



Desio OBG S.r.l.

ANNUAL REPORT

2023

DESIO OBG S.R.L.

Financial Statements as at 31/12/2023

Master data	
Company name	DESIO OBG S.R.L.
Registered office	VIA V. ALFIERI, 1 – 31015 CONEGLIANO (TV)
Share capital	10,000
Fully paid-up share capital	yes
CCIAA Code	TV
VAT number	10537880964
Tax code	04864650264
REA (Economic and Administrative Index) number	404888
Legal form	Limited liability company
Prevalent sector of activity (ATECO)	Activities of special purpose vehicles (64.99.40)
Company in liquidation	no
Single-member company	no
Company subject to third-party management and coordination	yes
Name of the company or entity exercising management and coordination activities	
Membership of a group	yes
Name of the parent company	BANCO DI DESIO E DELLA BRIANZA S.P.A.
Country of the parent company	ITALY
Cooperative registration number	

	31/12/2023	31/12/2022
Balance Sheet		
Assets		
A) Receivables from shareholders for payments still due		
B) Fixed assets		
I - Intangible fixed assets		
II - Tangible fixed assets		
III - Financial fixed assets		
Total fixed assets (B)		
C) Current assets		
I - Inventories		
Tangible fixed assets held for sale		
II - Receivables		
due within the next financial year	2,118	4,318
due after the next financial year	1,140	
deferred tax assets		
Total receivables	3,258	4,318
III - Financial assets not constituting fixed assets		
IV - Cash and cash equivalents	47,350	45,120
Total current assets (C)	50,608	49,438
D) Accruals and deferrals	10,781	11,771
Total assets	61,389	61,209
Liabilities		
A) Shareholders' equity		
I - Share capital	10,000	10,000
II - Share premium reserve		
III - Revaluation reserves		
IV- Legal reserve		
V - Statutory reserves		
VI - Other reserves	1	(1)
VII - Reserve for expected cash flow hedging transactions		
VIII - Retained earnings (losses)		
IX - Profit (Loss) for the year	0	0
Loss set-off in the year		
X - Negative reserve for treasury shares in portfolio		
Total shareholders' equity	10,001	9,999
B) Provisions for risks and charges		
C) Employee severance indemnity (TFR)		
D) Payables		
due within the next financial year	44,150	44,368
due after the next financial year		
Total payables	44,150	44,368
E) Accruals and deferrals	7,238	6,842
Total liabilities	61,389	61,209

	31/12/2023	31/12/2022
Income Statement		
A) Value of production		
1) revenues from sales and services	0	0
2), 3) changes in inventories of work in progress, semi-finished and finished products and contract work in progress		
2) changes in inventories of work in progress, semi-finished and finished products		
3) changes in contract work in progress		
4) increases in fixed assets for internal work		
5) other revenues and income		
operating grants		
other	95,645	83,726
Total other revenues and income	95,645	83,726
Total value of production	95,645	83,726
B) Production costs		
6) for raw, ancillary and consumable materials and goods		
7) for services	95,453	82,057
8) for leasehold improvements		
9) for personnel		
a) wages and salaries		
b) social security contributions		
c), d), e) severance indemnity, pensions, other personnel costs		
c) employee severance indemnity		
d) pensions and similar benefits		
e) other costs		
Total personnel costs		
10) depreciation and amortisation		
a), b), c) amortisation of intangible and depreciation of tangible fixed assets, other write-downs of fixed assets		
a) amortisation of intangible fixed assets		
b) depreciation of tangible fixed assets		
c) other write-downs of fixed assets		
d) write-downs of receivables included in current assets and cash and cash equivalents		
Total depreciation, amortisation and write-downs		
11) changes in inventories of raw, ancillary and consumable materials and goods		
12) provisions for risks		
13 other allocations		
14) sundry operating expenses	463	492
Total production costs	95,916	82,549
Difference between value and cost of production (A - B)	(271)	1,177
C) Financial income and expenses		
15) income from equity investments		
from subsidiaries		
from associates		
from parent companies		
from companies controlled by parent companies		

other		
Total income from equity investments		
16) other financial income		
a) from receivables recorded as fixed assets		
from subsidiaries		
from associates		
from parent companies		
from companies controlled by parent companies		
other		
Total financial income from receivables recorded as fixed assets		
b), c) from securities under fixed assets not constituting equity investments and from securities under current assets not constituting equity investments		
b) from securities under fixed assets not constituting equity investments		
c) from securities under current assets not constituting equity investments		
d) income other than the above		
from subsidiaries		
from associates		
from parent companies		
from companies controlled by parent companies		
other	1,529	158
Total income other than the above	1,529	158
Total other financial income	1,529	158
17) interest and other financial expenses		
to subsidiaries		
to associates		
to parent companies		
to companies controlled by parent companies		
other		
Total interest and other financial expenses		
17-bis) exchange gains and losses		
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	1,529	158
D) Value adjustments to financial assets and liabilities		
18) revaluations		
a) of equity investments		
b) of financial fixed assets not constituting equity investments		
c) of securities under current assets not constituting equity investments		
d) of derivative financial instruments		
of financial assets for centralised treasury management		
Total revaluations		
19) write-downs		
a) of equity investments		
b) of financial fixed assets not constituting equity investments		
c) of securities under current assets not constituting equity investments		
d) of derivative financial instruments		
of financial assets for centralised treasury management		
Total write-downs		
Total value adjustments to financial assets and liabilities (18 - 19)		

Profit before tax (A - B + - C + - D)	1,258	1,335
20) Income taxes for the year: current, deferred and prepaid		
current taxes	1,258	1,335
taxes relating to previous years		
deferred tax liabilities and deferred tax assets		
income (expenses) from joining the tax consolidation/tax transparency scheme		
Total income taxes for the year: current, deferred and prepaid	1,258	1,335
21) Profit (Loss) for the year	0	0

Notes to the Financial Statements for the year ended 31/12/2023

Explanatory Notes, Initial Part

Company activities

Dear Shareholders, these Notes form an integral part of the Financial Statements as at 31 December 2023.

The Company was incorporated on 27 February 2017 pursuant to Law No. 130 of 30 April 1999, which regulated the implementation of securitisation transactions in Italy.

Legislative Decree No. 141 of 2010, as subsequently amended, requires securitisation special purpose vehicles to be set up in the form of joint stock companies.

Pursuant to the Bank of Italy Provision dated 7 June 2017, in force since 30 June 2017, the Company is registered in the List of Securitisation Special Purpose Vehicles maintained by the Bank of Italy.

In compliance with the Articles of Association and the provisions of the aforementioned Law, the exclusive object of the Company is the purchase for consideration from banks, within the framework of one or more issuance transactions (meaning both individual issuance transactions and issuance programmes) of covered bank bonds realised pursuant to Article 7-bis of Law No. 130 of 30 April 1999 and any subsequent amendments and additions and related implementing provisions, of:

- (i) land and mortgage loans, also identifiable en bloc;
- (ii) receivables due from or guaranteed by Public Administrations and securities issued or guaranteed under the same terms, also identifiable en bloc;
- (iii) securities issued as part of securitisation transactions involving loans of the same type;
- (iv) additional eligible assets or supplementary eligible assets that are permitted under the aforementioned Law;

through the assumption of loans granted or guaranteed also by the transferring banks, as well as the provision of security for bonds issued by the same banks or by other banks.

The Company will carry out the above-mentioned activities in accordance with the terms, methods and conditions set forth in the regulations applicable to the issuance of covered bonds pursuant to Article 7-bis of Law No. 130 of 30 April 1999 and any subsequent amendments and additions and related implementing provisions.

In accordance with the aforementioned provisions of law, the receivables and securities acquired by the Company and the sums paid by the relevant debtors are intended to satisfy the rights, also pursuant to Article 1180 of the Italian Civil Code, of the holders of the covered bank bonds referred to in Article 7-bis, paragraph 1 of Law No. 130 of 30 April 1999 and issued in the context of the issuance transactions in which the Company participates, for the benefit of which the Company has provided a guarantee, of the counterparties to derivative contracts hedging the risks inherent in the receivables and securities purchased and other ancillary contracts, as well as to the payment of other transaction costs, in priority to the repayment of loans granted or guaranteed also by the transferring banks pursuant to Article 7-bis, paragraph 1 of Law No. 130 of 30 April 1999.

Receivables and securities acquired by the Company under each transaction or issuance programme constitute segregated assets to all intents and purposes from those of the Company and from those relating to the other transactions or issuance programmes, on which actions by creditors other than the holders of the covered bank bonds issued and additional creditors referred to in the preceding sentence are not allowed.

To the extent permitted by the provisions of Law No. 130 of 30 April 1999 and related implementing provisions, the Company may also carry out the ancillary transactions to be stipulated for the provision of guarantees and for the successful completion of covered bond issuance transactions or programmes in which it participates, as well as, carry out transactions to reinvest in eligible assets and supplementary eligible assets and in other financial assets the funds resulting from the management of loans and securities acquired pursuant to this Company purpose and not immediately used to satisfy the rights of the holders of covered bank bonds (issued in the context of such issuance transactions) and to pay the costs of the transaction.

In the context of covered bank bond issuance transactions in which it participates, in compliance with the provisions of Law No. 130/99 and its implementing provisions, the Company may engage third parties to collect the purchased receivables and to provide cash and payment services and also perform any other activity permitted by Article 7-bis of Law No. 130/1999 and its implementing provisions.

Preparation criteria

In compliance with the provisions of Article 3, paragraph 2 of Law No. 130/1999, which provides that the receivables relating to each transaction, the related collections and the financial assets acquired with them constitute segregated assets, to all intents and purposes, from those of the Company and from those relating to other transactions, the accounting results pertaining to corporate management are shown separately from those pertaining to the segregated assets (the expression of the securitisation transaction); the structure of this Report reflects this separation, presenting in the Financial Statements the Balance Sheet and Income Statement relating to corporate management and in an annexed statement the result of the securitisation transaction for the year 2023.

The Financial Statements comply with the provisions of Articles 2423 et seq. of the Italian Civil Code and the national accounting principles as published by the Italian Accounting Organisation; they therefore clearly and truthfully represent the Company's financial position and results of operations for the year.

It should be noted that, since the prerequisites set forth in Article 2435-bis, paragraph 1 of the Italian Civil Code have been met, the Financial Statements have been prepared in abridged form in accordance with the provisions of the aforementioned Article.

Pursuant to Article 2435-bis of the Italian Civil Code, companies that draw up abridged financial statements are exempt from drawing up the Cash Flow Statement and benefit from simplifications when drawing up the Balance Sheet, Income Statement and Notes.

In particular, as provided for by the same Article 2435-bis, since the Notes to the Financial Statements contain the information required by numbers 3) and 4) of Article 2428 of the Italian Civil Code, the Report on Operations has not been prepared. It should be noted that, since the requirements of Article 2435-bis, paragraph 1 of the Italian Civil Code have been met, the Financial Statements have been prepared in abridged form in accordance with the provisions of the aforementioned Article.

Pursuant to Article 2435-bis of the Italian Civil Code, companies that draw up abridged financial statements are exempt from drawing up the Cash Flow Statement and benefit from simplifications when drawing up the Balance Sheet, Income Statement and Notes.

In particular, as provided for by the same Article 2435-bis, since the Notes to the Financial Statements contain the information required by numbers 3) and 4) of Article 2428 of the Italian Civil Code, the Report on Operations has not been prepared.

The contents of the Balance Sheet and the Income Statement, which are limited to the representation of solely corporate management, are therefore those required by Articles 2424 and 2425 of the Italian Civil Code.

The Notes to the Financial Statements, drafted in accordance with Article 2427 of the Italian Civil Code, contain all the information needed to provide a correct interpretation of the Financial Statements and, in particular, contain a specific Annex containing information on Securitised Operations.

It should be noted that the recourse to the provisions of the Italian Civil Code for the representation of corporate management derives from the exclusion of securitisation special purpose vehicles pursuant to Law No. 130/99 from the entities qualifying as non-banking financial intermediaries, following the completion of the Title V Reform, effected by Legislative Decree No. 141/2010 and subsequent corrective Decrees, the effects of which were translated into accounting terms by the above-mentioned Legislative Decree No. 136/15.

With reference to the securitised assets, which are shown separately from the corporate assets, they have been shown in continuity with the provisions of the Bank of Italy Provision of 29 March 2000, according to which the financial assets acquired, securities issued and other transactions carried out as part of the securitisation transaction are shown in a specific Statement and described in a specific Annex to the Notes to the Financial Statements and do not form part of the Financial Statements. This Annex is to be considered an integral part of these Financial Statements.

It should be noted that this statement was made in spite of the fact that the provision lapsed as a result of the repeal by Legislative Decree No. 136/15 of Legislative Decree No. 87/92, which it directly originated from, and although such segregation is not regulated by any provision of the Italian Civil Code.

While awaiting the issue of a new source of legislation to replace the previous one governing the financial statements of securitisation special purpose vehicles, the Company has made the choices described above because they are more in line with current regulatory provisions and, at the same time, suitable for the purpose of providing information on the Company's financial position, results of operations and cash flows, which is useful for users of the Financial Statements to make economic decisions and which is, at the same time, relevant, reliable, comparable and understandable with regard to both corporate management and segregated assets.

These choices are also based on respect for the general principle of continuity in the representation of operating events to the benefit of the comprehensibility of the Financial Statements, and have also taken into account that the issue of the accounting treatment of financial assets and/or groups of financial assets and financial liabilities arising from securitisation transactions is still being examined in depth by the bodies responsible for interpreting the established accounting standards.

Pursuant to the aforementioned Articles, the Company did not purchase, hold or sell treasury shares or shares of the Parent Company during the year, not even through a trust company or intermediary.

It should be noted, moreover, that on 4 September 2015, Legislative Decree No. 139/2015 was published, effective for financial statements for financial years commencing on or after 1 January 2016, pursuant to which important changes were introduced to the valuation criteria for certain items in the Financial Statements of companies required to follow the accounting rules dictated by the Italian Civil Code and the Italian accounting standards.

It should be noted that pending express regulatory clarification on the applicability of these changes to the segregated assets of the securitisation special purpose vehicles, the Company has decided to maintain unchanged, in accordance with the principle of continuity, the valuation criteria pertaining to the items in the prospectus, which are illustrated in more detail in the Annex to the Notes to the Financial Statements, in the section “Information on the Summary Statement”, to which reference should be made.

The Financial Statements, as well as these Notes to the Financial Statements, have been drawn up in Euro units. The items in the Financial Statements were valued in accordance with the principle of prudence and on a going concern basis. Pursuant to Article 2423-bis, paragraph 1, point 1-bis of the Italian Civil Code, the recognition and presentation of items are carried out by taking into account the substance of the transaction or contract.

In the preparation of the Annual Financial Statements, expenses and income have been recognised on an accrual basis regardless of when they occur. Account was also taken of risks and losses pertaining to the financial year, even if they became known after the end of the year.

In preparing the Financial Statements, an assessment was conducted on satisfaction of the prerequisites relating to the Company’s ability to operate as a going concern over a time horizon of at least twelve months after the reporting date. In performing this assessment, account was taken of all available information and of the specific activity carried out by the Company whose exclusive purpose, in accordance with Law No. 130 of 30 April 1999, is to carry out one or more securitisation transactions.

Accordingly, these Financial Statements have been prepared on a going concern basis, as there are no events or conditions that might cast doubt on the Company’s ability to continue as a going concern.

Measurement criteria applied

Fixed assets

Intangible fixed assets

They are recorded at historical acquisition cost and shown net of amortisation charged directly to the individual items.

Start-up and expansion costs are amortised over a period not exceeding five years.

Receivables

Receivables recorded as current assets were recognised in the Financial Statements according to the presumed realisable value, in compliance with the provisions of Article 2435-bis of the Italian Civil Code, which provides for a waiver of the application of Article 2426, paragraph 1, number 8 of the Italian Civil Code, concerning the recognition of receivables at amortised cost.

The adjustment to the presumed realisable value was made, where necessary, by allocating a provision for bad debts.

Shareholders' equity

The items are stated in the Financial Statements at their carrying amount in accordance with the guidelines in accounting standard OIC 28.

Payables

Payables were recognised in the Financial Statements at nominal value in accordance with Article 2435-bis of the Italian Civil Code, as an exception to the criterion of recognition at amortised cost, provided for in Article 2426, paragraph 1, number 8 of the Italian Civil Code.

Accruals and deferrals

Accruals and deferrals were determined according to the criterion of the actual accrual period. For accruals and deferrals with a multi-year duration, the conditions that had led to their original recognition were verified, adopting the appropriate changes where necessary.

Income taxes

Taxes are accrued on an accrual basis; they therefore represent:

- provisions for taxes paid or payable for the year, determined according to current rates and regulations;
- the amount of taxes deferred or paid in advance in connection with temporary differences arising or reversed during the year.

Value of production

Revenues are recorded in the Financial Statements on an accrual basis, net of returns, allowances, discounts and premiums, as well as taxes directly related thereto.

They mainly refer to the form of recovery that corporate management is entitled to accrue against the segregated assets as a result of incurring its costs of existence.

Production costs

Costs and charges are allocated on an accrual basis and according to their nature, net of returns, allowances, discounts and premiums, in accordance with the principle of correlation with revenues, and recorded in the respective items in accordance with the provisions of accounting standard OIC 12. In the case of the purchase of services, the related costs are recognised when the service is received, while in the case of continuous services, the related costs are recognised for the accrued portion.

Other information

Significant events during the year

With reference to the Company, no significant events occurred during the year.

Global economic activity weakened further at the end of the year. Manufacturing output continued to stagnate and the dynamics of services lost momentum. In the US, after the strong expansion of consumption in the third quarter, some signs of a slowdown in activity emerged; in China, the continuing crisis in the real estate sector is holding back growth, which remains well below the pre-pandemic period.

Stagnation in the Euro Area continued during 2023. The persistent weakness of the manufacturing and construction cycle is gradually spreading to the service sector as well.

Inflation showed a gradual and significant slowdown: it fell to 2.9% in October 2023 (9.2% in December 2022), reflecting the sharp slowdown in energy prices.

The European Central Bank left official interest rates unchanged, believing that their current levels, if maintained for a sufficiently long period, will make a substantial contribution to the return of inflation to the 2% target in the medium term.

In Italy, the gross domestic product increased marginally in the third quarter; according to the Bank of Italy models, growth remained almost nil in the last months of 2023, held back by monetary tightening, still high energy prices and weak foreign demand.

Preliminary information available points to a reduction in both the deficit and the debt ratio for 2023 compared to the previous year. In December, the budget manoeuvre for the next three years was approved, which in official assessments increases the net borrowing for 2024 by 0.7 percentage points of GDP in comparison with the framework of current legislation. The EU Council approved the proposal for a comprehensive reform of the NRRP.

Conditions in Italian financial markets have become noticeably more relaxed since the end of the year, benefiting from an improvement in investor confidence, largely driven by expectations of a less restrictive monetary policy stance from the major Central Banks. The yield spread between Italian ten-year government bonds and the corresponding German bonds fell markedly.

Based on initial ABI estimates, total loans to residents in Italy (private sector plus Public Administrations net of repos with central counterparties) stood at Euro 1,669.6 billion in December 2023, a year-on-year change of -3.9%.

Loans to Italian residents in the private sector were down 3.2% in December 2023 compared to a year earlier.

Loans to households and non-financial companies amounted to Euro 1,196 billion in December 2023, with an annual change of -2.2%, calculated including loans not recognised in banks' financial statements as securitised

and net of changes in outstanding amounts not related to transactions (e.g. changes due to exchange rate fluctuations, value adjustments or reclassifications).

Loans to Italian residents in the private sector amounted to Euro 1,428 billion in the same month, down 3.2% from a year earlier.

With reference to the segregated assets, it is reported that the outstanding securitisation transaction went smoothly.

With reference to segregated assets it should be noted that, on 5 July 2023, with economic effect from the same date, Banco di Desio e della Brianza S.p.A. sold a new portfolio for a total consideration of Euro 533,952,849.85, and on 18 July 2023 provided the Company with a new Subordinated Loan for a principal amount equal to the purchase price of the new portfolio.

In addition, as part of the Programme, the issue of a fourth series of Covered Bank Bonds was approved from the loan portfolio transferred to the Company. This issue took place on 13 September 2023 for a nominal amount of Euro 400,000,000.00.

It should also be noted that, as part of the Programme, a Master Amendment Agreement was entered into on 24 July 2023 to incorporate the legislative and regulatory changes following the publication by the Bank of Italy, on 30 March 2023, of the 42nd Bank of Italy update to Part III, Chapter 3 of the “Supervisory Provisions for Banks” (Circular No. 285 of 17 December 2013), as amended and supplemented from time to time, implementing certain provisions of the Securitisation and Covered Bonds Act, as amended by Legislative Decree No. 190 of 5 November 2021, and Article 129 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (“CRR”).

It should be noted that compliance with the ratios set out below will be monitored on a quarterly basis by the transaction’s Asset Monitor, which prepares a quarterly Report at the request of the OBG issuer that analyses the following parameters:

- Nominal Value Test: the total nominal value of the assets forming part of the segregated assets must be at least equal to the nominal value of the outstanding Covered Bonds;

- Net Present Value Test: the present value of the assets forming part of the segregated assets, net of all transaction costs borne by the Guarantor, including the expected costs and charges of any financial risk hedging derivative contracts entered into in connection with the transaction, must be at least equal to the net present value of the outstanding Covered Bonds;
- Interest Coverage Test: the interest and other income generated by the assets forming part of the segregated assets, net of the Guarantor's costs, must be sufficient to cover the interest and costs payable by the issuing bank on the outstanding Covered Bonds, taking into account any financial risk hedging derivative contracts entered into in connection with the transaction;
- Asset Coverage Test: it dynamically verifies that the assets forming part of the segregated assets, weighted differently according to type and quality, are able to guarantee the minimum level of over-collateralisation required by the rating agencies.

As at the closing date of the financial year, the tests, as described above, had always been passed.

Explanatory Notes, Assets

The items under Assets have been recorded in accordance with national accounting standards; the sections on the individual items indicate the criteria applied specifically.

Current assets

Current assets are valued in accordance with the provisions of numbers 8 to 11-bis of Article 2426 of the Italian Civil Code. The criteria used are indicated in the paragraphs of the respective items in the Financial Statements.

Receivables recorded as current assets

Receivables recorded as current assets were recognised in the Financial Statements according to the presumed realisable value, in compliance with the provisions of Article 2435-bis of the Italian Civil Code, which provides for an exception to the application of Article 2426, paragraph 1, number 8 of the Italian Civil Code, concerning the recognition of receivables at amortised cost.

The adjustment to the presumed realisable value was made, where necessary, by allocating a provision for bad debts.

The balance of receivables in current assets is shown below (Article 2427, paragraphs 4 and 6 of the Italian Civil Code).

Balance as at 31/12/2023	Balance as at 31/12/2022	Changes
3,258	4,318	(1,060)

Changes and maturity of receivables recorded as current assets

The following table provides information on changes in receivables recorded as current assets as well as, where significant, information on their maturity dates.

The breakdown of the items recorded as current assets is shown below.

“Tax receivables” refer to:

- IRES (corporate income tax) and IRAP (regional business tax) advances paid during the year and deductible from the Provision for taxes for the year;
- withholding taxes on interest income accrued on current accounts for ordinary management;
- an overpayment of self-employed withholding tax of Euro 350, relating to previous years;
- the credit accrued for IRES as a result of advance payments made in previous years.

The item “Receivables from others” relates to funds that corporate management must receive from the securitised management for the payment of its operating expenses.

	Value at start of year	Changes in the year	Year-end value	Portion due within the financial year	Portion due after the financial year	Of which with a residual maturity of more than 5 years
Receivables from customers recorded as current assets						
Receivables from						

subsidiaries recorded as current assets						
Receivables from associates recorded as current assets						
Receivables from parent companies recorded as current assets						
Receivables from companies controlled by parent companies recorded as current assets						
Tax receivables recorded as current assets	4,318	(1,060)	3,258	2,118	1,140	
Deferred tax assets recorded as current assets						
Receivables from others recorded as current assets						
Total receivables recorded as current assets	4,318	(1,060)	3,258	2,118	1,140	

Cash and cash equivalents

Cash and cash equivalents are valued according to the following criteria:

- bank deposits, postal deposits and cheques (current account, bank drafts and similar), being receivables, are valued at their presumed realisable value. This value normally coincides with the nominal value, while in situations of difficult collectability the estimated net realisable value is shown;
- cash and stamps on hand are valued at nominal value;
- foreign currency holdings are valued at the exchange rate in force on the reporting date.

	Value at start of year	Changes in the year	Year-end value
Bank and postal deposits	45,120	2,230	47,350
Cheques			
Cash and other valuables on hand			
Total cash and cash equivalents	45,120	2,230	47,350

The balance as detailed above represents the amount of and changes in cash and cash equivalents existing at the close of the financial year (Article 2427, point 4 of the Italian Civil Code).

Accrued income and prepaid expenses

Accruals and deferrals have been calculated on an accrual basis by allocating revenues and/or costs common to two financial years.

Balance as at 31/12/2023	Balance as at 31/12/2022	Changes
10,781	11,771	(990)

“Accrued income” includes the accrual of the “Corporate Servicer Fee”, the fee that corporate management collects periodically from the securitisation’s segregated assets for the vehicle’s administrative and corporate management services accruing as at 31/12/2023, pursuant to the Administrative Services Agreement.

Prepaid expenses” include the deferral to adjust the cost of stichting management to the current year’s share.

	Accrued income	Prepaid expenses	Total accrued income and prepaid expenses
Value at start of year	6,842	4,929	11,771
Changes in the year	396	(1,386)	(990)
Year-end value	7,238	3,543	10,781

Explanatory Notes, Liabilities and Shareholders’ equity

The items under shareholders’ equity and liabilities in the Balance Sheet have been recorded in accordance with national accounting standards; the sections on the individual items indicate the criteria applied specifically.

Shareholders' equity

The items are stated in the Financial Statements at their carrying amount in accordance with the guidelines in accounting standard OIC 28.

With reference to the year under review, the following tables show the changes in the individual items of shareholders' equity, as well as details of the other reserves, if present in the Financial Statements.

Balance as at 31/12/2023	Balance as at 31/12/2022	Changes
10,001	9,999	2

Changes in shareholders' equity items

	Value at start of year	Allocation of the result for the previous year		Other changes			Operating result	Year-end value
		Allocation of dividends	Other uses	Increases	Decreases	Reclassifications		
Share capital	10,000							10,000
Share premium reserve								
Revaluation reserves								
Legal reserve								
Statutory reserves								
Extraordinary reserve								
Reserve for waivers pursuant to Article 2423 of the Italian Civil Code								
Reserve for shares or quotas of the parent company								
Equity investment revaluation reserve								

Capital increase contributions								
Future capital increase contributions								
Capital contributions								
Payments to cover losses								
Share capital reduction reserve								
Merger surplus reserve								
Reserve for unrealised exchange gains								
Profit adjustment reserve								
Various other reserves	(1)		2					1
Total other reserves	(1)		2					1
Reserve for expected cash flow hedging transactions								
Retained earnings (losses)								
Profit (Loss) for the year							0	
Loss set-off in the year								
Negative reserve for treasury shares in portfolio								
Total shareholders' equity	9,999		2				0	10,001

Payables

Payables were recognised in the Financial Statements at nominal value in accordance with Article 2435-bis of the Italian Civil Code, as an exception to the criterion of recognition at amortised cost, provided for in Article 2426, paragraph 1, number 8 of the Italian Civil Code.

Changes and maturity of payables

The following table sets out information on changes in payables and any information on their maturity.

	Value at start of year	Changes in the year	Year-end value	Portion due within the financial year	Portion due after the financial year	Of which with a residual maturity of more than 5 years
Bonds						
Convertible bonds						
Payables to shareholders for loans						
Payables to banks						
Payables to other lenders						
Advances						
Payables to suppliers	16,836	3,606	20,442	20,442		
Debts represented by credit instruments						
Payables to subsidiaries						
Payables to associates						
Payables to parent companies						
Payables to companies controlled by parent companies						
Tax payables	1,335	(77)	1,258	1,258		
Payables to social security institutions						
Other payables	26,197	(3,746)	22,451	22,451		
Total payables	44,368	(218)	44,150	44,150		

It should be noted that the item relating to advances received from the securitised management, previously recorded under “Advances”, has been reclassified under “Other payables”.

“Payables to suppliers” refer to invoices for services relating to 2023 (i) received and not yet paid at year end and (ii) not yet received at the reporting date.

“Tax payables” refer to IRES provisions calculated by applying the rate of 24.00%, while for IRAP provisions the rate applied is 3.90%.

The item “Other payables” relates to advances received by corporate management from the securitised management for the payment of its operating expenses.

Accrued expenses and deferred income

Accruals and deferrals have been calculated on an accrual basis by allocating costs and/or revenues common to two financial years.

The following table shows the breakdown of these items as they appear in the Financial Statements.

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Value at start of year	6,842		6,842
Changes in the year	396		396
Year-end value	7,238		7,238

“Accrued expenses” originate from the cost for the administrative/corporate management of the securitisation special purpose vehicle calculated by contract on an annual basis, maturing on 31/12/2023, for which the supplier will issue an invoice in the next financial year.

Explanatory Notes, Income Statement

The Income Statement shows the economic result for the year.

It provides a representation of operations by summarising the positive and negative income components that contributed to the economic result. The positive and negative components of income, recorded in the Financial Statements in accordance with Article 2425-bis of the Italian Civil Code, are distinguished according to whether they belong to the various types of management: core business, ancillary and financial activities.

Core business identifies the income components generated by transactions that occur on an ongoing basis and in the sector relevant to the performance of operations, which identify and qualify the special and distinctive part of the economic activity performed by the Company.

Given the very nature of the Company, which is set up specifically to carry out securitisation transactions, core operations are dedicated to the subsistence of the Company realised by incurring the costs of its existence and the application of the contractual provision that allows for the recharging of the same to the securitised assets.

Financial activities consist of transactions that generate income and expenses of a financial nature.

On a residual basis, ancillary activities consist of transactions that generate income components that are part of ordinary activities but are not part of core business and financial activities. The Company does not carry out any ancillary activities.

Value of production

Revenues are recorded in the Financial Statements on an accrual basis, net of returns, allowances, discounts and premiums, as well as taxes directly related thereto.

They mainly refer to the form of recovery that corporate management is entitled to accrue against the segregated assets as a result of incurring its costs of existence.

The individual items making up the total value of production at the end of this financial year are as follows:

Balance as at 31/12/2023	Balance as at 31/12/2022	Changes
95,645	83,726	11,919

Description	31/12/2023	31/12/2022	Changes
Revenues from sales and services			
Changes in product inventories			
Changes in contract work in progress			
Increases in fixed assets for internal work			
Other revenues and income	95,645	83,726	11,919
Total	95,645	83,726	11,919

Production costs

Costs and charges are allocated on an accrual basis and according to their nature, net of returns, allowances, discounts and premiums, in accordance with the principle of correlation with revenues, and recorded in the respective items in accordance with the provisions of accounting standard OIC 12. In the case of the purchase of services, the related costs are recognised when the service is received, while in the case of continuous services, the related costs are recognised for the accrued portion.

No provision has been made in the Income Statement for deferred tax assets and liabilities, as there are no temporary differences between the tax charge in the Financial Statements and the theoretical tax charge.

The individual items making up the total value of production at the end of this financial year are as follows:

Balance as at 31/12/2023	Balance as at 31/12/2022	Changes
--------------------------	--------------------------	---------

95,916	82,549	13,367
--------	--------	--------

Description	31/12/2023	31/12/2022	Changes
Raw and ancillary materials and goods			
Services	95,453	82,057	13,396
Leasehold			
Wages and salaries			
Social security contributions			
Employee severance indemnity			
Pension and similar benefits			
Other personnel costs			
Amortisation of intangible fixed assets			
Depreciation of tangible fixed assets			
Other write-downs of fixed assets			
Write-downs of receivables under current assets			
Change in raw material inventories			
Provision for risks			
Other provisions			
Sundry operating expenses	463	492	(29)
Total	95,916	82,549	13,367

Explanatory Notes, Other information

The other information required by the Italian Civil Code is set out below.

Employment data

The Company had no employees during this financial year.

Remuneration, advances and loans granted to Directors and Statutory Auditors and commitments undertaken on their behalf

The following table shows the amount of remuneration, advances and loans granted to Directors and Statutory Auditors and the commitments undertaken on their behalf.

	Directors	Statutory Auditors
Fees	20,530	
Advances		
Loans		
Commitments made on their behalf as a result of guarantees given		

It should be noted that there are no receivables, nor have any guarantees been issued in favour of the administrative body.

The figure shown in the table expresses the amount of fees including the component of expenses and/or VAT, where applicable.

Fees to the Independent Auditor or Auditing Company

(Ref. Article 2427, first paragraph, number 16-bis of the Italian Civil Code)

In accordance with the law, the fees for the year for services rendered by the Auditing Company are shown:

	Value
Statutory audit of annual accounts	23,324
Other audit services performed	
Tax advisory services	
Other non-audit services	
Total fees payable to the Independent Auditor or Auditing Company	23,324

The figure shown in the table expresses the amount of fees including the component of expenses and/or VAT, where applicable.

Information on assets dedicated to specific business activities and special purpose loans

Pursuant to Article 2427, number 20, the following information is provided for each asset allocated to a specific business.

The specific purpose of the Company is the realisation of securitisation transactions, which, as shown in the Notes to the Financial Statements, Initial Part, are represented in accordance with the procedures set forth in the provisions specifically issued by the Bank of Italy in the Annex to these Notes to the Financial Statements, to which reference is made and which are listed here:

Annex 1

It should be noted that the Annex is to be considered an integral part of these Financial Statements.

Information on transactions with related parties

(Ref. Article 2427, first paragraph, number 22-bis of the Italian Civil Code)

With reference to the corporate management, there were no transactions with related parties.

With reference to the securitisation transaction, please refer to paragraph B.2 of the Annex to the Notes to the Financial Statements where the full list of parties involved is reported.

Information on significant events occurring after the end of the financial year

Subsequent to the end of the reporting period, it should be noted that a partial early repayment of the subordinated loan granted by Banco Desio in the amount of Euro 50,000,000.00 was requested and made on the Guarantor's payment date of 29 January 2024. This early repayment did not cause a breach of the tests. Finally, it should be noted that, after 31/12/2023 and up to the date of approval of these Financial Statements, no other corporate events have occurred that would have a material impact on the Balance Sheet and Income Statement figures presented herein (OIC 29).

Summary of the Financial Statements of the Company exercising management and coordination activities

Your company belongs to the Banco di Desio e della Brianza S.p.A. Group, and is subject to management and coordination by the Company Banco di Desio e della Brianza S.p.A.

The following table provides the essential data from the last approved Financial Statements of the aforementioned Company exercising management and coordination (Article 2497-bis, fourth paragraph of the Italian Civil Code). We also point out that Banco di Desio e della Brianza S.p.A. Prepares the Consolidated Financial Statements. The values are expressed in Euro thousands.

STATO PATRIMONIALE CONSOLIDATO

Voci dell'attivo	31.12.2022	31.12.2021	Variazioni	
			assolute	%
10. Cassa e disponibilità liquide	879.593	84.412	795.181	942,0%
20. Attività finanziarie valutate al fair value con impatto a conto economico	139.820	85.544	54.276	63,4%

a) Attività finanziarie detenute per la negoziazione	25.764	11.034	14.730	133,5%
c) Altre attività finanziarie obbligatoriamente valutate al fair value	114.056	74.510	39.546	53,1%
30. Attività finanziarie valutate al fair value con impatto sulla redditività complessiva	842.346	593.360	248.986	42,0%
40. Attività finanziarie valutate al costo ammortizzato	14.658.920	16.330.175	(1.671.255)	-10,2%
a) Crediti verso banche	632.089	2.445.253	(1.813.164)	-74,2%
b) Crediti verso clientela	14.026.831	13.884.922	141.909	1,0%
50. Derivati di copertura	59.099	-	59.099	n.s.
60. Adeguamento di valore delle attività finanziarie oggetto di copertura generica (+/-)	(19.593)	502	(20.095)	n.s.
70. Partecipazioni	4.866	-	4.866	n.s.
90. Attività materiali	220.934	218.420	2.514	1,2%
100. Attività immateriali	19.963	19.119	844	4,4%
di cui:				
- avviamento	15.322	15.322		
110. Attività fiscali	157.532	170.080	(12.548)	-7,4%
a) correnti	3.640	14.587	(10.947)	-75,0%
b) anticipate	153.892	155.493	(1.601)	-1,0%
120. Attività non correnti e gruppi di attività in via di dismissione	1	13.080	(13.079)	-100,0%
130. Altre attività	577.843	290.089	287.754	99,2%
Totale dell'attivo	17.541.324	17.804.781	(263.457)	-1,5%

Voci del passivo e del patrimonio netto	31.12.2022	31.12.2021	Variazioni	
			assolute	%
10. Passività finanziarie valutate al costo ammortizzato	16.084.575	16.316.377	(231.802)	-1,4%
a) Debiti verso banche	3.381.350	3.815.695	(434.345)	-11,4%
b) Debiti verso clientela	11.167.074	10.978.417	188.657	1,7%
c) Titoli in circolazione	1.536.151	1.522.265	13.886	0,9%
20. Passività finanziarie di negoziazione	4.130	5.901	(1.771)	-30,0%
40. Derivati di copertura	-	365	(365)	-100,0%
60. Passività fiscali	1.619	3.972	(2.353)	-59,2%
a) correnti	582	2.011	(1.429)	-71,1%
b) differite	1.037	1.961	(924)	-47,1%
70. Passività associate ad attività in via di dismissione	11	-	11	n.s.
80. Altre passività	255.468	320.685	(65.217)	-20,3%
90. Trattamento di fine rapporto del personale	17.790	21.960	(4.170)	-19,0%
100. Fondi per rischi e oneri	55.263	46.776	8.487	18,1%
a) impegni e garanzie rilasciate	3.534	4.058	(524)	-12,9%
c) altri fondi per rischi e oneri	51.729	42.718	9.011	21,1%
120. Riserve da valutazione	(13.192)	15.762	(28.954)	n.s.
150. Riserve	967.345	931.240	36.105	3,9%
160. Sovrapprezzi di emissione	16.145	16.145	-	
170. Capitale	70.693	70.693	-	
190. Patrimonio di pertinenza di terzi (+/-)	14	4	10	250,0%

200. Utile (Perdita) d'esercizio (+/-)	81.463	54.901	26.562	48,4%
Totale del passivo e del patrimonio netto	17.541.324	17.804.781	(263.457)	-1,5%

CONSOLIDATO - PROSPETTO DI CONTO ECONOMICO RICLASSIFICATO AL 31.12.2022

Voci Importi in migliaia di euro		31.12.2022	31.12.2021	Variazioni	
				Valore	%
10+20	Margine di interesse	273.855	244.038	29.817	12,2%
70	Dividendi e proventi simili	601	690	-89	-12,9%
40+50	Commissioni nette	198.141	202.591	-4.450	-2,2%
80+90+100+110	Risultato netto delle attività e passività finanziarie	10.394	8.486	1.908	22,5%
230	Altri proventi/oneri di gestione	3.109	2.372	737	31,1%
Proventi operativi		486.100	458.177	27.923	6,1%
190 a	Spese per il personale	-176.099	-175.439	-660	0,4%
190 b	Altre spese amministrative	-86.856	-82.996	-3.860	4,7%
210+220	Rettifiche di valore nette su attività materiali e immateriali	-10.061	-9.320	-741	8,0%
Oneri operativi		-273.016	-267.755	-5.261	2,0%
Risultato della gestione operativa		213.084	190.422	22.662	11,9%
130a+100a	Costo del credito	-57.870	-91.320	33.450	-36,6%
130 b	Rettifiche di valore nette su titoli di proprietà	-2.973	-1.178	-1.795	152,4%
140	Utili/perdite da modifiche contrattuali senza cancellazioni	8	-71	79	n.s.
200 a	Accantonamenti netti ai fondi per rischi e oneri - impegni e garanzie rilasciate	453	889	-436	-49,0%
200 b	Accantonamenti netti ai fondi per rischi e oneri - altri	-3.390	-5.026	1.636	-32,5%
	Oneri relativi al sistema bancario	-14.481	-13.498	-983	7,3%
250	Utili (Perdite) delle partecipazioni	-16	0	-16	n.s.
Risultato corrente al lordo delle imposte		134.815	80.218	54.597	68,1%
300	Imposte sul reddito dell'operatività corrente	-44.240	-26.438	-17.802	67,3%
Risultato corrente al netto delle imposte		90.575	53.780	36.795	68,4%
260	Risultato netto della valutazione al fair value delle attività materiali e immateriali	0	-123	123	-100,0%
280	Utili (perdite) da cessione di investimenti	-54	0	-54	n.s.
	Accantonamenti a fondi per rischi e oneri, altri accantonamenti, spese e ricavi "una tantum"	-15.395	-11.015	-4.380	39,8%
Risultato non ricorrente al lordo delle imposte		-15.449	-11.138	-4.311	38,7%
	Imposte sul reddito da componenti non ricorrenti	6.337	12.259	-5.922	-48,3%

	Risultato non ricorrente al netto delle imposte	-9.112	1.121	-10.233	n.s.
330	Utile (Perdita) d'esercizio	81.463	54.901	26.562	48,4%
340	Utili (Perdita) di periodo di pertinenza di terzi	0	0		
350	Utile (Perdita) di periodo di pertinenza della Capogruppo	81.463	54.901	26.562	48,4%

Proposed allocation of profits or coverage of losses

Dear Shareholders,

the Financial Statements closed with a break-even position, so there is no allocation of profit to be made.

Explanatory Notes, Final Part

Dear Shareholders, we confirm that these Financial Statements, consisting of the Balance Sheet, Income Statement and Notes to the Financial Statements, give a true and fair view of the Company's financial position and results of operations for the year and correspond to the accounting records. We therefore invite you to approve the draft Financial Statements as at 31/12/2023 together with the proposed allocation of the year's result, as prepared by the administrative body.

The Financial Statements are true and real and correspond to the accounting records.

Statement of compliance of the Financial Statements

The undersigned Carlo Maria Rebay, pursuant to Article 47 of Presidential Decree No. 445/2000, hereby declares that the electronic document in Xbrl format, containing the Balance Sheet, Income Statement, and Notes to the Financial Statements, complies with the corresponding original documents filed with the Company.

Conegliano, 06/02/2024

DESIO OBG S.R.L.
Single-Member Company
The Chair of the Board of Directors

Carlo Maria Rebay

ANNEX NO. 1

INFORMATION ON SEGREGATED ASSETS

Section 1 – SPECIFIC REFERENCES ON THE ACTIVITIES CARRIED OUT

D. GUARANTEES AND COMMITMENTS

As at the reporting date, the Company had not issued guarantees in favour of third parties and no commitments were outstanding, other than those provided for and expressly regulated by the contractual agreements relating to the issue of covered bank bonds and pertaining to the related “segregated assets”.

L. COVERED BANK BONDS

In the absence of specific detailed tables required by the Bank of Italy Provision of 15 December 2015, as amended by the Provision of 9 December 2016, it was deemed appropriate to set out the information provided in this section following the information structure explicitly required for Part L “Covered Bank Bonds”.

Below are details of the initial portfolio and the portfolio subsequently purchased, as well as the funding obtained for their purchase in the form of subordinated loans obtained from the transferring bank.

Amount of receivables purchased

Date of purchase	Nominal value	Write-down provision	Change in amortised cost	Transfer price
5 July 2017	833,394,536	(723,512)	(1,348,884)	831,309,426
7 November 2018	413,702,051	(455,049)	387,028	413,634,030
6 June 2019	344,458,371	(464,549)	(798,764)	343,195,058
7 May 2020	372,656,537	(324,568)	(762,794)	371,569,175
6 May 2021	219,014,601	(1,298,428)	(188,513)	217,527,660
5 May 2022	377,314,694	(1,131,015)	(1,045,635)	375,138,044
5 July 2023	537,727,840	(2,219,323)	(1,555,668)	533,952,850
Total Receivables Purchased				3,086,326,243

Details of receivables purchased:

Date of transfer: 05/07/2017

Banco Desio:

- Nominal value of the receivables in the first portfolio at the valuation date: Euro 584,087,987.45
- Transfer price of the first portfolio: Euro 582,522,028.94

Banca Popolare di Spoleto*:

- Nominal value of the receivables in the first portfolio at the valuation date: Euro 249,306,548.33
- Transfer price of the first portfolio: Euro 248,787,397.10

Date of transfer: 07/11/2018

Banco Desio:

- Nominal value of the receivables in the second portfolio at the valuation date: Euro 165,453,330.36
- Transfer price of the second portfolio: Euro 165,070,907.58

Banca Popolare di Spoleto*:

- Nominal value of the receivables in the second portfolio at the valuation date: Euro 248,248,720.47
- Transfer price of the second portfolio: Euro 248,563,122.49

*merged into Banco Desio with effect from 1 July 2019

Date of transfer: 06/06/2019

Banco Desio:

- Nominal value of receivables in the third portfolio at the valuation date: Euro 196,018,656.41
- Transfer price of the third portfolio: Euro 195,304,356.86

Banca Popolare di Spoleto*:

- Nominal value of receivables in the third portfolio at the valuation date: Euro 148,439,714.84
- Transfer price of the third portfolio: Euro 147,890,701.58

Date of transfer: 07/05/2020

Banco Desio:

- Nominal value of receivables in the fourth portfolio at the valuation date: Euro 372,656,537.00
- Transfer price of the fourth portfolio: Euro 371,569,174.58

Date of transfer: 06/05/2021

Banco Desio:

- Nominal value of the receivables in the fifth portfolio at the valuation date: Euro 219,014,601.00
- Transfer price of the fifth portfolio: Euro 217,527,659.48

Date of transfer: 05/05/2022

Banco Desio:

- Nominal value of the receivables in the sixth portfolio at the valuation date: Euro 377,314,694.45
- Transfer price of the sixth portfolio: Euro 375,138,044.32

Date of transfer: 05/07/2023

Banco Desio:

- Nominal value of the receivables in the seventh portfolio at the valuation date: Euro 537,727,840.36
- Transfer price of the seventh portfolio: Euro 533,952,849.85

The subordinated loans disbursed by Banco di Desio e della Brianza S.p.A. and Banca Popolare di Spoleto S.p.A. concurrently with the dates of purchase of the loans for an amount equal to the transfer price are subject to interest to be paid on each payment date, equal to the sum of:

- an amount (the “Base Interest”) calculated by multiplying the amount of each subordinated loan disbursed by the applicable rate and the days corresponding to the relevant accrual period
- an amount (the “Premium”) equal to the difference between the available funds in the Guarantor’s interest account, arising from the collected receivables assigned by each of the two Transferors, and all other amounts (allocated pro rata pursuant to the contractual documentation to each of the two Subordinated Lenders) whose payment is due, as a matter of priority, pursuant to the priority order of payments.

*merged into Banco Desio with effect from 1 July 2019

Loans may be repaid on each payment date in accordance with the applicable priority order of payments and within the limits of available principal funds, provided that such payment does not result in a breach of the tests contained in the contract.

The following table summarises the key figures relating to the first issue of Covered Bank Bonds finalised by Banco Desio in the context of the Programme:

Seri es	Tranc he	Amount	ISIN	Commo n Code	Issue date	Maturit y date	Rate type	Rate	Coup on
1	1	500,000,000	IT0005277451	167862977	12.09.2017	12.09.2024	Fixed	0.875%	Annual

This first issue was increased on 31 October 2017, again from the initial portfolio, as shown in the table below:

Seri es	Tranc he	Amount	ISIN	Commo n Code	Issue date	Maturit y date	Rate type	Rate	Coupo n
1	2	75,000,000	IT0005277451	167862977	31.10.2017	12.09.2024	Fixed	0.875%	Annua l

On 24 July 2019, a second issue of Covered Bank Bonds took place, the details of which are summarised below:

Seri es	Tranc he	Amount	ISIN	Commo n Code	Issue date	Maturit y date	Rate type	Rate	Coup on
2	1	500,000,000	IT0005380446	203326343	24.07.2019	24.07.2026	Fixed	0.375%	Annua l

On 20 January 2021, a third issue of Covered Bank Bonds took place, the details of which are summarised below:

Seri es	Tranc he	Amount	ISIN	Commo n Code	Issue date	Maturit y date	Rate type	Rate	Coup on
3	1	100,000,000	IT0005433682	229177818	20.01.2021	20.01.2032	Fixed	0.000%	Annua l

On 13 September 2023, a fourth issue of Covered Bank Bonds took place, the details of which are summarised below:

Seri es	Tranc he	Amount	ISIN	Commo n Code	Issue date	Maturit y date	Rate type	Rate	Coup on
4	1	400,000,000	IT0005561250	268779744	13.09.2023	13.03.2028	Fixed	4.000%	Annua l

INFORMATION ON THE SUMMARY STATEMENT

As set out in Part A.1, Section 1 and Section 2 para. Transactions carried out, the structure and form of the Summary Statement are in line with the Instructions issued by the Bank of Italy in its Provision of 15 December 2015.

It should be noted that, pending official pronouncements on the merits, these criteria are not affected by the valuation changes made by Legislative Decree No. 139/15, but are consistent with the valuation criteria applied in previous years. In fact, they appear to be the most suitable to reflect the specific financial nature of the Company and to allow the reconciliation of these Financial Statements with the other financial information that the Company is required to produce.

The items associated with the assigned receivables correspond to the values deduced from the accounts and the information system of the Servicer, Banco di Desio e della Brianza S.p.A.

Amounts are expressed in Euro units.

A. Assets

A.1 Receivables

Receivables have been recorded at their transfer value and are recognised in the course of the transaction net of collections during the period. At the closing date their value is adjusted downwards, if necessary, to adjust it to the presumed realisable value as directly communicated by the Servicer of the transaction. They include accrued interest income deemed recoverable.

B. Use of liquid assets

B.3 Liquidity

Current account balances with credit institutions are shown in the Financial Statements at their nominal value corresponding to their presumed realisable value and include interest accrued at the date of these Financial Statements.

B.4 Investments and cash equivalents

The item Investments and cash equivalents includes collections on receivables that have already occurred at the reporting date, but have not yet been credited to the Company's current accounts.

The item also includes collections on receivables that have already occurred at the reporting date, but have not yet been credited to the Company's current accounts.

B.5 Other receivables

Other receivables comprise the advance payment made to "ordinary management" to enable it to pay corporate management expenses.

Prepaid expenses have been calculated on an accrual basis, applying the principle of correlation of costs and revenues per annum.

Withholding taxes incurred represent withholdings made on interest income accrued on current accounts opened in favour of segregated assets, as at the reporting date.

These receivables are stated at their presumed realisable value.

D. Financing received

The amount is recorded at nominal value. It refers to the subordinated loan subscribed by the Company and disbursed by the Transferor to support the Covered Bank Bonds programme.

E. Other liabilities

Payables are recorded at nominal value.

Accrued expenses have been calculated on an accrual basis, applying the principle of correlation of costs and revenues per annum.

Interest, fees, income and expenses

Costs and revenues related to segregated assets, interest, fees, income and expenses arising from the covered bank bond transaction are accounted for on an accrual basis.

Derivative contracts

The spread on the Interest Rate Swap contract, entered into for the purpose of hedging the risk of interest rate fluctuations, is recognised as an expense or income on an accrual basis, applied to the flows exchanged between the SWAP counterparties in the reporting period.

Mechanism for closing segregated assets

The Summary Statement, Table 1, shows that the financial year ended with a break-even position, through the full allocation of the positive margin accrued during the year in the form of additional remuneration on the subordinated loan.

This shows that the Total Assets coincide with the Total Liabilities of the segregated assets.

RECONCILIATION TABLE 1

TOTAL ASSETS	2,121,554,689
TOTAL LIABILITIES	2,121,554,689
CAPITAL DIFFERENCE	0
PREVIOUS YEARS' RESULTS	0
RESULT OF THE TRANSACTION FOR THE CURRENT FINANCIAL YEAR	0

TABLE L.1

TABLE L.1		31/12/2023	31/12/2022
A.	Assets	1,975,321,348	1,665,922,463
A.1	Receivables	1,975,321,348	1,665,922,463
B.	Uses of liquid assets from credit management	146,229,799	64,952,298
B.3	Liquidity	143,903,895	63,776,827
B.4	Receivables for collections to be received	289,305	(61,366)
B.5	Accrued income and prepaid expenses	1,133,333	1,133,333
B.6	Other receivables	903,265	42,138
D.	Financing received	2,107,226,885	1,722,927,411
E.	Other liabilities	14,327,805	7,947,351
E.1	Suppliers for services rendered to the securitised management	14,411	11,945
E.2	Accrued expenses and deferred income	3,094,107	692,470
E.3	Payables to the Originator	11,217,582	7,242,936
E.4	Sundry payables	1,705	0
G.	Fees and commissions charged to the transaction	1,324,959	1,142,391
G.1	For Servicing	1,170,573	1,001,065
G.2	For other services	154,386	141,326
H.	Other expenses	47,457,634	30,143,507
H.1	Value adjustment to receivables	9,616,107	19,146
H.2	Interest expenses	21,003,806	30,107,069
H.3	Negative Swap Spread	16,827,532	0
H.4	Other expenses	10,189	17,292
I.	Interest generated by assets	43,348,150	28,062,851
L.	Other revenues	5,430,899	3,223,047
L.1	Interest income	3,249,515	98,023
L.2	Write-backs on loans	2,113,910	1,988,690
L.3	Asset Swap Spread	0	1,091,207
L.4	Other revenues	67,473	45,127

Please refer to the following pages for comments on the notes in the table above.

BREAKDOWN OF THE MAIN ITEMS IN THE TABLE ON THE PREVIOUS PAGE

TABLE F.1 – BREAKDOWN OF ITEMS		31/12/2023	31/12/2022
A.1	Receivables	1,975,321,348	1,665,922,463
a.	Receivables falling due - principal amount	1,994,034,800	1,674,201,219
b.	Receivables for future charges	139,810	139,810
c.	Value adjustment of receivables at amortised cost	(5,313,230)	(3,757,562)
d.	Receivables from customers for interest on arrears	3,159	1,111
e.	Receivables for accrued expenses	9,241	7,545
f.	Overdue loan instalments - interest	103,781	56,421
g.	Overdue loan instalments - principal amount	197,751	120,474
i.	Accrued interest income on loans	2,702,378	1,988,269
h.	Suspended interest instalments	886,203	886,203
j.	Provision for write-down of receivables purchased	(14,744,177)	(5,341,008)
k.	Provision for write-down of receivables - analytical	(2,698,368)	(2,380,018)
B.3	Liquidity	143,903,895	63,776,827
a.	Collection account	130,139,810	58,734,636
c.	Payments account	11,377,548	1,083,888
d.	Liquidity reserve account	2,386,537	3,958,303
B.4	Investments and cash equivalents	289,305	(61,366)
a.	Receivables for collections to be received	289,305	(61,366)
B.5	Accruals and Deferrals	1,133,333	1,133,333
a.	Accrued income on swaps	1,133,333	1,133,333
B.6	Other receivables	903,265	42,138
a.	Advances on ordinary management expenses	18,908	20,197
b.	Tax Authorities / withholding taxes Interest income	884,358	21,941
D.	Financing received	2,107,226,885	1,722,927,411
a.	Debts for subordinated loan	1,900,642	1,554,018
b.	Financing received	2,105,326,243	1,721,373,393
E.1	Service providers	14,411	11,945
a.	Suppliers	7,091	7,065
b.	Suppliers - invoices to be received	7,320	4,880
E.2	Accrued expenses and deferred income	3,094,107	692,470
a.	Accrued expenses	15,295	14,593
b.	Accrued expenses for servicing fees	305,860	263,063
b.	Accrued expenses on swaps	2,772,952	414,814
E.3	Payables to the Originator	11,217,582	7,181,570
c.	Advance payments	0	1,705
d.	Payable due to Transferor for additional remuneration	11,217,582	7,179,865
E.4	Sundry payables	1,705	0
a.	Sundry payables	1,705	0
G.1	For Servicing	1,170,573	1,001,065
a.	Servicing	1,170,573	1,001,065
G.2	Fees for other services	154,386	141,326
G.2a	Corporate Expenses	99,188	83,726
G.2b	Ongoing Expenses	55,198	57,600
H.1	Value adjustment to receivables	9,616,107	(19,146)
a.	Generic write-down of receivables	8,349,727	0
b.	Analytical write-down of receivables	1,266,380	0
c.	Losses on receivables	0	18,967
d.	Contingent liabilities on interest on arrears	0	179
H.2	Interest expenses	21,003,806	30,107,069

	a.	Interest expenses on subordinated loan	9,637,797	8,654,130
	b.	Additional remuneration	11,366,009	21,452,938
H.3		Negative Swap Spread	16,827,532	0
	a.	Swap expenses/income	16,827,532	0
H.4		Other expenses		17,292
	a.	Bank charges and fees	72	16
	b.	Legal/Notary fees	0	976
	c.	Translation costs	3,151	4,758
	d.	Consultancy	0	697
	e.	Publication Costs	6,963	6,323
	f.	Contingent liabilities	2	4,522
I.		Interest generated by assets	43,348,150	28,062,851
	a.	Interest income on arrears	35,184	17,891
	b.	Interest income on loans	43,178,350	27,933,886
	c.	Ancillary income on instalments	134,617	111,073
L.1		Interest income	3,249,515	98,023
	a.	Interest income on current accounts	3,249,515	78,384
L.2		Write-backs on loans	2,113,910	1,988,690
	a.	Write-backs on loans	2,113,910	1,988,690
L.3		Asset Swap Spread	0	1,091,207
	b.	Swap expenses/income	0	1,091,207
L.4		Other revenues	67,474	45,127
	a.	Contingent assets	67,474	1,088
	b.	Penalties on early repayments	0	44,039

QUALITATIVE INFORMATION

L.2 DESCRIPTION OF THE TRANSACTION AND ITS PROGRESS

Date of transaction

The transaction was finalised through the signing of the agreement of transfer of receivables on 5 July 2017.

This agreement governs the transfer of the initial portfolio of loans and the subsequent transfers that will form part of a single programme for the issuance of covered bank bonds issued by Banco di Desio e della Brianza S.p.A., in the context of which the Company acts as Guarantor by granting to the holders of the covered bank bonds a first demand, irrevocable, unconditional and autonomous guarantee.

The acquisition of the receivables by Guarantor was financed through Subordinated Loans.

- Date of the Initial Transfer (legal effectiveness): 5 July 2017
- Date of economic effectiveness of the Initial Transfer: 5 July 2017
- Date of valuation of the Initial Portfolio: 5 July 2017
- Loan disbursement date: 17 July 2017
- Date of issue by Banco di Desio e della Brianza S.p.A. of the first series of covered bank bonds: 12 September 2017
- Date of signing the guarantee on the covered bank bonds: 19 July 2017

Transferors

- Business/Company Name: BANCO DI DESIO E DELLA BRIANZA S.P.A.
- Legal form: Joint stock company
- Registered Office: Via Rovagnati, 1 – Desio (MB)
- Tax code and entry in the Register of Companies: 01181770155
- Enrolment in the Register of Banks: 3440

- Business/Company Name: BANCA POPOLARE DI SPOLETO S.P.A.*
- Legal form: Joint stock company
- Registered Office: Piazza PIANCIANI, 5 – Spoleto (PG)

*merged into Banco Desio with effect from 1 July 2019

- Tax code and entry in the Register of Companies: 01959720549
- Enrolment in the Register of Banks: 5134.2

Assigned Receivables

The Transferors each assigned without recourse, pursuant to and in accordance with the combined provisions of Articles 1 and 4 of Law No. 130 of 30 April 1999, a portfolio of receivables, identifiable en bloc, deriving from loans secured by mortgages on residential properties:

- Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest): 582,522,028.94
- Transfer price of receivables assigned by Banca Popolare di Spoleto S.p.A. (including accrued interest): 248,787,397.10
- Type of asset: The portfolio consists of loans secured by mortgages on residential properties
- Nature of purchased receivables: The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No. 84 of 18/07/2017, for the purpose, also, of notifying the debtors of the assignment.
- Quality of purchased receivables: At the time of the transfer, the loans were classified as performing according to the criteria applied by the Transferors in compliance with the regulations issued by the Bank of Italy.
- Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest): 165,070,907.58
- Transfer price of receivables assigned by Banca Popolare di Spoleto S.p.A. (including accrued interest): 248,563,122.49
- Type of asset: The portfolio consists of loans secured by mortgages

➤ Nature of purchased receivables:	on residential properties The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No. 131 of 11/10/2018, for the purpose, also, of notifying the debtors of the assignment.
➤ Quality of purchased receivables:	At the time of the transfer, the loans were classified as performing according to the criteria applied by the Transferors in compliance with the regulations issued by the Bank of Italy.
➤ Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest):	195,304,356.86
➤ Transfer price of receivables assigned by Banca Popolare di Spoleto S.p.A. (including accrued interest):	147,890,701.58
➤ Type of asset:	The portfolio consists of loans secured by mortgages on residential properties
➤ Nature of purchased receivables:	The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No. 69 of 13/06/2019, for the purpose, also, of notifying the debtors of the assignment.
➤ Quality of purchased receivables:	At the time of the transfer, the loans were classified as performing according to the criteria applied by the

Transferors in compliance with the regulations issued by the Bank of Italy.

- Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest): 371,569,174.58
 - Type of asset: The portfolio consists of loans secured by mortgages on residential properties
 - Nature of purchased receivables: The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No. 57 of 14/05/2020, for the purpose, also, of notifying the debtors of the assignment.
 - Quality of purchased receivables: At the time of the transfer, the loans were classified as performing according to the criteria applied by the Transferors in compliance with the regulations issued by the Bank of Italy.
-
- Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest): 217,527,659.48
 - Type of asset: The portfolio consists of loans secured by mortgages on residential properties
 - Nature of purchased receivables: The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No.

- 57 of 15/05/2021, for the purpose, also, of notifying the debtors of the assignment.
- Quality of purchased receivables: At the time of the transfer, the loans were classified as performing according to the criteria applied by the Transferors in compliance with the regulations issued by the Bank of Italy.
 - Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest): 375,138,044.32
 - Type of asset: The portfolio consists of loans secured by mortgages on residential properties
 - Nature of purchased receivables: The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No. 55 of 12/05/2022, for the purpose, also, of notifying the debtors of the assignment.
 - Quality of purchased receivables: At the time of the transfer, the loans were classified as performing according to the criteria applied by the Transferors in compliance with the regulations issued by the Bank of Italy.
 - Transfer price of receivables assigned by Banco di Desio e della Brianza S.p.A. (including accrued interest): 533,952,849.85
 - Type of asset: The portfolio consists of

➤ Nature of purchased receivables:

loans secured by mortgages on residential properties

The characteristics of purchased receivables were published in detail in Official Gazette, Part II, No. 82 of 13/07/2023, for the purpose, also, of notifying the debtors of the assignment.

➤ Quality of purchased receivables:

At the time of the transfer, the loans were classified as performing according to the criteria applied by the Transferors in compliance with the regulations issued by the Bank of Italy.

1) Transaction performance

The transaction is running regularly and no irregularities were found with respect to the contractual documentation.

2) Information on credit performance

The actual collections realised in 2023 totalled Euro 260.05 million, higher than the expected collections of Euro 150.88 million.

The deviation is due to the fact that the collection forecasts do not take into account any early repayments. Compliance with the ratios set out below will be monitored on a quarterly basis by the transaction's Asset Monitor, which prepares a quarterly Report at the request of the OBG issuer which analyses the following parameters:

- Nominal Value Test: the total nominal value of the assets forming part of the segregated assets must be at least equal to the nominal value of the outstanding Covered Bonds;
- Net Present Value Test: the present value of the assets forming part of the segregated assets, net of all transaction costs borne by the Guarantor, including the expected costs and charges of any financial risk hedging derivative contracts entered into in connection with the transaction, must be at least equal to the

net present value of the outstanding Covered Bonds;

- Interest Coverage Test: the interest and other income generated by the assets forming part of the segregated assets, net of the Guarantor's costs, must be sufficient to cover the interest and costs payable by the issuing bank on the outstanding Covered Bonds, taking into account any financial risk hedging derivative contracts entered into in connection with the transaction;
- Asset Coverage Test: it dynamically verifies that the assets forming part of the segregated assets, weighted differently according to type and quality, are able to guarantee the minimum level of over-collateralisation required by the rating agencies.

As at the closing date of the financial year, the tests, as described above, had always been passed.

3) Other information on significant events

With reference to segregated assets it should be noted that, on 5 July 2023, with economic effect from the same date, Banco di Desio e della Brianza S.p.A. sold a new portfolio for a total consideration of Euro 533,952,849.85, and on 18 July 2023 provided the Company with a new Subordinated Loan for a principal amount equal to the purchase price of the new portfolio.

In addition, as part of the Programme, the issue of a fourth series of Covered Bank Bonds was approved from the loan portfolio transferred to the Company. This issue took place on 13 September 2023 for a nominal amount of Euro 400,000,000.00.

It should also be noted that, as part of the Programme, a Master Amendment Agreement was entered into on 24 July 2023 to incorporate the legislative and regulatory changes following the publication by the Bank of Italy, on 30 March 2023, of the 42nd Bank of Italy update to Part III, Chapter 3 of the "Supervisory Provisions for Banks" (Circular No. 285 of 17 December 2013), as amended and supplemented from time to time, implementing certain provisions of the Securitisation and Covered Bonds Act, as amended by Legislative Decree No. 190 of 5 November 2021, and Article 129 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("CRR").

Subsequent to the end of the reporting period, it should be noted that a partial early repayment of the subordinated loan granted by Banco Desio in the amount of Euro 50,000,000.00 was requested and made on the Guarantor's payment date of 29 January 2024. This early repayment did not cause a breach of the tests.

No further significant events occurred after the end of the financial year.

L.3 INDICATION OF PARTIES INVOLVED

Issuer of OBG

Banco di Desio e della Brianza S.p.A.

OBG Guarantor	Desio OBG S.r.l.
Transferors	Banco di Desio e della Brianza S.p.A. and Banca Popolare di Spoleto S.p.A.
Subordinated Lenders	Banco di Desio e della Brianza S.p.A. and Banca Popolare di Spoleto S.p.A.
Servicer	Banco di Desio e della Brianza S.p.A.
Sub-Servicer	Banca Popolare di Spoleto S.p.A.
Corporate Servicer	Securitisation Services S.p.A. (now Banca Finint)
Guarantor Calculation Agent	Securitisation Services S.p.A. (now Banca Finint)
Account Bank	Crédit Agricole Corporate and Investment Bank, Milan Branch
Guarantor Paying Agent	Crédit Agricole Corporate and Investment Bank, Milan Branch
Representative of the Covered Bank Bondholders	Securitisation Services S.p.A. (now Banca Finint)
Back-Up Servicer Facilitator	Securitisation Services S.p.A. (now Banca Finint)
Liability Swap Provider	BNP Paribas
Asset Monitor	BDO Italia S.p.A.
Quotaholder	Stichting Morricone
Stitching Corporate Services Provider	Wilmington Trust SP Services (London) Limited
Cash Manager	Banco di Desio e della Brianza S.p.A.
Test Calculation Agent	Banco di Desio e della Brianza S.p.A.
Issuer Paying Agent	Banco di Desio e della Brianza S.p.A.
Luxembourg Listing Agent	BNP Paribas Securities Services, Luxembourg branch.

It should be noted that, by deed dated 26 October 2020, File No. 54597, Folder No. 30824, drawn up by Notary Public Alberto Sartorio, registered with the Treviso-Belluno Register of Companies on 28 October 2020, the merger by incorporation into Banca Finanziaria Internazionale S.p.A. of, inter alia, Securitisation Services S.p.A. was finalised.

Obligations of the Transferor

As at the date of the transfer, the Company, as Guarantor, and Banco di Desio e della Brianza S.p.A. and Banca Popolare di Spoleto S.p.A., as Transferors, entered into two separate guarantee and indemnity agreements pursuant to which each Transferor made certain representations and warranties in favour of the Guarantor with respect to the assigned receivables portfolio and agreed to indemnify the Guarantor

with respect to certain costs, expenses and liabilities that the latter had to incur in connection with the purchase and ownership of the portfolio.

For an explanation of any other obligations of the Transferor and the other parties involved in the transaction in various capacities, see paragraph L.5 Ancillary Financial Transactions.

Contractual relations established between the parties involved

The Guarantor has entrusted the management of the collections on the portfolios purchased to Banco di Desio e della Brianza S.p.A., in its capacity as Servicer, which, pursuant to Law No. 130/99, is entrusted with the task of monitoring the transaction to ensure that it is carried out in accordance with the law and the prospectus.

Receivables are collected on the Desio Collection Account and the Spoleto Collection Account, in the name of the Guarantor, initially opened at BNP Paribas Securities Services and since July at the new Account Bank Crédit Agricole Corporate and Investment Bank.

On the basis of the reports provided by the Servicer relating to the performance of the transaction and, more specifically, to credit collections and other items that contribute to the formation of the funds available to the Guarantor, Securitisation Services (now Banca Finint S.p.A.), as Guarantor Calculation Agent, allocates such funds at each payment date by way of fees and expenses to the various parties delegated to perform specific functions in respect of the segregated assets and by way of remuneration of the subordinated loans. Paragraph L.4 below provides a more complete examination of the funds available to the Guarantor and the order of priority it is required to observe in making payments to counterparties.

The management of administrative and accounting services was entrusted to Securitisation Services (now Banca Finint S.p.A.), as Guarantor Corporate Servicer.

The role of Representative of Covered Bank Bondholders was assigned to Securitisation Services (now Banca Finint S.p.A.).

L.4 ISSUE CHARACTERISTICS

For information purposes, the following information is provided on the bonds issued by Banco di Desio e della Brianza S.p.A., for which the special purpose vehicle acts as Guarantor.

Series	1
ISIN Code	IT0005277451
Common Code	167862977
Company name	Euro 100,000
Issue date	12 September 2017
Maturity date	12 September 2024
Extended maturity date	12 September 2025

Currency	Euro
Amount at issue	Euro 575,000,000
Amount as at 31/12/2022	Euro 575,000,000
Rate type	Fixed
Coupon	0.875%
Applicable law	Italian

Series	2
ISIN Code	IT0005380446
Common Code	203326343
Company name	Euro 100,000
Issue date	24 July 2019
Maturity date	24 July 2026
Extended maturity date	24 July 2027
Currency	Euro
Amount at issue	Euro 500,000,000
Amount as at 31/12/2022	Euro 500,000,000
Rate type	Fixed
Coupon	0.375%
Applicable law	Italian

Series	3
ISIN Code	IT0005433682
Common Code	229177818
Company name	Euro 100,000
Issue date	20 January 2021
Maturity date	20 January 2031
Extended maturity date	20 January 2032
Currency	Euro
Amount at issue	Euro 100,000,000
Amount as at 31/12/2022	Euro 100,000,000
Rate type	Fixed
Coupon	0.00%
Applicable law	Italian

Series	4
ISIN Code	IT0005561250
Common Code	268779744
Company name	Euro 100,000
Issue date	13 September 2023
Maturity date	13 March 2028
Extended maturity date	13 March 2029
Currency	Euro
Amount at issue	Euro 400,000,000

Amount as at 31/12/2022	Euro 400,000,000
Rate type	Fixed
Coupon	4.00%
Applicable law	Italian

Allocation of flows from the loan portfolio

The allocation of cash flows from the purchased loan portfolio follows the order set forth in the “Intercreditor Agreement” or “Agreement among the Issuer’s Creditors”.

The Guarantor’s available interest funds are allocated in the following order of priority.

Relative priority order concerning the application of available interest funds:

- payment of corporate expenses and reinstatement of Retention Amount;
- payment of fees to the Bondholders’ Representative;
- payments of fees to the Company’s Agents – payment to the Liability Swap Provider;
- payment of the Reserve Fund Amount;
- allocation to available principal funds of an amount equal to the principal funds allocated to available interest funds on the previous payment dates and not yet repaid;
- payment to the Subordinated Lenders of the basic interest accrued on each loan and provided that this does not result in a breach of the Tests conducted by the Asset Monitor and the Test Calculation Agent, of the Subordinated Loans;
- payment to the Liability Swap Provider of further amounts due;
- payment to the Subordinated Lenders of the premium accrued on each loan and provided that this does not result in a breach of the Tests conducted by the Asset Monitor and the Test Calculation Agent, of the Subordinated Loans.

Priority order regarding the application of available principal funds:

- transfer of an amount equal to the shortfall, if any, occurring on the current payment date, in the event that the available interest funds are insufficient for: the payment of corporate expenses, the reinstatement of the Retention Amount, the payment of fees to the Covered Bank Bonds Representative and the Company’s other Agents, the payment to the Liability Swap Provider and the payment of the Reserve Fund Amount, subject to the applicable order of priority in interest;
- payment of the price of new portfolios of loans or other assets;
- any principal payments due to the Liability Swap Provider;

- repayment, if requested by the Lenders and provided that this does not result in a breach of the Tests conducted by the Asset Monitor and the Test Calculation Agent, of the Subordinated Loans;
- provision in the Collection Account of unused funds under the highest priority items.

L.5 ANCILLARY FINANCIAL TRANSACTIONS

Interest rate risk hedging

Desio OBG S.r.l. entered into a first contract, on 19 July 2017, and a second Interest Rate Swap contract, on 22 July 2019, to hedge the interest rate risk arising from the mismatch between the interest income flows on the Portfolio and the interest expense flows on the series of Covered Bank Bonds issued by Banco di Desio e della Brianza S.p.A. under the Programme that, in a Post Issuer Default scenario, would have to be paid by the Guarantor. It should be noted that, as of the first date of payment of the Guarantor, a cash reserve was established, equal to the sum of:

- the Company's expenses payable on the next payment date;
- Senior Agents' fees payable on the next payment date;
- for each of the Covered Bank Bonds not covered by the Liability Swap, the coupons maturing in the following quarter;
- for each of the Covered Bank Bonds fully covered by the Liability Swap, the maximum between the amount of the Swap to be paid by the special purpose vehicle on the next payment date and the coupon maturing in the following quarter;
- for each of the Covered Bank Bonds partially covered by the Liability Swap, the maximum between the amount of the Swap payable by the special purpose vehicle on the next payment date and the coupon maturing in the following quarter for the part covered by the Liability Swap and the coupon maturing in the following quarter for the part not covered by the Liability Swap.

This reserve therefore guarantees, even in the event of Issuer Default, in addition to the payment of the Guarantor's senior expenses, the payment of coupons on the Covered Bank Bonds issued for the following quarter.

L.6 OPERATING POWERS OF THE TRANSFEREE COMPANY

Desio OBG S.r.l. as Transferee and Guarantor has operational powers limited by the Articles of Association. In particular, Article 3 states that:

“The exclusive object of the Company is the purchase for consideration from banks, within the framework of one or more issuance transactions (meaning both individual issuance transactions and issuance programmes) of covered bank bonds realised pursuant to Article 7-bis of Law No. 130 of 30 April 1999, and any subsequent amendments and additions and related implementing provisions, of:

- (i) land and mortgage loans, also identifiable en bloc;

- (ii) receivables due from or guaranteed by Public Administrations, also identifiable en bloc;
- (iii) securities issued as part of securitisation transactions involving loans of the same type;
- (iv) additional eligible assets or supplementary eligible assets that are permitted under the aforementioned Law;

through the assumption of loans granted or guaranteed also by the transferring banks, as well as the provision of security for bonds issued by the same banks or by other banks.

The Company will carry out the above activities in accordance with the terms, methods and conditions set forth in the regulations applicable to the issuance of covered bank bonds pursuant to Article 7-bis of Law No. 130 of 30 April 1999 and any subsequent amendments and additions and related implementing provisions.

In accordance with the aforementioned provisions of law, the receivables and securities acquired by the Company and the sums paid by the relevant debtors are intended to satisfy the rights, also pursuant to Article 1180 of the Italian Civil Code, of the holders of the covered bank bonds referred to in Article 7-bis, paragraph 1 of Law No. 130 of 30 April 1999 and issued in the context of the issuance transactions in which the Company participates, for the benefit of which the Company has provided a guarantee, of the counterparties to derivative contracts hedging the risks inherent in the receivables and securities purchased and other ancillary contracts, as well as to the payment of other transaction costs, in priority to the repayment of loans granted or guaranteed also by the transferring banks pursuant to Article 7-bis, paragraph 1 of Law No. 130 of 30 April 1999.

Receivables and securities acquired by the Company under each transaction or issuance programme constitute segregated assets to all intents and purposes from those of the Company and from those relating to the other transactions or issuance programmes, on which actions by creditors other than the holders of the covered bank bonds issued and additional creditors referred to in the preceding sentence are not allowed.

To the extent permitted by the provisions of Law No. 130 of 30 April 1999 and related implementing provisions, the Company may also carry out the ancillary transactions to be stipulated for the provision of guarantees and for the successful completion of covered bank bond issuance transactions in which it participates, as well as, where permitted by Law No. 130/99 and related implementing provisions, and in the manner and within the limits set forth therein, carry out transactions to reinvest in other financial assets the funds resulting from the management of loans and securities acquired pursuant to these Articles of Association and not immediately used to satisfy the rights of the holders of covered bank bonds (issued in the context of such issuance transactions) and to pay the costs of the transaction.

In the context of covered bank bond issuance transactions in which it participates, in compliance with the provisions of Law No. 130/99 and its implementing provisions, the Company may engage third parties to collect the purchased receivables and to provide cash and payment services and also perform any other activity permitted by Article 7-bis of Law No. 130/1999 and its implementing provisions.”

All major operational activities related to the management of the transaction were outsourced (see paragraph L.3).

QUANTITATIVE INFORMATION

L.7 CREDIT FLOW DATA

Description	At 31/12/2023	From the start date to 31 December 2022
Balance of receivables at the beginning of the financial year	1,665,922,463	0
Increases:		
Purchase of loan portfolio from Banco Desio and Banca Popolare Spoleto	537,727,840	2,556,422,823
Other increases, of which:		
Interest income accrued on loans	43,178,350	132,618,878
Interest income on arrears	35,184	114,633
Early termination penalties	0	121,550
Reversals of impairment losses	2,113,911	6,714,697
Ancillary income on instalments	134,617	(182,763)
Other	(265)	(2,965)
Decreases:		
Customer collections	(254,542,088)	(998,328,245)
Other decreases, of which:		
Write-down of receivables	(13,391,097)	(11,500,551)
Losses on receivables	0	(18,967)
Adjustment to amortised cost	0	0
Repurchases	(5,858,095)	(17,513,215)
Balance of receivables at year-end	1,975,321,348	1,665,922,463

It should be noted that during the financial year just ended, the Transferor, pursuant to Article 11 of the Transfer Agreement, exercised the repurchase option per individual Receivable.

Collections in portfolio flows differ from collections in cash flows in that they consider collections pertaining to December, but transferred to the Company's current accounts by the Servicer during the

first months of 2024, while they do not consider collections received in January 2023 in the current accounts in the amount of Euro 1,026,830 but pertaining to the previous year.

L.8 EVOLUTION OF OVERDUE RECEIVABLES

Description	At 31/12/2023	At 31/12/2022
Balance of overdue receivables at the beginning of the financial year	176,895	171,160
Purchase of receivables	903	2,837
Amounts due during the financial year	171,508,430	145,517,618
Collections on overdue receivables	(171,201,426)	(145,318,813)
Renegotiated instalments	(183,270)	(195,906)
Balance of overdue receivables at year-end	301,532	176,895

The collection and recovery of overdue receivables are entrusted to Banco di Desio e della Brianza S.p.A. and Banca Popolare di Spoleto S.p.A. under the “Servicing Agreement” and “Sub-Servicing Agreement”.

During the course of the transaction, the Servicer and the Sub-Servicer continue to monitor the receivables and take recovery actions in accordance with the terms of the “Servicing Agreement” and “Sub-Servicing Agreement”.

L.9 CASH FLOWS

Inflows	At 31/12/2023	At 31/12/2022
1. Balance of current accounts at the beginning of the financial	63,776,827	108,218,490
2. Subordinated loan received	0	0
3. Collections on receivables transferred by the Servicer and	260,049,248	225,697,928
4. Positive spread arising from Swap contracts	750,000	3,061,050
5. Interest income accrued on current accounts	3,316,989	98,023
Total Inflows during the financial year	264,116,237	228,857,001

Outflows	At 31/12/2023	At 31/12/2022
1. Reinstatement of Retention Amount	70,831	59,541
2. Interest expense and commissions charged on current	74	16
3. Payment of interest expenses on loan	9,291,173	8,538,450
4. Payment of fees to counterparties	1,216,987	1,071,545
5. Negative spread arising from Swap contracts	15,219,394	1,609,689
6. Payment of additional remuneration	7,328,292	14,997,483
7. Partial loan repayment	150,000,000	247,000,000

8. Withholdings on interest income accrued on current accounts	862,417	21,941
Total Outflows during the financial year	183,989,169	273,298,664

The imbalance between inflows and outflows of Euro 143,903,895 represents the balance of current accounts as at 31 December 2023 (item B.3 of Table L.1).

It should be noted that some of the financial movements shown in the tables above occurred by offsetting asset and liability flows: in particular, the payment of the portfolio transfer price was offset by the disbursement of the related loan.

The actual collections realised in 2023 totalled Euro 260.05 million, higher than the expected collections of Euro 150.88 million.

The deviation is due to the fact that the collection forecasts do not take into account any early repayments and the purchase of the new portfolio.

Based on the financial plans provided by the Servicer, it is expected that collections from receivables will amount to approximately Euro 180.72 million in the course of 2024 (this figure does not include any repurchases or early repayments).

L.10 STATUS OF GUARANTEES AND LIQUIDITY FACILITIES

No guarantees or liquidity facilities were in place as at 31 December 2023.

L.11 BREAKDOWN OF RECEIVABLES BY RESIDUAL LIFE

Residual Life	Balance of Receivables - FY 2023
01) Up to 3 months	105,831
02) From 3 months to 1 year	1,980,099
03) From 1 year to 5 years	60,418,487
04) Over 5 years	1,934,546,693
Total receivables at year-end:	1,997,051,109

The table above shows the total outstanding debt as at 31 December 2023, gross of provisions for write-downs and amortised cost adjustments.

L.12 BREAKDOWN BY TERRITORIAL LOCATION

Geographical Area	Amount
Italy	1,997,051,109
Total receivables at year-end:	1,997,051,109

The table above shows the total outstanding debt as at 31 December 2023, gross of provisions for write-downs and amortised cost adjustments.

L.13 RISK CONCENTRATION

Amount classes (EUR)	Balance of Receivables - FY 2023
01) 0 - 25,000	28,754,385
02) 25,001 - 75,000	429,171,419
03) 75,001 - 250,000	1,277,967,506
04) Over 250,000	261,157,799
Total receivables at year-end:	1,997,051,109

The table above shows the concentration of risk. The table above shows the total outstanding debt as at 31 December 2023, gross of provisions for write-downs and amortised cost adjustments.

As at 31 December 2023, there were no loans whose principal due exceeded 2% of the total loans in the portfolio.

Conegliano, 6 February 2024

Desio OBG S.r.l.
The Chair of the Board of Directors
 Carlo Maria Rebay



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the quotaholders of
Desio OBG S.r.l.

Opinion

We have audited the financial statements of Desio OBG S.r.l. (the "company"), which have been prepared in a condensed format pursuant to article 2435-bis of the Italian Civil Code and comprise the balance sheet as at 31 December 2023, the profit and loss account for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the financial position of Desio OBG S.r.l. as at 31 December 2023 and of its financial performance for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

We draw attention to the "Initial part" section the notes to the financial statements, where the directors state that the company's sole business object is the acquisition of loans and securities which it funds through third party financing as part of transactions to issue covered bonds in accordance with Law no. 130 of 30 April 1999. As described by the directors, the company has disclosed the acquired financial assets and other transactions carried out as part of the above-mentioned transactions in the notes to the financial statements in accordance with the provisions of Law no. 130 of 30 April 1999, under which the loans and securities relating to each transaction constitute segregated assets from those of the company and those relating to other transactions for all intents and purposes. We did not qualify our opinion in this respect.



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Other matters

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of Desio OBG S.r.l. does not extend to such data.

Responsibilities of the company's directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



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auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Treviso, 29 March 2024

KPMG S.p.A.

(signed on the original)

Alessandro Nespoli
Director of Audit