDP Area	N. Employees
Wholesale trade	16%	1,556
Retail trade	11%	2,643
Manufacture of food products	7%	1,457
Wholesale and retail trade and Repair and maintenance of motor vehicles and vehicles	5%	535
Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	5%	729
Accommodation	4%	298
Manufacture of fabricated metal products, except machinery and equipment	4%	1,385
Specialised construction activities	4%	787
Land transport and transport via pipelines	3%	1,405
Rental and leasing activities	3%	281
Civil engineering	3%	988
Construction of residential and non-residential buildings	3%	345
Manufacture of paper and paper products	3%	97
Manufacture of other non-metallic mineral products	3%	387
Manufacture of machinery and equipment	2%	373
Food and beverage service activities	2%	837
Other	23%	4,744
TOTAL	100%	18,847

Below is shown the distribution of the difference in the number of employees (2024 vs 2021) by region for loans to SMEs and the distribution of the number of employees in 4 different clusters:

Region	Diff. In N. Employees 2024 vs 2021
ABRUZZO	749
BASILICATA	190
CALABRIA	1,306
CAMPANIA	1,727
MOLISE	191
PUGLIA	986
SARDEGNA	329
SICILIA	1,705
Total	+ 7,183



N. Employees	Loans to SME's Low GDP Area
0-24	388
25-49	121
49-99	59
100-249	34
> 250	56
Total	658





6. Methodological Notes

6. Methodological Notes

SOCIAL PORTFOLIO:

This section outlines the methodology used to assess and report the impact of the social loan portfolios included in the BMPS 2024 Social Bond.

EIF Initiative:

- Number of Companies supported corresponds to the Number of SME loan recipients
- Number of Employees supported is based on actual registered Number of Employees Registered at the beneficiary

Consap Loans:

- Number of Families supported reflects the Number of Borrowers under the first home guarantee scheme
- Number of Family Members includes all individuals officially registered as part of the beneficiary household

Attribution and Scope:

- All loans are individually financed and not pooled. Therefore, 100% of the social and financial impact of each loan is attributed to BMPS
- All figures represent direct outputs measured as of 31 December 2024

The methodology aligns with the Social Bond Principles published by ICMA and is consistent with BMPS's 2024 Green, Social and Sustainability Bond Framework.

Disclaimer

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