# 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 31.12.2021

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Company participating in the MPS VAT Group no. 01483500524
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**GOVERNING BODIES AND INDEPENDENT AUDITORS**

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

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# DIRECTORS' REPORT ON OPERATIONS

**1. The business**

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

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

(i) land and mortgage loans, which can also be identified in bulk;

(ii) receivables that are claimed from or secured by public authorities, which can also be identified in bulk;

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

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

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

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

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

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

creditors referred to in the previous paragraph.
Within the limits permitted by Law no. 130 of 30 April 1999 and related implementing provisions, the Company may also carry out additional transactions to be entered into for the provision of guarantees and the successful completion of the issues of covered bonds in which it participates or which are in any case instrumental to the achievement of its corporate purpose, as well as may carry out, in cases when it is permitted by the relevant regulations and according to the procedures and within the limits set out therein, transactions of re-investment in other financial assets of funds deriving from the management of the receivables and securities which are purchased and which are not immediately used to satisfy the rights of the holders of covered bonds and to pay transaction costs.
Within the transactions effected by it, and according to the procedures and in compliance with the provisions of law, the Company may appoint third-party persons for the collection of any purchased receivables and for the provision of cash and payment services; it may also carry out any other activity permitted by article 7-bis of Law no. 130/1999 and related implementing regulations.

On 10 November 2009, the Company obtained the registration under number 41746 on the General List of Financial Intermediaries (*Elenco Generale degli Intermediari Finanziari*) referred to in Article 106, paragraph 1, of Legislative Decree no. 385 of 1 September 1993, as amended (TUB, *Testo Unico Bancario*, Consolidation Act on Banking Laws).
According to Legislative Decree no. 141 of August 2010, as amended by Legislative Decree no. 218 of December 2010, "as regards the assignee persons referred to in article 7-*bis*, within the limits set out in a regulation enacted by the Minister of Economy and Finance and having heard the Bank of Italy, pursuant to article 17, paragraph 3, of Law no. 400 of 23 August 1988, the provisions laid down for financial intermediaries under Title V of legislative decree no. 385 of 1 September 1993 shall apply."
Article 7 of Ministerial Decree no. 53/2015, in force from 23 May 2015, provides that: "If belonging to a banking group as defined under Article 60 of the TUB, the assignee companies for the guarantee of bank bonds, are not required to be registered in the register."
By virtue of the entry into force of the abovementioned regulations and given that the Company belongs to the Monte dei Paschi banking group, the Company has submitted to the Bank of Italy a request for deletion from the General List under Article 106 of the TUB; the deletion took place with effect from 10 August 2015.
In compliance with the supervision provisions, the issue of Covered Bonds is an instrument reserved only for those banks which are "*provided with high capitalisation in consideration of the specific features of the market of Covered Bonds and of the need to protect creditors other than the Holders of the CBs, whose collateral security is diminished as a result of the transfer of high-quality bank assets.*"

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

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

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

The Financial Statements at 31 December 2021 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 2021**

The recovery strengthened in the United States and other advanced countries, while the growth in the Eurozone slowed down sharply at the turn of the year, as a result of a rise in infections and continuing tensions in procurement chains that hinder manufacturing operations. Inflation reached its highest level since the Monetary Union had been formed, due to exceptional increases in the energy component, especially gas, which was also affected by geopolitical factors in Europe.

The ECB decided to gradually reduce purchases of financial assets and maintain an expansive monetary policy.

Growth in Italy remained high in the third quarter of 2021, supported as it was by the expansion of household consumption. Subsequently, there was a slowdown in GDP growth. The increase in added value weakened in both industry and the services sector. However, the rise in infections resulted in higher caution on the part of consumers.

In any case, the trend in exports remained sustained, while there was an increase in employment and the workforce.

Inflation rose to high levels (4.2% in December), driven as it was by energy prices. After excluding volatile components, the annual change in prices remained moderate. Rises in production costs had had only a modest effect on retail prices until that time.

The pandemic and the expectations regarding monetary policy influenced the trend in the markets.

In autumn, the growth in loans to non-financial companies remained weak, reflecting the low demand for new financing, which was also due to the large liquid assets set aside in the last two-year period. The expansion of credit to households continued at a sustained pace. Supply conditions remained relaxed. Deterioration rates on bank assets, although slightly increasing, remained at very low levels, while there also was a decrease in the share of performing loans for which banks had reported a significant increase in credit risk; in the first nine months of the previous year, intermediaries' profitability improved, above all as a result of a reduction in write-downs on loans.

Expansionary public finance measures have also been planned for the three-year period from 2022 to 2024.

GDP, which at the end of last summer stood at 1.3% below pre-pandemic levels, would recover around the middle of the current year and inflation would ease during the period, going back to moderate levels in the next two years.

The outlook for growth, however, is subject to a number of predominantly downward-oriented risks.

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

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

It should be noted that the continuation of the health crisis linked to the spread of the Covid-19 pandemic continued to make the current macroeconomic circumstances complicated during the 2021 financial year: although marked by the continuation of the COVID-19 pandemic in Europe, they recorded a robust economic recovery in the first nine months, thanks to the progress of the vaccination campaign, which, however, subsequently weakened at the turn of the year due to the resurgence of infections. As had been the case for the previous financial year, this pandemic resulted in an emergency situation that did not have any significant impact on the management of the special purpose vehicle; as regards the securitisation transaction, there was a significant decrease in the amount of value adjustments to the securitised loans notified by the Originator and Servicer for the transaction, in light of updated macroeconomic projections during the year, for the purpose of preparing these financial statements. However, given the continuing uncertainties regarding the trends in the pandemic and potential emerging risks (Russia’s military aggression against Ukraine, raw material prices, inflationary pressures and interest rate trends), the Originator has decided to continue maintaining an approach consistent with this scenario, while applying, where necessary, additions to the estimate of the Expected Credit Loss (ECL) through post-model management adjustments (management overlays).

During 2021, following the continuation of the crisis linked to the pandemic and by virtue of Decree Law no. 73 of 25 May 2021 ("*DL Sostegni Bis*", i.e. Compensation Bis Decree Law"), a third extension was granted for the moratoria in place until 31 December 2021, which, unlike the previous extensions, granted the possibility of only extending the suspension of the payment of the capital quota; furthermore, the extension was not automatic but had to be expressly requested by the customer.

It should be noted that as at 31 December 2021, 367 securitised credit agreements, corresponding to Euro 36 million of remaining debt (equal to approximately 0.30% of the securitised portfolio) had still benefitted from the moratoria provided for by the support measures adopted by the Italian Government.

Furthermore, the Supervisory Authority, following the current and prospective development of the securitisation market, has deemed it appropriate to make additions to the interim information set on the securitisation transactions under management, so as to make updated and comparable data on the performance of each operation available to the Supervisory Authority. The reports, providing general information on each transaction and precise data on receipts and the trend in recoveries, shall be sent by the banking and financial servicers on a six-monthly basis, by the 20th day after the reporting date, as from the first survey that was carried out in January 2022 with reference to the date of 31 December 2021.

It should be noted that the aforesaid reporting obligation does not apply to self-securitisation, "synthetic" securitisations and those in the "warehousing" phase (see the Bank of Italy's Circular 272/2008, General Notices, paragraph on "Transfers of financial assets"). Therefore, the MPS Covered Bond Programme is excluded from reporting, falling within the category of self-securitisation transactions.

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 29 March 2021, la the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 470,000,000, in accordance with the contract documentation of the Programme and according to the Tests;
- on 18 may 2021, Banca Monte dei Paschi di Siena S.p.A. assigned a fourteenth portfolio of performing mortgage loans to the Company for an overall consideration of Euro 1,665,496,815.99, as notified on 4 August 2021 by the *Notice of adjustment to the Consideration for the Portfolio transferred on 18 May 2021*. The consideration for the portfolio was partly financed through the assignor's granting of a subordinated loan for an amount equal to Euro1,165,320,539.19 to the Company and partly through the use of Available Funds on Account of Principal reported in the Guarantor's accounts i) for an amount of Euro 500,000,000.00 paid on the payment date falling on 30 June 2021 and ii) for an

amount of Euro 176,276.80 paid on the payment date falling on 29 September 2021, following the *Notice of adjustment to the Consideration for the Portfolio transferred on 18 May 2021*;

- on 10 June 2021, Banca Monte dei Paschi di Siena S.p.A., as the Issuer, carried out the issue of the 28th series due 1 July 2025 (ISIN IT0005447252) for an amount equal to Euro 1,000,000,000.
- at the payment date falling on 31 December 2021, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 900,000,000, in accordance with the contract documentation of the Programme and according to the Tests.

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

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

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

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

It is informed that no corporate events occurred which were such as to have a significant impact on the financial position and results of operations reported herein (IAS 10§ 8) during the period from 31 December 2021 to the date of approval of these financial statements.

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.

The current conflict between Russia and Ukraine, together with the imposition of international sanctions, have a pervasive economic impact on the enterprises in Russia and Ukraine, as well as at a global level, where enterprises conduct business that could be affected by recent developments. This requires careful consideration of the consequent implications in accounting terms on the part of the entities affected by these developments.

This event does not entail any adjustment to the budget balances, since the event itself and related consequences occurred after the balance sheet date, as from 24 February 2022. While taking account of the elements of absolute uncertainty regarding the development of the war and the consequent measures that shall be implemented by Governments to counter it, it is not possible to exclude particularly severe effects on the international and Italian economies, which could entail the need to make a new estimate of the balance sheet values, based on the information that will become available.

In any case, it is believed that no adverse impact on the Company's operations and with reference to the segregated assets can be foreseen at present. Moreover, as things stand, it is believed that the current emergency will not have any consequence that could compromise the Company's ability to continue its operations.

With reference to segregated assets, it should be noted that on 4 February 2022, Banca Monte dei Paschi di Siena S.p.A., as the Issuer, carried out the issue of the 29th series with a maturity on 31 March 2025 (ISIN IT0005482606) for an amount equal to Euro 750,000,000.

**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, including the overall position of the Montepaschi Group and, specifically, of the Parent Company Banca Monte dei Paschi di Siena S.p.A., which carries out management and coordination activities, and of the specific business conducted by the Company, whose sole purpose, in compliance with Law no. 130 of 30 April 1999 and the contractual provisions, is the performance of one or more securitisation transactions.

These Financial Statements have been prepared by considering it appropriate to use the going-concern assumption (“scenario 1” of Document no. 2 of 6 February 2009, which was jointly enacted by the Bank of Italy, CONSOB and ISVAP and as subsequently updated).

For the sake of completeness of information, the uncertainties to which Banca Monte dei Paschi di Siena S.p.A. is exposed are reported, given the role it plays.

The assessment of the Company's ability to continue as a going concern is essentially based on the outlook for its financial and liquidity position over a period of at least 12 months. The overall situation of the Montepaschi Group is also relevant, as is that of, in particular, the Parent Company Banca Monte del Paschi di Siena S.p.A., which carries out management and coordination activities, in addition to providing operational services to the Company for the roles stated in Part D, Section L of the Notes to the Financial Statements.

More specifically, the Company has no financial problems and no operational criticalities, the latter being essentially linked to the services provided by the Parent Company, over a period of at least 12 months. Despite the limited interconnection with the Parent Company, the uncertainties to which the latter is exposed are reported herein.

From an analysis of the capital adequacy of the Parent Company and the MPS Group, it should be noted that no shortfall had emerged at 31 December 2021, as in previous quarters, compared to the estimates made in the 2020 Financial Statements that showed a shortfall as early as from the first quarter of 2021 with an increase of up to Euro 1.5 billion at 1 January 2022. Over the period of 12 months from the reporting date, i.e. 31 December 2022, a shortfall of Euro 150 million could emerge after assuming that the update of the internal models under the EBA Guidelines is completed by the end of the 2022 financial year.

The gradual reduction in the shortfall expected in 12 months arises from the effects of the capital management actions that have already been carried out, the evolution of the capital and the risk-weighted assets.

It should also be noted that, during the first quarter of 2023, the shortfall on the Tier 1 capital aggregate could reach Euro 500 million after considering the planned capital decrease linked to the IFRS9 phase-in and assuming, during the fourth quarter of 2022, the full implementation of the inflationary effects on risk-weighted assets linked to the developments in credit risk measurement models as a result of the EBA Guidelines. This shortfall does not take account of additional capital management initiatives.

The need to strengthen capital is then still significant and therefore leads to potential uncertainty regarding the use of the going-concern assumption. This uncertainty is mitigated by the possible scenario of a "structural solution" and the full support on the part of the controlling shareholder.

Given that the possibility of a merger with UniCredit in 2021 has been ruled out, work has commenced on the necessary actions that the Parent Company shall take on the capital. In this context, on 17 December the Board of Directors of the Parent Company approved the Strategic Plan 2022-2026, which confirms the amount of the capital strengthening for Euro 2.5 billion. In this context, DG Comp and the ECB should consider the Government’s intervention on the basis of the stand-alone viability of the Parent Company, within the sphere of their respective competence. In the context of this assessment, it cannot be ruled out that, in principle, elements that at present are unforeseeable may arise which could affect the path to strengthening the Parent Company's capital base and the structure and feasibility of a capital increase at arm’s length. After the incisive intervention on credit risk operated since 2018, which have reduced the incidence of non-performing exposures to the lowest levels among significant Italian banks, the Parent Company is continuing its work on the initiatives aimed at reducing business risks, while actively operating to reduce legal risks, which had been reduced in terms of *petitum* by approximately 40% at the end of 2021. In light of these elements, it is

believed that the capital shortfall may be overcome through a capital strengthening transaction on a stand-alone basis, subject to approval by DG Comp of the new business plan 2022 – 2026, and by taking account of the significant improvements recorded by the Group during 2021 in terms of capital and risk reduction, as well as of the discussions that have been held so far with the Authorities.
In any event, it is believed that the Parent Company's uncertainties will not be reflected in the Company's financial position, liquidity and operations, which are functional to achieving its corporate purpose, over a period of at least 12 months.

## 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 2022

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

# BALANCE SHEET

## ASSETS

| | Assets | 2021 | 2020 |
|---|---|---|---|
| **10.** | Cash and cash equivalents * | 67,829 | 62,864 |
| **20.** | Financial assets at fair value through profit or loss | | |
| | a) financial assets held for trading | | |
| | b) financial assets at fair value | | |
| | c) other financial assets mandatorily at fair value | | |
| **30.** | Financial assets at fair value through comprehensive income | | |
| **40.** | Financial assets measured at amortised cost | | |
| | a) receivables from banks | | |
| | b) receivables from financial companies | | |
| | c) receivables from customers | | |
| **50.** | Hedging derivatives | | |
| **60.** | 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 | 1,705 | 1,726 |
| | a) current | 1,705 | 1,726 |
| | b) deferred | | |
| **110.** | Non-current assets held for sale and disposal groups of assets | | |
| **120.** | Other assets | 58 | 251 |
| | **TOTAL ASSETS** | **69,592** | **64,841** |

* following the 7th update version of the "Instructions for the preparation of the financial statements of the IFRS Intermediaries other than bank intermediaries", which were issued by the Bank of Italy on 29 October 2021, the current accounts previously recognised under item 40 were reclassified to this item.

## LIABILITIES AND EQUITY

| | Liabilities and equity | 2021 | 2020 |
|---|---|---|---|
| **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 | 748 | 1,705 |
| | a) current | 748 | 1,705 |
| | b) deferred | | |
| **70.** | Liabilities associated with assets held for sale | | |
| **80.** | Other liabilities | 56,647 | 50,939 |
| **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** | **69,592** | **64,841** |

# INCOME STATEMENT

| | Items | 2021 | 2020 |
|---|---|---|---|
| 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 | (309) | (122) |
| 60 | **NET COMMISSIONS** | **(309)** | **(122)** |
| 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** | **(309)** | **(122)** |
| 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** | **(309)** | **(122)** |
| 160. | Administrative expenses: | (122,257) | (128,828) |
| | a) personnel costs | (23,745) | (23,745) |
| | b) other administrative expenses | (98,512) | (105,083) |
| 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 | 123,007 | 130,655 |
| 210. | **OPERATING COSTS** | **750** | **1,827** |
| 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** | **441** | **1,705** |
| 270. | Income tax from current operations from the year | (441) | (1,705) |
| 280. | **PROFIT (LOSS) AFTER TAX FROM CURRENT OPERATIONS** | **-** | **-** |
| 290. | Profit (Loss) after tax from discontinued operations | | |
| 300. | **PROFIT (LOSS) FOR THE YEAR** | **-** | **-** |

## STATEMENT OF OTHER COMPREHENSIVE INCOME – FINANCIAL INTERMEDIARIES

| | Items | 2021 | 2020 |
|---|---|---|---|
| **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 31/12/2020 | Change in Opening Balances | Equity at 01/01/2021 | Allocation of result from Previous Year: Reserves | Allocation of result from Previous Year: Dividends and Other Allocations | Changes over the Year: Changes in Reserves | Changes over the Year: Transactions on Equity: Issue of New Quotas | Changes over the Year: Transactions on Equity: Purchase of Own quotas | Changes over the Year: Transactions on Equity: Distribution of Extra-Dividends | Changes over the Year: Transactions on Equity: Change in Equity Instruments | Changes over the Year: Transactions on Equity: Other changes | Comprehensive Income - FY 2021 | Equity at 31/12/2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Quota capital | 10,000 | | 10,000 | | | | | | | | | | 10,000 |
| Issue premium | 2,000 | | 2,000 | | | | | | | | | | 2,000 |
| Reserves | | | | | | | | | | | | | |
| a) Retained earnings | 197 | | 197 | | | | | | | | | | 197 |
| b) Others | | | | | | | | | | | | | |
| Valuation reserves | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | |
| Own quotas | | | | | | | | | | | | | |
| Profit (Loss) for the year | | | | | | | | | | | | | |
| EQUITY | 12,197 | | 12,197 | | | | | | | | | - | 12,197 |

| | Equity at 31/12/2019 | Change in Opening Balances | Equity at 01/01/2020 | Allocation of result from Previous Year: Reserves | Allocation of result from Previous Year: Dividends and Other Allocations | Changes over the Year: Changes in Reserves | Changes over the Year: Transactions on Equity: Issue of New Quotas | Changes over the Year: Transactions on Equity: Purchase of Own quotas | Changes over the Year: Transactions on Equity: Distribution of Extra-Dividends | Changes over the Year: Transactions on Equity: Change in Equity Instruments | Changes over the Year: Transactions on Equity: Other changes | Comprehensive Income - FY 2020 | Equity at 31/12/2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Quota capital** | **10,000** | | **10,000** | | | | | | | | | | **10,000** |
| **Issue premium** | **2,000** | | **2,000** | | | | | | | | | | **2,000** |
| **Reserves** | | | | | | | | | | | | | |
| **a) Retained earnings** | **197** | | **197** | | | | | | | | | | **197** |
| **b) Others** | | | | | | | | | | | | | |
| **Valuation reserves** | | | | | | | | | | | | | |
| **Equity instruments** | | | | | | | | | | | | | |
| **Own quotas** | | | | | | | | | | | | | |
| **Profit (Loss) for the year** | | | | | | | | | | | | | |
| **EQUITY** | **12,197** | | **12,197** | | | | | | | | | **-** | **12,197** |

# CASH FLOW STATEMENT

| A | OPERATING ACTIVITIES | Amount | |
|---|---|---|---|
| | | **2021** | **2020** |
| **1** | **OPERATIONS** | **(957)** | **(477)** |
| | operating result (+/-) | | |
| | capital gains/losses on financial assets held for trading and other 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 (+) | (957) | (477) |
| | net value adjustments to discontinued operations, net of tax effect (+/-) | | |
| | other adjustments (+/-) | | |
| **2** | **CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS** | **214** | **46,543** |
| | 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 | 214 | 46,543 |
| **3** | **CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES** | **5,708** | **7,998** |
| | financial liabilities at amortised cost | | |
| | financial liabilities held for trading | | |
| | financial liabilties designated at fair value | | |
| | other liabilities | 5,708 | 7,998 |
| | ***Net cash Flow generated from/used by operating activities*** | **4,965** | **54,064** |
| **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** | **4,965** | **54,064** |

KEY
(+) generated
(-) used

| | RECONCILIATION | **2021** | **2020** |
|---|---|---|---|
| | Cash and cash equivalents at the beginning of the Year | 62,864 | 8,800 |
| | Net cash flow generated/used in the Year | 4,965 | 54,064 |
| | Cash and cash equivalents: foreign exchange effect | 0 | 0 |
| | Cash and cash equivalents at the end of the Year | 67,829 | 62,864 |

It should be noted that the current accounts, previously recognised under item 40, have been reclassified to item 10.

# NOTES TO THE FINANCIAL STATEMENTS
# AT 31 DECEMBER 2021

**PREAMBLE**

The sole purpose of the Company, which was established pursuant to Law no. 130/1999, is to participate in issues of covered bonds, in its capacity as assignee of a loan portfolio, which is purchased through loans granted by the assignor bank and which is intended to secure the bonds issued by the latter.
Consequently, the financial assets purchased, the loans received and any other transaction performed as part of the abovementioned transactions are represented and described in specific statements and sections of the Notes to the Financial Statements and do not form part of the Financial Statements schedules.
This approach is also in line with Law no. 130 of 30 April 1999 and the regulations previously in force issued by the Bank of Italy, under which "any receivables relating to each transaction are segregated to all intents and purposes from the Company's assets and from those relating to other transactions".

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

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

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

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

Quantitative information generally includes items and tables.
The tables have been prepared complying with the formats envisaged in the current provisions.

The Financial Statements have been subject to statutory audit by the independent auditors PricewaterhouseCoopers S.p.A..

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

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

As a result of the fact that IAS 1 does not require strict compliance with the structure of schedules and pending the enactment of new rules aimed at replacing those previously in force and at regulating the preparation of financial statements, 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 2021 and that have already been endorsed by the European Commission:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16);
- Extension of the Temporary Exemption From Applying IFRS 9 (Amendments to IFRS 4);
- Improvements to IFRS (2018-2020 cycle) (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- Property, plant and equipment – Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- IFRS 17 Insurance contracts (including amendments issued in June 2020).

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 2021.
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 2021:

- IFRS 14 Regulatory Deferral Accounts (applicable from 1 January 2016);
- Sales or Contributions of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (deferred first-time adoption until IASB's Project on equity method is completed);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020 (applicable from 1 January 2023);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (applicable from 1 January 2023);
- Definition of Accounting Estimates (Amendments to IAS 8) (applicable from 1 January 2023);
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12) (applicable from 1 January 2023);
- Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17) (applicable from 1 January 2023).

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.

As already noted, the abovementioned update of the "Instructions for the preparation of the financial statements of the IFRS Intermediaries other than bank intermediaries", which were issued by the Bank of Italy on 29 October 2021, modified the information, for the comparative financial period too, concerning the balance sheet asset items "Cash and cash equivalents" and "Financial assets measured at amortised cost". In particular, the item "Cash and cash equivalents" includes any and all receivables "at sight", in the actuarial forms of current accounts and deposits, from banks and Central Banks (except for the Mandatory Reserve). Therefore, item 10 includes current accounts that were previously accounted for under item 40.

| | **Assets** | **2020 filed** | **Changes** | **2020 Reclassified** |
|---|---|---|---|---|
| 10. | Cash and cash equivalents | 0 | 62,864 | 62,864 |
| 40. | Financial assets measured at amortised cost<br>a) Receivables from Banks | 62,864 | (62,864) | 0 |

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

**Securitisation transactions**

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

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

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

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

assets.
However, it should be specified that, pursuant to article 7-*bis*, last paragraph, the receivables have been purchased at the accounting entry value, as resulting from the last financial statements approved by the Assignor, which is affected by the application by the latter of the International Financial Reporting Standards.
For completeness of information, it should be noted that the matter of the accounting treatment, according to international accounting standards, of financial assets and/or groups of financial assets and financial liabilities arising in the context of securitisation transactions and issues of covered bonds, is still being analysed by the bodies responsible for interpreting the related accounting standards.

On 4 September 2015 Legislative Decree no. 139/2015 was published, which became effective for the financial statements of financial years beginning from 1 January 2016 and pursuant to which important amendments were applied to the accounting policies concerning some financial statement items of companies required to comply with the accounting rules laid down in the Italian Civil Code and in the Italian GAAPs.
Specifically, these amendments include the measurement, at amortised cost, of receivables and liabilities that arose during 2016, as well as the fair value measurement of derivatives outstanding as at the date of first-time adoption of the decree.
While pending the enactment of an express regulatory clarification concerning the applicability of these amendments to the segregated assets of securitisation SPVs, the Company has decided to continue to apply, in compliance with the principle of continuity, the same accounting policies concerning the items of the offering circular, which are detailed in the paragraph on "Information relating to the Summary Statement" of Part D – Other Information, to which reference should be made.

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

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

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 2021 to the date of approval of these financial statements.

With reference to segregated assets, it should be noted that on 4 February 2022, Banca Monte dei Paschi di Siena S.p.A., as the Issuer, carried out the issue of the 29th series with a maturity on 31

March 2025 (ISIN IT0005482606) for an amount equal to Euro 750,000,000.

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.

The current conflict between Russia and Ukraine, together with the imposition of international sanctions, have a pervasive economic impact on the enterprises in Russia and Ukraine, as well as at a global level, where enterprises conduct business that could be affected by recent developments. This requires careful consideration of the consequent implications in accounting terms on the part of the entities affected by these developments.

This event does not entail any adjustment to the budget balances, since the event itself and related consequences occurred after the balance sheet date, as from 24 February 2022. While taking account of the elements of absolute uncertainty regarding the development of the war and the consequent measures that shall be implemented by Governments to counter it, it is not possible to exclude particularly severe effects on the international and Italian economies, which could entail the need to make a new estimate of the balance sheet values, based on the information that will become available.

In any case, it is believed that no adverse impact on the Company's operations and with reference to the segregated assets can be foreseen at present. Moreover, as things stand, it is believed that the current emergency will not have any consequence that could compromise the Company's ability to continue its operations.

**Section 4 – Other aspects**

**Risks, uncertainties and impacts of the Covid-19 pandemic**

The 2021 financial year, although marked by the continuation of the COVID-19 pandemic, saw a robust economic recovery in the first nine months following the progress in the vaccination campaign, which subsequently weakened at the turn of the year due to the resurgence of infections. The ECB's Governing Council confirmed the expansionary stance of monetary policy, considering the maintenance of favourable financing conditions to be indispensable for sustaining the recovery. GDP growth in Italy too remained high until the third quarter of 2021, recording growth well above expectations. Subsequently, there was a slowdown in growth due to a rise in infections and the consequent worsening of the climate of confidence, which above all penalised spending on services. Despite the obvious uncertainty linked to the developments in health emergency, the well-established view of possible future macroeconomic scenarios is that the substantial government interventions implemented in most countries and at EU level may enable a significant recovery in GDP during 2022.

At present, the expectations expressed by the various Authorities in their recently published forecasts confirm a significant recovery in production for 2022 and future financial years.
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 1 – Cash and cash equivalents

**Cash and cash equivalents**

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

Any existing cash balances are accounted for at face value.

### Section 10 – Tax assets and liabilities

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

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

**Section 12 - Other assets**

This item includes receivables which are not attributable to any other items under Balance Sheet Assets.
These items are entered at their nominal value, or if lower, at their realisable value.

**LIABILITIES**

**Section 8 – Other liabilities**

This item includes payables which are not attributable to any other items under Balance Sheet Liabilities: in particular, payables to suppliers and to the segregated assets.
These items are entered at their nominal value, which represents the value of discharge.

**INCOME STATEMENT**

**Recognition of Costs and Revenues**

Costs and revenues are accounted for according to the matching principle.
In consideration of the exclusive nature of the management activity carried out by the Company, operating charges incurred are charged to the segregated assets, limited to the amount necessary to ensure the Company’s economic and financial stability, as also provided for by contract.
This amount is classified under other operating income and charges.

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

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

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

**QUALITATIVE INFORMATION**

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

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

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

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

## PART B – INFORMATION ON THE BALANCE SHEET

### ASSETS

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

| Items | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Cash and cash equivalents | 67,829 | 62,864 |

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

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

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

| Items | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Current tax assets | 1,705 | 1,726 |

"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 | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Current tax liabilities | 748 | 1,705 |

Current tax liabilities include accrued IRES tax (*Imposta sul Reddito delle Società*, Corporate Income Tax) for Euro 115 (at a rate of 24%) and IRAP tax (*Imposta Regionale sulle Attività Produttive*, Local Tax on Production Activities) for Euro 633 (at a rate of 3.90%).

**Section 12 – Other assets (Item 120)**

**12.1 Other assets: breakdown**

| 120 – OTHER ASSETS | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Accrued income for administrative services | 0 | 193 |
| Prepaid expenses for services paid in advance | 58 | 58 |
| TOTAL OTHER ASSETS | 58 | 251 |

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.

"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** | **31/12/2021** | **31/12/2020** |
|---|---|---|
| Payables to supplies for invoices to be received | 10,561 | 12,588 |
| Accrued expenses for administrative services | 0 | 193 |
| Payables to suppliers | 9,699 | 6,155 |
| Withholding tax payables to the Tax Office under art. 25-25*bis* | 0 | 1,000 |
| Advances to securitised assets | 36,387 | 31,002 |
| TOTAL OTHER LIABILITIES | 56,647 | 50,939 |

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 2021 but not yet received at the closing date of the Financial Statements.

"Accrued expenses for administrative services", referred to in comparative data, 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*”, referred to in comparative data, 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 | | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| 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 | | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| 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 | 31/12/2021 | 31/12/2020 |
|---|---|---|
| 1. Guarantees received | | |
| 2. Distribution of services from third parties | | |
| 3. Collection and payment services | 309 | 122 |
| 4. Other commissions (to be specified) | | |
| **Total** | **309** | **122** |

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

### 10.1 Personnel costs: breakdown

| Items/Sectors | 31/12/2021 | 31/12/2020 |
|---|---|---|
| 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 | 23,745 |
| 4. Staff on retirement | | |
| 5. Recoveries of expense for employees seconded to other companies | | |
| 6. Reimbursements of expense for employees seconded to the Company | | |
| **Total** | **23,745** | **23,745** |

### 10.3 Other administrative expenses: breakdown

| 110b - OTHER ADMINISTRATIVE EXPENSES | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Auditing costs | 17,760 | 19,928 |
| Other non-deductible taxes and duties | 123 | 124 |
| CONSOB contributions | 1,431 | 1,853 |
| Government licensing fee | 310 | 310 |
| Stamp tax | 64 | 48 |
| Corporate management services | 78,824 | 82,821 |
| TOTAL OTHER ADMINISTRATIVE EXPENSES | 98,512 | 105,083 |

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

### 14.2 Other operating income: breakdown

| Items | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Other operating income | 123,006 | 130,655 |

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

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

| Items | 31/12/2021 | 31/12/2020 |
|---|---|---|
| 1. Current taxes | 748 | 1,705 |
| 2. Change in current taxes of previous financial years | (307) | |
| 3. Reduction in current taxes for the year | | |
| 4. 3.bis Reduction in current taxes for the year for tax credits under Law 214/2011 Change in deferred tax assets | | |
| 5. Change in deferred tax liabilities | | |
| **Taxes accrued in the year** | **441** | **1,705** |

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

| | Taxable income | Tax rate | Tax |
|---|---|---|---|
| **Theoretical IRES tax** | **441** | **24.00%** | **106** |
| **Increases** | | | |
| Non-deductible costs | 39 | 24.00% | 9 |
| **Decreases** | | | |
| Tax losses from previous years' Form Unico | - | 24.00% | - |
| **Effective IRES tax** | **480** | **24.00%** | **115** |

| | Taxable income | Tax rate | Tax |
|---|---|---|---|
| **Theoretical IRAP tax** | **441** | **3.90%** | **17** |
| **Increases** | | | |
| Personnel and insurance costs | 23,745 | 3.90% | 926 |
| Other non-deductible expenses | 39 | 3.90% | 2 |
| **Decreases** | | | |
| Lump-sum deduction | (8,000) | 3.90% | (312) |
| **Effective IRAP tax** | **16,225** | **3.90%** | **633** |

## 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 on 16.10.2019 (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** |

Fourteenth portfolio purchased on 18.05.2021 (Banca Monte dei Paschi di Siena S.p.A.):

| Description | Amount |
|---|---|
| Nominal value of the portfolio | 1,665,859,005.89 |
| Accrued interest | 876,425.36 |
| Provision for bad debts | (2,705,352.76) |

| | |
|---|---|
| IAS adjustments | (665,795.61) |
| Deferred interest | 2,132,533.11 |
| **Purchase price of the portfolio** | **1,665,496,815.99** |

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

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

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

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

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

## INFORMATION RELATING TO THE SUMMARY STATEMENT

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

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

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

**A. Assets purchased**

**A.1 Receivables**

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

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 loss, intended to constitute a Deficit for the period.

| RECONCILIATION OF STATEMENT L1 | |
|---|---|
| TOTAL ASSETS | 12,334,876,627 |
| TOTAL LIABILITIES | 12,391,526,782 |
| **FINANCIAL DIFFERENCE** | **(56,650,155)** |
| RESULTS FROM PREVIOUS YEARS | 11,090,110 |
| **RESULT FROM THE TRANSACTION FOR THE CURRENT FINANCIAL YEAR** | **(45,560,045)** |

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

| | | STATEMENT L.1 | 31/12/2021 | 31/12/2020 |
|---|---|---|---|---|
| **A.** | | **Securitised assets** | **12,106,485,391** | **11,897,191,424** |
| | A.1 | Receivables | 12,103,591,926 | 11,891,504,181 |
| | A.3 | Other assets | 2,893,465 | 5,687,243 |
| **B.** | | **Use of liquidity from management of receivables** | **228,391,236** | **681,967,314** |
| | B.3 | Cash | 211,869,894 | 645,175,233 |
| | B.5 | Accrued income and prepaid expenses | 13,252,462 | 33,565,436 |
| | B.6 | Other receivables | 3,268,880 | 3,226,645 |
| **D.** | | **Loans received** | **12,385,094,255** | **12,584,796,349** |
| **E.** | | **Other liabilities** | **6,432,527** | **5,452,499** |
| | E.1 | Suppliers for services rendered to securitisation | 3,750,077 | 3,504,617 |
| | E.2 | Accrued expenses and deferred income | 0 | 336 |
| | E.3 | Payables to the Originator | 2,679,233 | 1,944,034 |
| | E.4 | Sundry Payables | 3,217 | 3,512 |
| **G.** | | **Transaction commissions and fees** | **12,810,643** | **12,382,745** |
| | G.1 | For Servicing | 12,514,165 | 12,050,389 |
| | G.2 | For other services | 296,477 | 332,356 |
| **H.** | | **Other charges** | **259,634,920** | **212,972,009** |
| | H.1 | Value adjustments to receivables | 12,844,150 | 19,249,989 |
| | H.2 | Interest expense | 245,855,315 | 190,500,276 |
| | H.4 | Other charges | 935,455 | 3,221,743 |
| **I.** | | **Interest generated from securitised assets** | **198,107,170** | **204,557,485** |
| **L.** | | **Other revenues** | **28,778,348** | **32,524,605** |
| | L.2 | Value write-backs on receivables | 5,220,084 | 0 |
| | L.3 | Swap differential receivable | 23,322,182 | 32,276,383 |
| | L.4 | Other revenues | 236,081 | 248,222 |

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

| | | STATEMENT L.1 – BREAKDOWN OF ITEMS | 31/12/2021 | 31/12/2020 |
|---|---|---|---|---|
| **A.1** | | **Receivables** | **12,103,591,926** | **11,891,504,181** |
| | a. | Amounts falling due – capital quota | 12,049,200,046 | 11,832,786,199 |
| | b. | Adjustment to the value of receivables at amortised cost | (904,900) | 662,516 |
| | c. | Receivables for default interest | 9,859 | 14,466 |
| | d. | Loan instalments fallen due – capital quota | 57,773,109 | 51,821,158 |
| | e. | Receivables for deferred interest (*) | 37,932,035 | 36,820,370 |
| | f. | Loan instalments fallen due – interest | 15,803,721 | 15,291,998 |
| | g. | Provision for write-down of purchased receivables | (56,212,085) | (45,878,059) |
| | h. | Provision for bad debts for default interest | (9,859) | (14,466) |
| **A.3** | | **Other assets** | **2,893,465** | **5,687,243** |
| | a. | Accrued interest income from loans | 2,893,465 | 5,687,243 |
| **B.3** | | **Cash** | **211,869,894** | **645,175,233** |
| | a. | Main program account | 168,303,947 | 594,229,427 |
| | b. | Reserve account | 42,682,741 | 49,297,881 |
| | c. | Collection account | 882,021 | 1,646,812 |
| | d. | Swap Collateral Account GBP | 1,186 | 1,113 |
| **B.5** | | **Accrued income and prepaid expenses** | **13,252,462** | **33,565,436** |
| | a. | Accrued income on intercompany swap | 13,232,877 | 33,541,667 |
| | b. | Prepaid expenses | 19,585 | 23,770 |
| **B.6** | | **Other receivables** | **3,268,880** | **3,226,645** |
| | a. | Withholding tax receivables from the Tax Office on interest income from current accounts | 49,726 | 49,726 |
| | b. | Advances for recurring operations | 36,387 | 31,002 |
| | c. | Suppliers on account of advances | 3,182,766 | 3,145,917 |
| **D.** | | **Loans received** | **12,385,094,255** | **12,584,796,349** |
| | a. | Subordinated loans | 12,311,899,052 | 12,516,578,513 |
| | b. | Interest expense from subordinated loan | 73,195,203 | 68,217,836 |
| **E.1** | | **Suppliers for services rendered to securitisation** | **3,750,077** | **3,504,617** |
| | a. | Suppliers on account of invoices to be received | 3,752,927 | 3,507,104 |
| | b. | Suppliers | (2,850) | (2,486) |
| **E.2** | | **Accrued expenses and deferred income** | **0** | **336** |
| | a. | Accrued expenses | 0 | 336 |
| **E.3** | | **Payables to the Originator** | **2,679,233** | **3,139,780** |
| | a. | Payables for undue receipts | 1,595,599 | 2,102,853 |
| | b. | Payables for servicing fees | 1,082,448 | 1,035,752 |
| | c. | Payables for undue sums | 1,186 | 1,175 |
| **E.4** | | **Sundry payables** | **3,217** | **29,128** |
| | a. | VAT payables to the Tax Office | 2,750 | 2,750 |
| | b. | Withholding tax payables to the Tax Office under art. 25-25*bis* | 467 | 762 |
| **G.1** | | **Servicing commissions** | **12,514,165** | **12,050,389** |
| | a. | Servicing | 12,514,165 | 12,050,389 |
| **G.2** | | **Commissions for other services** | **296,477** | **332,356** |
| | | Corporate Expenses | 123,007 | 130,655 |
| | | Ongoing Expenses | 173,471 | 201,701 |
| **H.1** | | **Value adjustments to receivables** | **12,844,150** | **19,249,989** |

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|---|---|---|---|---|
| | a. | Write-down of receivables under IFRS9 | 12,848,757 | 19,235,523 |
| | b. | Write-down of default interest | (4,607) | (1,183) |
| | c. | Contingent liabilities for default interest | 0 | 15,648 |
| **H.2** | | **Interest expense** | **245,855,315** | **190,500,276** |
| | a. | Interest expense on subordinated loans | 101,643,941 | 113,263,587 |
| | b. | Interest expense on subordinated loans – additional remuneration | 139,264,980 | 72,496,654 |
| | c. | Commissions expense | 4,946,393 | 4,740,035 |
| **H.4** | | **Other charges** | **935,455** | **3,221,743** |
| | a. | Legal and notarial fees | 10,931 | 23,928 |
| | b. | Contingent liabilities | 12 | 4 |
| | c. | Translation expenses | 3,538 | 3,416 |
| | d. | Insurance premiums | 1,159 | 1,196 |
| | e. | Bank charges and expenses | 142 | 119 |
| | f. | Up-front expenses | 12,200 | 0 |
| | g. | Charges for IAS adjustments | 901,620 | 3,193,081 |
| | h. | Publication expenses | 5,853 | 0 |
| **I.** | | **Interest generated from securitised assets** | **198,107,170** | **204,557,485** |
| | a. | Interest income from loans | 199,132,644 | 193,076,672 |
| | b. | Non-recurring charges on interest income | (1,020,868) | 11,466,347 |
| | c. | Default interest income | (4,607) | (1,183) |
| | d. | Contingent assets for default interest | 0 | 15,648 |
| **L.2** | | **Value write-backs on receivables** | **5,220,084** | **0** |
| | a. | Value write-backs on receivables | 5,220,084 | 0 |
| **L.3** | | **Swap differential receivable** | **23,322,182** | **32,276,383** |
| | a. | Charges/income from swap | 23,322,182 | 32,276,383 |
| **L.4** | | **Other revenues** | **236,081** | **248,222** |
| | a. | Penalties receivable from third parties for damages | 236,081 | 238,029 |
| | b. | Contingent assets | 0 | 10,193 |

(*) 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.

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| ➢ 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**

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|---|---|
| ➢ 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.

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| ➢ Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): | Euro 2,409,924,688.18.<br>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. | Euro 2.409.924.688,18<br>Il corrispettivo per il p finanziato mediante la parte del cedente subordinato al garante Euro 2.085.477.685,18 di Fondi Disponibili pari a Euro dall'Ammontare degl Integrativi disponibili Garante derivanti da subordinato concesso d 30 settembre 2010 200.000.000 |
| ➢ Nature of purchased receivables: | The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 143 of 2 December 2010, also in order to notify the debtors that the assignment had taken place. | Le caratteristiche dei sono state dettagliatam Gazzetta Ufficiale part dicembre 2010, allo notificare l'avvenuta ce |
| ➢ Quality of receivables purchased: | At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy. | Al momento della c erano classificati come ai criteri applicati osservanza della no dalla Banca d'Italia. |

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

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

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| interest, adjustment to amortised cost and to the provision for bad debts): | The consideration for the portfolio has been fully financed through the granting by the assignor of a subordinated loan to the guarantor. |
| ➢ Nature of purchased receivables: | The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no. 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.

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| ➢ 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. |

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| ➢ 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.

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| ➢ Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): | Euro 2,329,554,914.82.<br>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. |

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| ➢ 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.

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| ➢ Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): | Euro 416,127,565.07.<br>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. |

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| ➢ 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.

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| ➢ Price of assignment (including accruing interest, adjustment to amortised cost and to the provision for bad debts): | Euro 1,529,159,380.22.<br>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. |

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| ➢ 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.

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| ➢ 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. |

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| ➢ 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.

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| ➢ 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. |

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| ➢ 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.

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| ➢ 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.

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| ➢ 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.

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| ➢ 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.

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| ➢ 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 |

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

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

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

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| | 2021 in an amount of 500,000,000.00 and ii) on the payment date falling on 29 September 2021 in an amount of Euro 176,276.80 following the *Notice of adjustment to the Consideration for the Portfolio transferred on 18 May 2021*. |
| ➢ Nature of purchased receivables: | The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*), part II, no 60 of 22 May 2021, also in order to notify the debtors that the assignment had taken place. |
| ➢ Quality of receivables purchased: | At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy. |

**Performance of the transaction**

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

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

In accordance with the contract documentation of the Programme and according to the Tests, at the payment date falling on 29 March 2021, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 470,000,000; while, at the payment date falling on 31 December 2021, the Company proceeded with the partial repayment of the subordinated loan in an amount of Euro 900,000,000.

**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 regards the securitised portfolio, it should be noted that as at 31 December 2021, 367 securitised credit agreements, corresponding to Euro 36 million of remaining debt (equal to approximately 0.30% of the securitised portfolio) still benefitted from the moratoria provided for by the support measures adopted by the Italian government.

**Other information relating to significant events**

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

It should be noted that the continuation of the health crisis linked to the spread of the Covid-

19 pandemic continued to make the current macroeconomic circumstances complicated during the 2021 financial year: although marked by the continuation of the COVID-19 pandemic in Europe, they recorded a robust economic recovery in the first nine months, thanks to the progress of the vaccination campaign, which, however, subsequently weakened at the turn of the year due to the resurgence of infections. As had been the case for the previous financial year, this pandemic resulted in an emergency situation that did not have any significant impact on the management of the special purpose vehicle; as regards the securitisation transaction, there was a significant decrease in the amount of value adjustments to the securitised loans notified by the Originator and Servicer for the transactions, in light of updated macroeconomic projections that provide for an improvement in the overall macroeconomic scenario.

### L.3 INDICATION OF THE PARTIES INVOLVED

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|---|---|
| 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)<br>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 |

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|---|---|
| | Paschi di Siena S.p.A.) |
| Asset Monitor | Deloitte & Touche S.p.A. |
| German Paying Agent and Registrar | Deutsche Bank Aktiengesellschaft |
| Back-up Servicer Facilitator | Securitisation Services S.p.A. (now Banca Finint S.p.A.) |
| Back-up Servicer | Securitisation Services S.p.A. (now Banca Finint S.p.A.) |

**Obligations of the assignor**

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

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

**Contractual relationships between the parties involved**

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

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

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

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

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

### L.4 CHARACTERISTICS OF THE ISSUES

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

| | |
|---|---|
| Series | Series 1 |
| ISIN Code | IT0004618226 |
| Common Code | 052139856 |
| Date of issue | 30/06/2010 |
| Currency | Euro |
| Amount | 1,000,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 3.125% |
| Coupon | Annual |
| Applicable law | Italian law |

Duly repaid on the maturity date of 30 June 2015.

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

Repaid in advance and cancelled on 30 August 2012.

| | |
|---|---|
| Series | Series 3 |
| ISIN Code | IT0004640881 |
| Common Code | 054323549 |
| Date of issue | 23/09/2010 |
| Currency | Euro |
| Amount | 1,250,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 2.50% |
| Coupon | Annual |
| Applicable law | Italian law |

Duly repaid on the maturity date of 23 September 2013.

| | |
|---|---|
| Series | Series 4 |
| ISIN Code | IT0004689912 |
| Common Code | 059089285 |

| | |
|---|---|
| Date of issue | 09/02/2011 |
| Date of issue of 2nd tranche | 28/03/2011 |
| Date of issue of 3rd tranche | 19/08/2011 |
| Currency | Euro |
| Amount | 1,000,000,000.00 |
| Amount of 2nd tranche | 470,000,000.00 |
| Amount of 3rd tranche | 400,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 5.00% |
| Coupon | Annual |
| Applicable law | Italian law |

Third tranche repaid in advance and cancelled on 29 June 2012.

| | |
|---|---|
| Series | Series 5 |
| ISIN code | IT0004702251 |
| Common Code | 060625301 |
| Date of issue | 15/03/2011 |
| Currency | Euro |
| Amount | 1,250,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 4.875% |
| Coupon | Annual |
| Applicable law | Italian law |

Duly repaid on the maturity date of 15 September 2016.

| | |
|---|---|
| Series | Series 6 |
| ISIN Code | IT0004754674 |
| Common Code | 066404307 |
| Date of issue | 12/08/2011 |
| Currency | Euro |
| Amount | 1,600,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 3.25% |
| Coupon | Annual |
| Applicable law | Italian law |
| From 20 February 2012: | |
| Type of rate | Variable |
| Benchmark | 3-month EURIBOR + spread of 1.80% p.a. |
| Coupon | Quarterly |
| Applicable law | Italian law |

Duly repaid on the maturity date of 2 January 2014.

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

Duly repaid on the maturity date of 1 July 2014.

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

| | |
|---|---|
| Series | Series 2 – RCB |
| ISIN Code | IT0004721558 |
| Date of issue | 13/05/2011 |
| Currency | Euro |
| Amount | 75,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 5.500% |
| Coupon | Annual |
| Applicable law | Italian/German law |

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

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

Repaid in advance and cancelled on 17 September 2014.

| | |
|---|---|
| Series | Series 9 |
| ISIN Code | IT0004985211 |
| Common Code | 101166023 |
| Date of issue | 27/12/2013 |
| Currency | Euro |
| Amount | 500,000,000.00 |
| Type of rate | Variable |
| Benchmark | 3-month EURIBOR + spread of 2.00% p.a. |
| Coupon | Quarterly |

| | |
|---|---|
| Applicable law | Italian law |

Duly repaid on the maturity date of 29 September 2015.

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

Repaid in advance and cancelled on 3 April 2014.

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

Repaid in advance and cancelled on 3 April 2014.

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

Repaid in advance and cancelled on 29 March 2016.

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

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

Duly repaid on the maturity date of 29 September 2017.

| | |
|---|---|
| Series | Series 15 |
| ISIN Code | IT0005013971 |
| Common Code | 105910592 |
| Date of issue | 17/04/2014 |
| Currency | Euro |
| Amount | 1,000,000,000.00 |
| Type of rate | Fixed |
| Benchmark | 2.875% |
| Coupon | Annual |
| Applicable law | Italian law |

Duly repaid on the maturity date of 16 April 2021.

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

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

| | |
|---|---|
| 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 |

| | |
|---|---|
| Series | Series 28 |
| ISIN Code | IT0005447252 |
| Common Code | - |
| Date of issue | 10/06/2021 |
| Currency | Euro |
| Amount | 1,000,000,000.00 |
| Type of rate | Variable |
| Benchmark | 3-month EURIBOR + spread of 0.28% p.a. |
| Coupon | Quarterly |
| Applicable law | Italian law |

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

**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 | 31/12/2021 | From the date of inception to 31/12/2020 |
|---|---|---|
| **Balance of receivables at the beginning of the Year** | **11,891,504,181** | **0** |
| **Increases:** | | |
| Purchase of portfolios of receivables, including IAS value adjustments | 1,665,859,006 | 23,112,964,197 |
| Other Increases, of which: | | |
| Interest income | 199,534,123 | 2,133,880,638 |
| Deferred interest | 0 | 24,865,459 |
| Adjustment to the value of receivables at amortised cost | 0 | (68,926,922) |
| Penalties for early redemptions | 236,081 | 3,119,352 |
| Contingent assets | 0 | 10,794,576 |
| IAS adjustments | 0 | 6,329,090 |
| Value write-back on receivables | 5,220,084 | 49,554,798 |
| Value write-back on receivables under IFRS 9 | 0 | 2,593,766 |
| Default interest income | (4,607) | (1,183) |
| Contingent items on default interest income | 0 | 15,648 |
| **Decreases:** | | |
| Receipts from receivables | (1,594,962,602) | (12,090,702,585) |
| Charges on deferred interest income | (1,020,868) | (164,414) |
| Value adjustments to the provision for bad debts under IFRS9 | (12,848,757) | (60,858,079) |
| Assignments to third parties, including IAS adjustments | (50,821,730) | (1,223,829,001) |
| Charges for IAS adjustments | 901,620 | (8,116,994) |
| Write-down of default interest | (4,607) | 1,183 |
| Contingent liabilities for write-down of default interest | 0 | (15,348) |
| **Balance of receivables at the end of the Year** | **12,103,591,926** | **11,891,504,181** |

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 | 2021 | 2020 |
|---|---|---|
| Opening Balance | 67,113,156 | 73,947,306 |
| Accrued Instalments | 1,652,248,006 | 1,634,351,882 |
| Instalments Collected | (1,645,784,332) | (1,641,186,033) |
| **Closing Balance** | **73,576,830** | **67,113,156** |

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 | 2021 | 2020 |
|---|---|---|
| 1. Balance of current accounts and investments | 645,175,233 | 1,770,043,739 |
| 2. Receipts from securitised loans (including repurchases) | 1,651,212,156 | 1,641,186,033 |
| 3. Collection of Swap proceeds from Swap Counterparty | 56,904,000 | 57,500,000 |
| 4. Collection of guarantee from Swap counterparty | 0 | 58,880,000 |
| 5. Collection of amounts not accrued | 74 | 0 |
| 6. Reversal of bank fees from previous years | 0 | 10,193 |
| **Total Inflows during the Year** | **2,353,291,462** | **3,527,619,965** |

| Outflows | 2021 | 2020 |
|---|---|---|
| 1. Payment of Swap charges to Swap counterparty | 13,273,028 | 26,066,278 |
| 2. Consideration for the Price relating to the purchased Portfolio | 500,176,277 | 0 |
| 3. Interest expense on subordinated loan | 235,931,554 | 274,732,174 |
| 4. Repayment of capital of the Subordinated Loan | 1,370,000,000 | 2,400,000,000 |
| 5. Bank expenses and charges debited to current accounts | 154 | 122 |
| 6. Corporate management expenses | 81,363 | 125,599 |
| 7. Sundry payments to Suppliers | 4,987,251 | 7,546,051 |
| 8. Payment of the Swap counterparty guarantee | 0 | 152,611,000 |
| 9. Fees due to the Servicer and return of payables for undue sums | 16,971,941 | 21,363,446 |
| 10. Exchange differences | 0 | 62 |
| **Total Outflows during the Year** | **2.141,421,568** | **2,882,444,733** |
| **Balance of current accounts (Item B.3 of statement L.1)** | **211,869,894** | **645,175,233** |

The imbalance between inflows and outflows represents the balance of current accounts at 31 December 2021 (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 and receipts that did not accrue and that were returned during the Financial Year.
The amounts that were actually collected during 2021 totalled Euro 1.6 billion: the higher amount compared to expected receipts was due to early redemptions and repurchases on the part of the Assignor.
On the basis of the financial plans provided by the Servicer, it is expected that the receipts arising from receivables assigned by Banca Monte dei Paschi di Siena S.p.A. will come to about Euro 935 million during 2022, 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 2021 |
|---|---|
| 01) Until 3 months | 1,096,368 |
| 02) From 3 months to 1 year | 9,551,530 |
| 03) From 1 year to 5 years | 367,767,854 |
| 04) Beyond 5 years | 11,670,784,295 |
| Indefinite maturity (***) | 73,576,830 |
| | |
| Total receivables at the end of the Year: | 12,122,776,876 |

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 2021 |
|---|---|
| Other countries | 8,650,843 |
| Italy | 12,109,620,544 |
| EMU countries | 4,505,489 |
| | |
| Total receivables at the end of the Year: | 12,122,776,876 |

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 2021 |
|---|---|---|
| 01) 0 – 25,000 | 17,488 | 252,328,140 |
| 02) 25,001 – 75,000 | 63,026 | 3,239,381,399 |
| 03) 75,001 – 250,000 | 69,874 | 7,999,286,933 |
| 04) Beyond 250,000 | 1,739 | 631,780,404 |
| | | |
| Total receivables at the end of the Year: | 152,127 | 12,122,776,876 |

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 2021 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 31/12/2021 | Amount at 31/12/2020 |
|---|---|---|
| 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 2021 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 2021, 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 67,829; the income statement reports costs for commissions expense of Euro 309. 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 2020 (the latest available accounts). For an adequate and complete understanding of the financial position and cash flows of Banca Monte dei Paschi di Siena S.p.A. at 31 December 2020, 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 2020 | 31 12 2019 |
|---|---|---|---|
| 10. | Cash and cash equivalents | 759,161,325 | 830,134,881 |
| 20. | Financial assets measured at fair value through profit and loss | 1,082,427,739 | 1,343,880,429 |
| | a) financial assets held for trading | 711,205,223 | 680,150,203 |
| | c) other financial assets mandatorily measured at fair value | 371,222,516 | 663,730,226 |
| 30. | Financial assets measured at fair value through other comprehensive income | 5,605,071,466 | 6,564,298,174 |
| 40. | Financial assets measured at amortised cost | 118,233,151,171 | 107,036,499,311 |
| | a) Loans to banks | 45,659,501,885 | 32,146,409,597 |
| | b) Loans to customers | 72,573,649,286 | 74,890,089,714 |
| 50. | Hedging derivatives | 50,818,162 | 71,391,521 |
| 60. | Change in value of macro-hedged financial assets (+/-) | 992,039,528 | 617,259,653 |
| 70. | Equity investments | 2,507,653,088 | 2,763,249,390 |
| 80. | Property, plant and equipment | 2,160,704,139 | 2,531,178,213 |
| 90. | Intangible assets | 2,252,492 | 3,180,618 |
| 100. | Tax assets | 1,395,822,115 | 2,101,675,899 |
| | a) current | 473,714,163 | 576,055,810 |
| | b) deferred | 922,107,953 | 1,525,620,089 |
| 110. | Non-current assets and disposal groups of assets | 105,829,623 | 75,232,663 |
| 120. | Other assets | 1,469,637,966 | 1,637,985,422 |
| | **Total assets** | **134,364,568,814** | **125,575,966,174** |

## to be continued: Balance Sheet

( euro units)

| Total Liabilities and Shareholders' Equity | | 31 12 2020 | 31 12 2019 |
|---|---|---|---|
| 10. | Financial liabilities measured at amortised cost | 122,175,294,125 | 111,361,586,334 |
| | a) loans to banks | 33,586,764,692 | 28,030,615,350 |
| | b) loans to customers | 76,487,087,573 | 67,053,575,991 |
| | c) debts securities issued | 12,101,441,860 | 16,277,394,993 |
| 20. | Financial liabilities held for trading | 600,022,088 | 583,506,664 |
| 30. | Financial liabilities designated at fair value | 306,618,003 | 372,836,995 |
| 40. | Hedging derivatives | 1,789,695,872 | 1,315,904,617 |
| 50. | Value adjustment to financial liabilities subject to macro-hedging (+/-) | 45,427,888 | 31,390,345 |
| 60. | Tax liabilities | - | *303,939* |
| | *a) current* | - | *303,939* |
| 80. | Other liabilities | 2,737,305,074 | 3,041,615,605 |
| 90. | Provision for employees severance pay | 160,878,745 | 172,756,088 |
| 100. | Provisions for risks and charges: | 1,804,851,317 | 1,118,333,376 |
| | a) financial guarantees and other commitments | 152,364,235 | 156,891,174 |
| | b) post-employment benefits | 29,349,452 | 32,093,170 |
| | c) other provisions | 1,623,137,630 | 929,349,031 |
| 110. | Valuation reserves | 51,107,702 | (28,398,878) |
| 140. | Reserves | (2,433,003,222) | (1,361,989,957) |
| 160. | Share capital | 9,195,012,197 | 10,328,618,260 |
| 170. | Treasury shares (-) | (185,957,994) | (185,957,994) |
| 180. | Profit (loss) (+/-) | (1,882,682,981) | (1,174,539,220) |
| | **Total Liabilities and Shareholders' Equity** | **134,364,568,814** | **125,575,966,174** |

## Income Statement

(euro units)

| Items | | 31 12 2020 | 31 12 2019 |
|---|---|---|---|
| 10. | Interest income and similar revenues | 1,796,065,168 | 1,940,270,072 |
| | *of which interest income calculated applying the effective interest rate method* | *1,683,410,516* | *1,917,374,319* |
| 20. | Interest expense and similar charges | (762,026,160) | (697,741,760) |
| **30.** | **Net interest income** | **1,034,039,008** | **1,242,528,312** |
| 40. | Fee and commission income | 1,451,022,602 | 1,578,140,576 |
| 50. | Fee and commission expense | (134,328,514) | (189,445,203) |
| **60.** | **Net fee and commission income** | **1,316,694,088** | **1,388,695,373** |
| 70. | Dividends and similar income | 9,714,525 | 69,404,846 |
| 80. | Net profit (loss) from trading | 18,996,313 | 51,519,000 |
| 90. | Net profit (loss) from hedging | 2,890,294 | (6,,205,763) |
| 100. | Gains/(losses) on disposal/repurchase of: | 129,774,901 | 117,456,137 |
| | *a) financial assets measured at amortised cost* | 124,614,537 | 58,619,728 |
| | *b) financial assets measured at fair value through other comprehensive income* | 296,702 | 52,450,793 |
| | *c) financial liabilities* | 4,863,662 | 6,385,616 |
| 110. | Net profit (loss) from financial assets and liabilities measured at fair value through other comprehensive income | (17,649,659) | 49,579,057 |
| | *a) financial assets and liabilities measured at fair value* | 195,380 | (11,201,079) |
| | *b) other financial assets mandatorily at fair value* | (17,845,039) | 60,780,136 |
| **120.** | **Net interest and other banking income** | **2,494,459,470** | **2,912,976,962** |
| 130. | Net impairment (losses)/reversals on | (671,820,532) | (622,894,380) |
| | a) financial assets measured at amortised cost | (671,316,568) | (617,309,315) |
| | b) financial assets measured at fair value through other comprehensive income | (503,964) | (5,585,065) |
| 140. | Modification gains/(losses) | (15,400,242) | (4,226,664) |
| **150.** | **Net income from banking activities** | **1,807,238,696** | **2,285,855,918** |
| 160. | Administrative expenses: | (2,456,396,731) | (2,374,587,986) |
| | *a) personnel expenses* | (1,396,942,262) | (1,291,894,883) |
| | *b) other administrative expenses* | (1,059,454,469) | (1,082,693,103) |
| 170. | Net provision for risks and charges: | (935,725,858) | (69,444,279) |
| | *a) commitments and guarantees issued* | 4,531,599 | 86,563,412 |
| | *b) other net provisions* | (940,257,457) | (156,007,691) |
| 180. | Net adjustments to/recoveries on property, plant and equipment | (137,963,894) | (143,964,972) |
| 190. | Net adjustments to/recoveries on intangible assets | (944,032) | (10,822,208) |
| 200. | Other operating expenses/income | 241,479,496 | 215,294,166 |
| **210.** | **Operating expenses** | **(3,289,551,019)** | **(2,383,525,279)** |
| 220. | Gains (losses) on investments | (97,791,231) | (52,380,641) |
| 250. | Gains (losses) on disposal of investments | 42,209,571 | 2,827,100 |
| **260.** | **Profit (loss) before tax from continuing operations** | **(1,537,893,983)** | **(147,222,902)** |
| 270. | Tax (expense)/recovery on income from continuing operations | (344,788,998) | (1,027,316,318) |
| **280.** | **Profit (loss) after tax from continuing operations** | **(1,882,682,981)** | **(1,174,539,220)** |
| **300.** | **Profit (loss)** | **(1,882,682,981)** | **(1,174,539,220)** |

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 2021 Financial Year for the statutory audit of the Financial Statements, the auditing of bookkeeping and the correct recognition of management events in the accounting records, as well as for the signature of tax returns.

**Allocation of profits**

Dear Quotaholders,

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

Conegliano (TV), 24 February 2022

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