Cassa di Compensazione e Garanzia S.p.A.

Financial Statements as of 31 December 2021

Cassa di Compensazione e Garanzia S.p.A.
Registered office: Via Tomacelli 146, 00186, Roma
Share capital: € 33.000.000
Enrolled in the Milan Business Register and Tax code No.: 04289511000
Group VAT No.: 10977060960
R.E.A Rome n.: 752154
Company subject to management and coordination by Euronext Holding Italia S.p.A.

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1. Financial Highlights

(amounts in thousands of euro)

Economic indicators	Year 2021	Year 2020
Revenue	96.482	102.037
Ebitda	68.925	79.927
Ebitda margin	71,4%	78,3%
Ebit	72.800	78.331
Ebit margin	75,5%	76,8%
Net profit	53.234	62.988
(as % of Revenue)	55,2%	61,7%
ROE	25,1%	31,0%
Dividends	50.573	59.840

Equity indicators	Year 2021	Year 2020
Shareholders' Equity	202.337	222.396
Net Fin. Position (- debt / + cash)	162.514	213.500

Efficiency indicators	Year 2021	Year 2020
Average number of employees and secor	78,0	77,5
Revenues/employees	1.237	1.317
Ebit/employees	933	1.011

2. Report on operations

The annual financial statements of Cassa Compensazione e Garanzia S.p.A. (CC&G) for the year to 31 December 2021 show a net profit of € 53,234,061 (€ 62,988,086 at 31 December 2020).

The past year was characterised by CC&G's contribution to consolidating the financial services provided by market infrastructures and managing information flows and arrangements with members.

With the objective of continual improvements to the risk management solutions offered, various projects continued during the year aimed at further increasing efficiency in the margining models used. In particular, these activities regarded, together with the interoperable CCP, the definition of the requisites of a new margining model for the bond segment, belonging to the family of "Value at Risk" models (FIRE: Fixed Income Risk Engine).

In particular, following the conclusion of the internal approval process, the approval process by the Supervisory Authorities was also launched through the official submission, on 1 December 2021, by CC&G of the documentation required by Article 49 of the Regulation EU EMIR. During the year, the participants in the bond sector were simultaneously given the relative communications regarding the new model and the relative implementation timelines.

In addition, during 2021, began a process to define a new "Value at Risk" type of margining model to be applied to the Equity and Equity Derivatives Section.

CC&G's Risk Management managed the moment of crisis adequately with the objective of preserving the adequacy of the pre-financed resources available in the guarantee system and, at the same time, limiting possible pro-cyclical effects on the financial system.

The performance of CC&G's Risk Management system turned out to be solid and reliable, as can be seen also from the results of the backtests conducted on the margining models which produced levels of coverage that were always satisfactory and higher than both the regulatory minima and CC&G's Risk Appetite. CC&G's approach taken against the risk ensured constant resilience of the entire default waterfall (the margins were covered in cash for approximately 90% and the default funds were always dimensioned in a prudent way with respect to the effective exposure of the participants).

In conclusion, the conservative approach that CC&G has always taken constantly ensured the resilience of the guarantee system of the CCP avoiding, any criticalities or assumption of excessive risks and at the same time minimising potential pro-cyclical effects on the financial system.

On 22 March 2019 the Delegated and Execution Regulations related to Regulation (EU) 2365/2015 ("SFTR") were published in the Official Journal of the European Union. The SFTR introduces an obligation to report to authorised Trade Repositories the details related to Securities Financing Transactions (SFTs) concluded by market participants. Starting from 13 July 2020 CC&G began to report SFTs to the trade repository in accordance with article 33 of the SFTR.

On 28 May 2019, Regulation (EU) 2019/834 ("EMIR REFIT") which amends Regulation (EU) 648/2012 ("EMIR") was published in the Official Journal of the European Union. The new regulation – which came into force on 17 June 2019 - incorporates the experience gained in the seven years that the EMIR has been in force, from which the it emerged that it was opportune to simplify a number of obligations and regulatory requirements reducing at the same time also their costs. Among the changes introduced, we can note the obligation for central counterparties to provide information on the simulation of the initial margin to participants starting from 18 December 2019. In March 2020 ESMA proposed a change to the current requirements for reporting OTC derivatives and ETDs with the publication of a consultation document containing the draft of RTS 2 and on 17 December 2020 the related ESMA Final Report was published; it is expected that the aforementioned RTS will come into force in the second half of 2022.

On 12 December 2019 Regulation (EU) No. 2019/2099 ("EMIR 2.2"), which amends the EMIR with reference to the supervisory architecture of European and non-EU CCPs, was published in the Official Journal of the European Union. With reference to European CCPs the EMIR 2.2 came into force 20 days after publication in the Official Journal. In October 2020 ESMA began a consultation on the development of RTSs with reference: (i) to the conditions at which supplementary services or activities to which a CCP wishes to extend its business; (ii) to the procedure for modifying risk models under the terms of article 49 EMIR.

Most Clients resident in the United Kingdom have in any case activated the relocation of their operating headquarters to continental Europeand have consolidated their presence. At the end of the current year most of them are operating from both headquarters of residence.

CC&G confirms its commitment to promoting a secure and stable market infrastructure based on its offering of innovative and solid clearing and risk management solutions and implementation of a business model that meets its customers' needs.

2.1 Events of the year ended 31 December 2021

Central counterparty services

Participants in the clearing and guarantee system as of 31 December 2021 totalled 154 (158 at 31 December 2020), represented for the most part by banks (84) and investment firms (61), 2 private companies, 4 state-controlled company, 1 CCP and 1 central bank.

Of these, 90 were clearing members, of which 65 were banks, 18 investment firms, 4 a state-controlled company, 1 CCP and 1 central bank. The degree of openness to the European market of clearing members is shown by the proportion of foreign banks (20 EU) amounting to 30.77% of the overall total of banks, and of EU investment firms (15 EU) amounting to 83.33%.

Derivative segments (IDEM Equity, IDEX and AGREX)

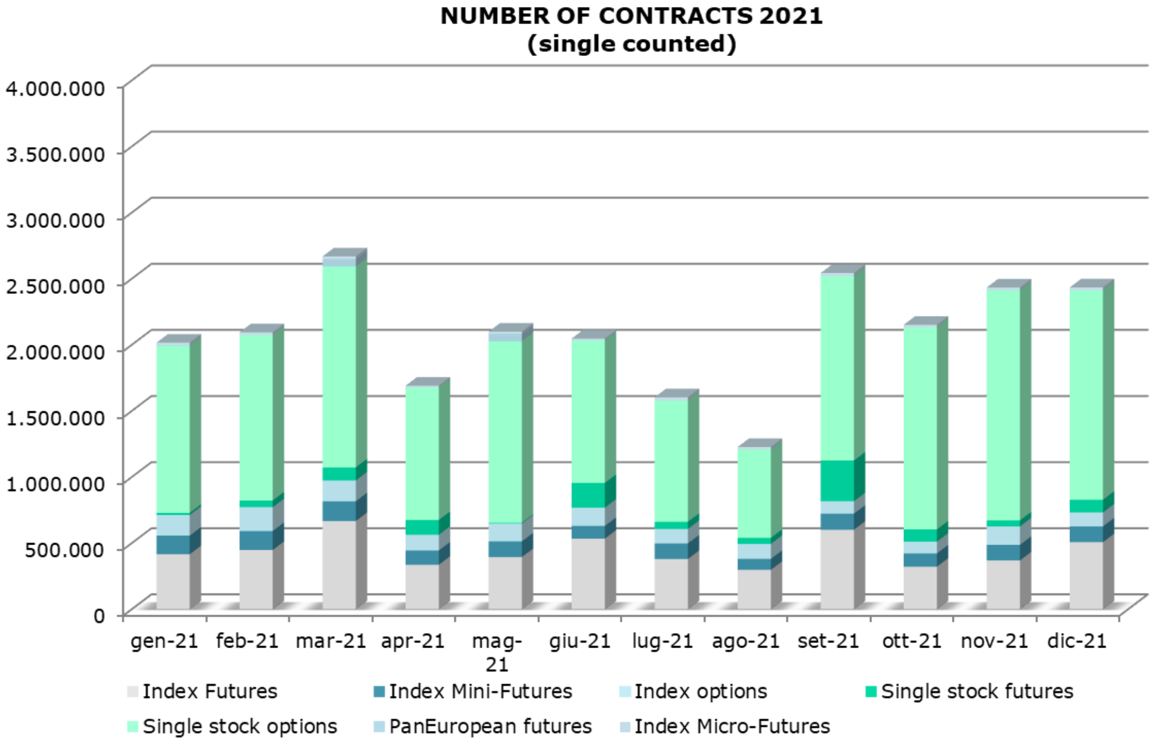
There were 25,020,342 cleared contracts on the IDEM Equity Market at 31 December 2021, compared to 25,108,886 at 31 December 2020 (-0.04%). The daily average was 97,735 contracts, compared to 98,466 in the previous year.

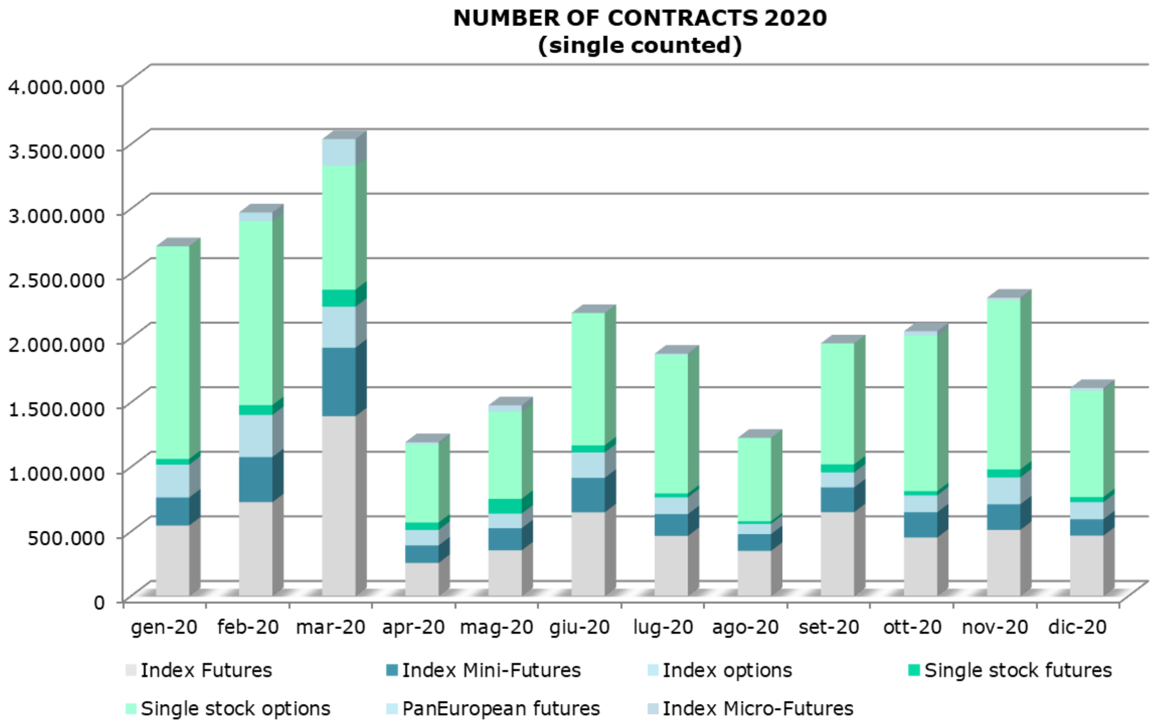
There were increases compared to the same period of the previous year on the following instrument:

- single stock options went from 12.3 million contracts in 2020 to 15.3 million contracts in 2021 (+24.4%);
- single stock futures went from 0.7 million contracts in 2020 to 1.1 million contracts in 2021 (+57.1%)
- Micro Futures on stock market indices introduced in 2020, went from 37 thousands contracts in 2020 to 0.2 million in 2021.

There were, instead, decreases compared to the same period last year on the following instruments:

- stock index options, which went from 2.1 million in 2020 to 1.5 million contracts in 2021 (-28.6%);
- mini-futures on stock market indices, which went from 2.7 million in 2020 to 1.4 million contracts in 2021 (-48.1%);
- futures on stock market indices, which went from 6.8 million in 2020 to 5.3 million contracts in 2021 (-22.1%);
- pan-European futures, went from 0.4 million in 2020 to 0.1 million contracts in 2021 (-75%).

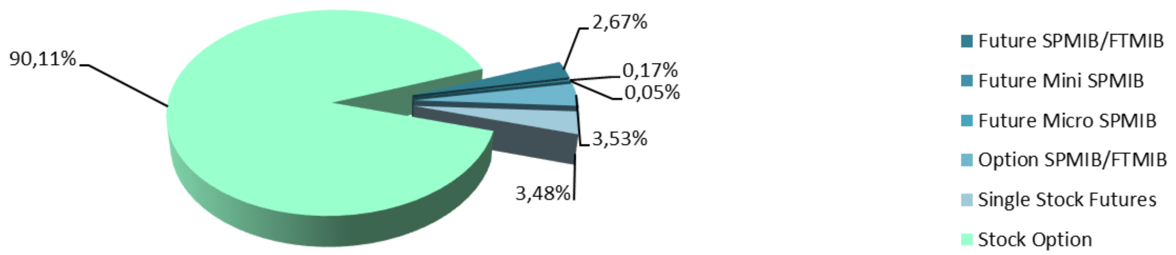

NUMBER OF CONTRACTS 2021
(single counted)
4.000.000
3.500.000
3.000.000
2.500.000
2.000.000
1.500.000
1.000.000
500.000
0
gen-21
feb-21
mar-21
apr-21
mag-21
giu-21
lug-21
ago-21
set-21
ott-21
nov-21
dic-21
Index Futures
Index Mini-Futures
Index options
Single stock futures
Single stock options
PanEuropean futures
Index Micro-Futures


NUMBER OF CONTRACTS 2020
(single counted)
4.000.000
3.500.000
3.000.000
2.500.000
2.000.000
1.500.000
1.000.000
500.000
0
gen-20
feb-20
mar-20
apr-20
mag-20
giu-20
lug-20
ago-20
set-20
ott-20
nov-20
dic-20
Index Futures
Index Mini-Futures
Index options
Single stock futures
Single stock options
PanEuropean futures
Index Micro-Futures

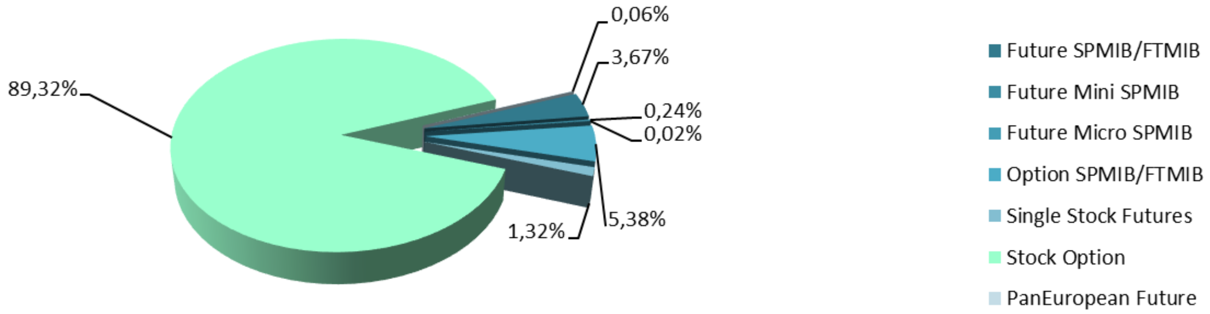
The open positions as of 31 December 2021 (so called open interest) were 6,728,706, 11.0% more than at 31 December 2020 (6,059,927).

OPEN POSITIONS
(% number of contracts)

2021



2020

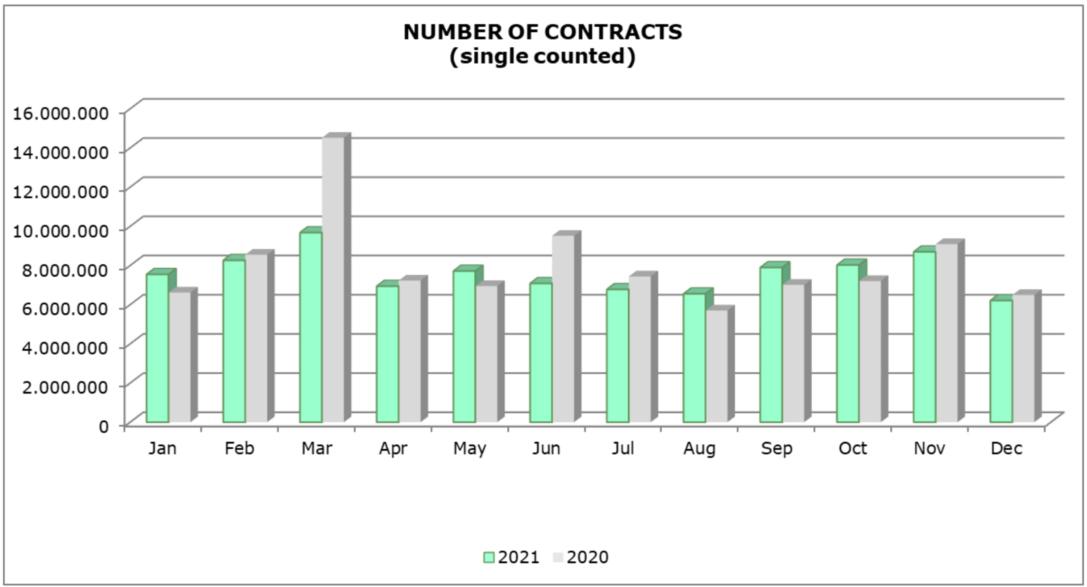


In the year ended 31 December, 2021, there were no volumes of the IDEX and AGREX derivative segments.

At 31 December, 2021, there were 36 direct participants in the Equity Derivatives sector (37 at December 31, 2020), of which 26 General and 10 Individual; those of the Energy Derivatives sector were 6 (in line with the previous year), all members of General, while those of the Agricultural Commodities Derivatives sector were 2 (in line with the previous year), all members of General. The IDEM, IDEX and AGREX markets respectively are guaranteed in these sub-funds.

Equity sector

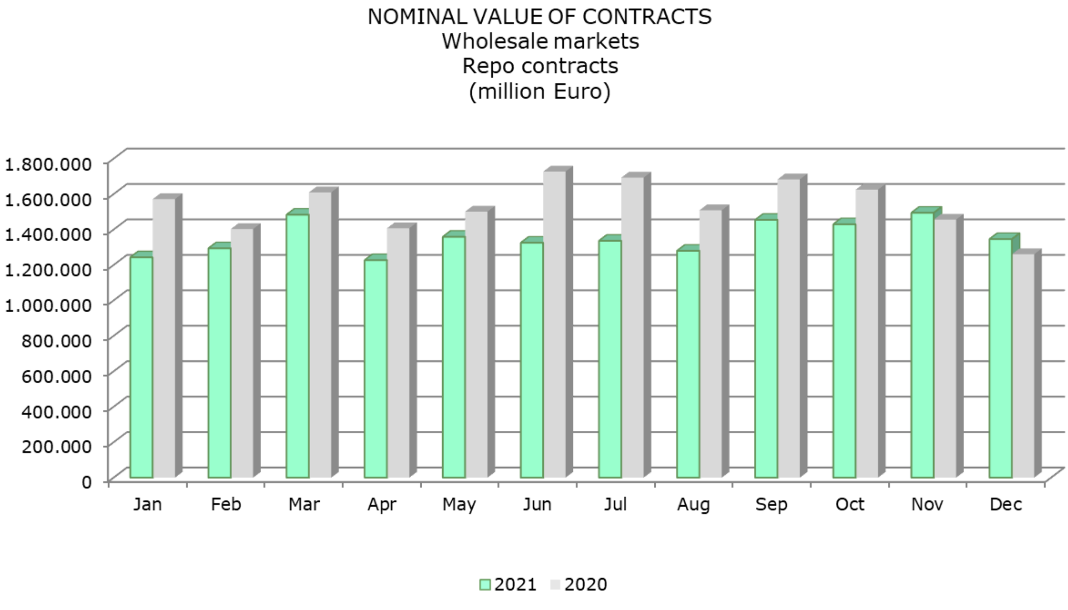
On the stock markets of the Italian Stock Exchange, the contracts covered by the guarantee were 91,408,310 with a decrease of 5.1% compared to the previous year (96,328,375 contracts); the daily average was 357,064 contracts compared to 377,758 contracts the previous year.

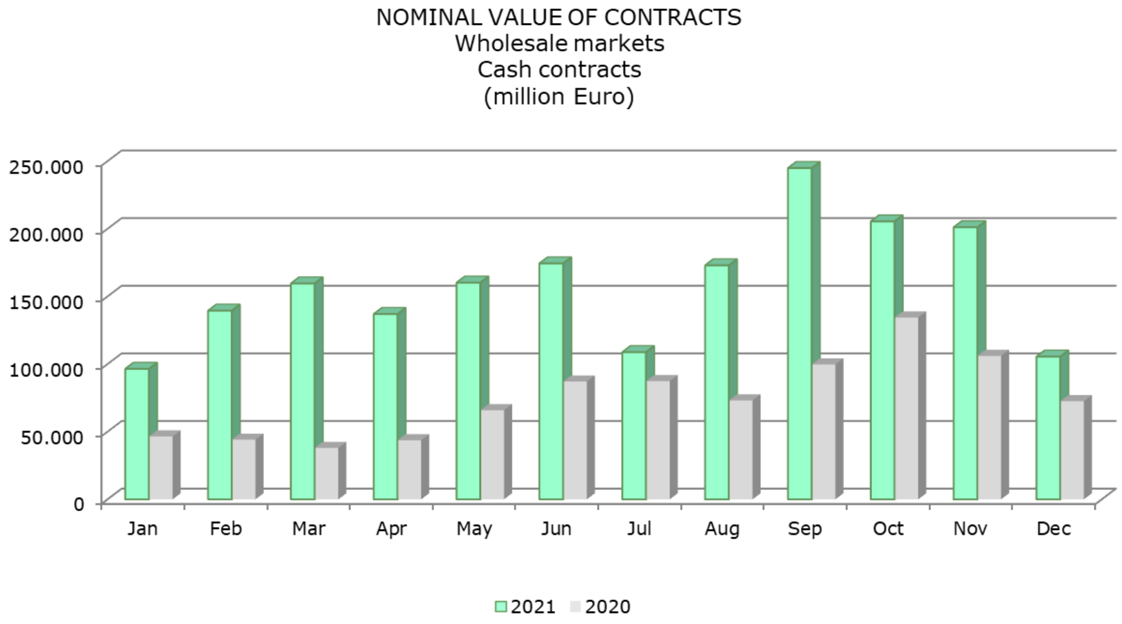


At 31 December 2021, there were 28 direct participants in the Equity sector (30 at December 31, 2020), of which 17 General and 11 Individual. The MTA, ETF plus, MIV and BIT Equity MTF markets are guaranteed in this sub-fund.

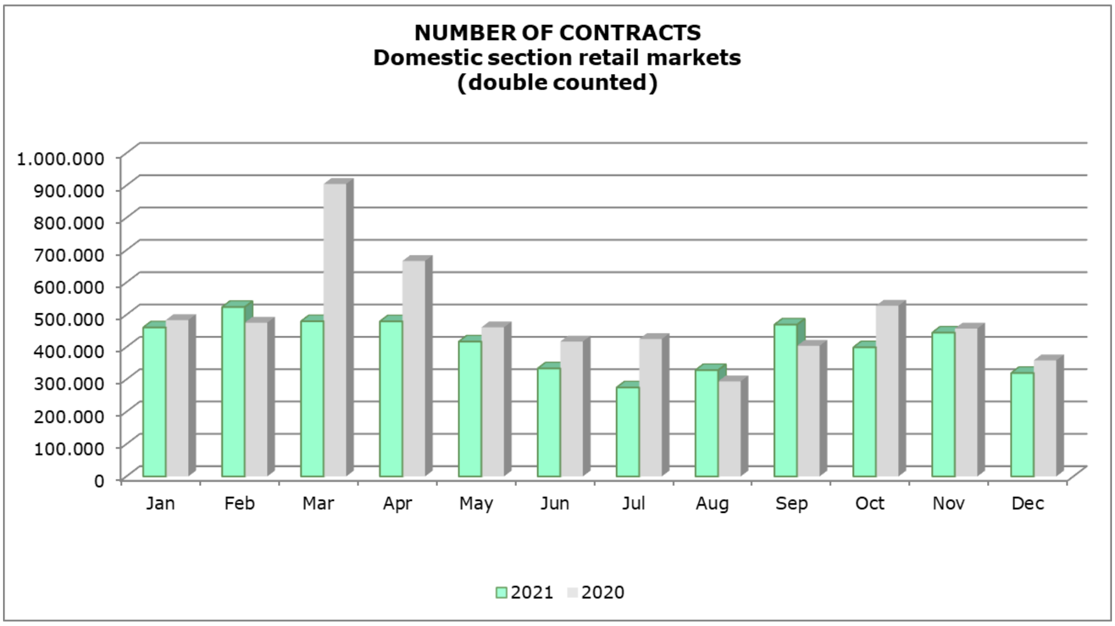
Bonds segment

The value of the contracts covered by the guarantee, negotiated on the wholesale bond sector, was lower than the previous year for Repos (nominal € 16,275.2 billion compared to € 18,445.7 billion with a change of -11.8%), and was higher than the previous year for Cash transactions (nominal 1,906.1 billion euro against 898.6 billion, + 112.1%).





As regards the retail bond sector, the international sector (ICSD) was lower than in the same period of the previous year (542,179 contracts compared to 804,376 contracts with a change of -32.6% the previous year), also the sector domestic was lower than in the same period of the previous year (4,933,336 contracts compared to 5,875,484 contracts with a variation of -16% of the previous year).



The direct participants in the Bond Section as of 31 December 2021 were 64 (69 as of 31 December 2020), of which 14 General and 50 Individual. The Cassa di Compensazione e Garanzia S.p.A. markets are guaranteed in this sector. 10 MTS Cash, MTS Repo, Nex BrokerTech and Repo e-MID for the wholesale segment, the MOT, Euro TLX and Hi MTF markets for the retail segment.

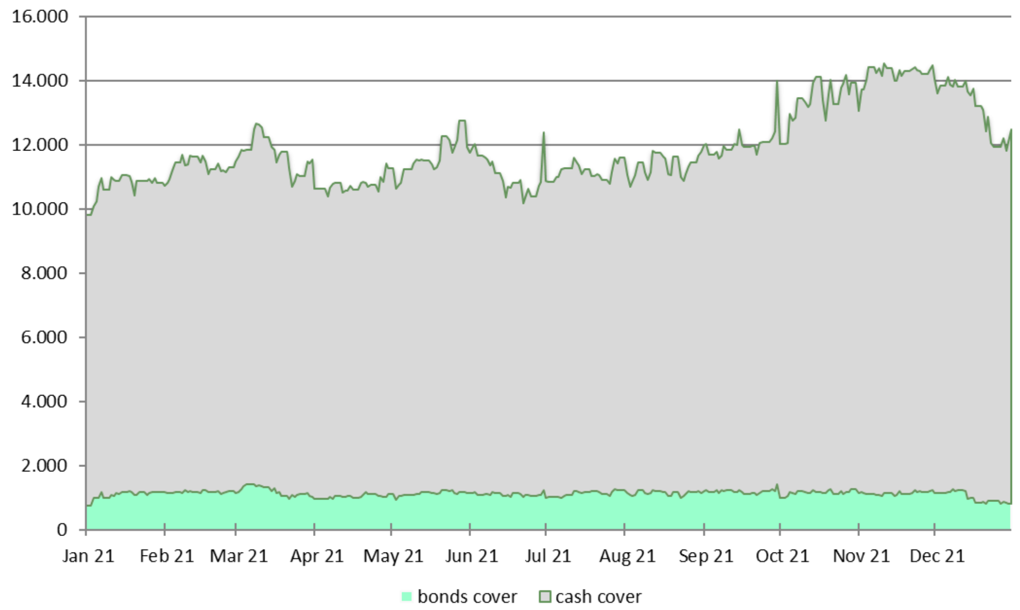
The direct participants in the ICSD Bond Section as at 31 December 2021 were 29 (30 as at 31 December 2020), of which 12 General and 17 Individual. The Euro MOT, Extra MOT and Hi MTF markets are guaranteed in this sector.

Risk management

During the period under review, 235 new instruments were listed on the Equity sector, of which 222 are ETFs, 10 shares on ENX and 3 warrants. In the Equity Derivatives sector, 9 SSDFs were listed respectively.

The average daily amount of initial margins went from 10.7 billion euros in January 2021 to 13.2 billion euros in December 2021 (the month in which the maximum value of the average occurred was November 2021 with a value of € 14.2 billion). Compared to the daily average of the previous year (13.3 billion euros), there was a decrease of 10.7%, reaching 11.9 billion euros. The deposit of the guarantees against the initial margins took place, on the average of the period in question, for 90% in cash and 10% in Government bonds.

INITIAL MARGINS
(millions of euro)



The monitoring of counterparty risk, carried out by verifying members' exposures on an ongoing basis, resulted in 14,051 requests for intraday additional margins for a total of € 80 billion.

The default funds at 31 December 2021 amounted to:

- € 2,400 million (€ 1,150 million at the end of the previous year, +109%) for the equity markets (Cash and Derivatives),
- € 4,500 million for the Bond segment (€ 4,000 million in the previous year, +13%),
- € 0.7 million for the Energy Derivatives segment (€ 1.3 million in the previous year, -46%),

- € 0.15 million for the Agricultural Commodity Derivatives segment (€ 0.20 million in the previous year, -25%).

These amounts were adjusted several times during the financial year on the basis of the stress test results.

New services and functionalities introduced in the financial year

Change of trading hours IDEM, IDEX, AGREX

With effect from 8 February 2021, the closing time for trading of all non-negotiable equity derivative products (IDEM) until 22:00, has been postponed from 17:50 to 18:00, while that relating to energy derivatives (IDEX) and agricultural commodities derivatives (AGREX) was brought forward from 5.40 pm to 5.30 pm.

Introduction of new deadlines for options on the FTSE MIB stock market index (MIBO options) and for share options

Starting from February 8, 2021, new deadlines were introduced for MIBO options and share options. In particular:

- for the MIBO options, contracts with annual, fifth and sixth year maturities have been introduced, which follow the year in question for a total of 14 maturities;
- for stock options, six-monthly maturities have been introduced (June and December) up to the sixth year following the current one (therefore with the addition of six-monthly maturities for the fifth and sixth next years).

Modification of the multiplier of dividend futures contracts (SSDF) and the commissions applied to them

As of 1 March 2021, the underlying quantity of the SSDF contracts has been changed from 1,000 to 10,000. Consequently, the related clearing and settlement commissions applied to them were amended as indicated below:

- Clearing fees: from € 0.10 to € 1.00 - CAP from € 50.00 to € 100.00;
- Settlement fees: from € 1.50 to € 3.00 - CAP from € 150.00 to € 300.00.

For promotional purposes, the aforementioned commissions were applied at 50% until 31 December 2021.

Introduction of the calculation of the theoretical price for futures contracts on dividends (SSDF) and futures on the FTSE MIB Dividend Index (FDIV)

Starting from 9 March, 2021, CC&G has introduced the calculation of the theoretical price for the SSDF and FDIV contracts. This type of calculation is used, on a residual basis, in the event of unavailability of market prices, to complement the method of calculating the daily settlement price already in use.

Introduction of BOND SURE and BTP Futura among the types of securities that can be deposited as collateral

Starting from 9 March 2021 CC&G has included among the types of security deposited as collateral, the securities issued by the European Union in the context of the SURE (BOND SURE) financing program and the so-called Italian government bonds Step-up (BTP Futura).

Beginning of half-yearly deadlines for dividend futures contracts (SSDF) and for the futures contract on the FTSE MIB Dividend Index (FDIV)

Starting from 22 March 2021 SSDF contracts with a six-monthly expiry in June of the first two years were introduced for negotiation on the shares of Assicurazioni Generali, Enel, Eni, Stellantis, Intesa Sanpaolo, Poste Italiane, Snam, Telecom Italia , Terna and Unicredit.

New classification values of derivative contracts in the Market Trade Source field

Starting from 26 April 2021, in conjunction with the launch of the new version of the SOLA 15 trading platform, the BCS Client 5.8.6 was released in the production environment, which allows you to receive the new classification values of contracts in the Market field. Trade Source of the Trades menu, decoded as follows:

x = X-CPI, c = CPI, i = Implied CPI, r = Strategy CPI, t = Strategy X-CPI.

The new classification values of the contracts are reported, not decoded (x, c, i, r, t), also in the Market Contract State field of the Data File D01R and in the MarketSource field of the API. also on the FDIV contract.

Modifica Reports per Basilea III

With effect from 1 July 2021, following the entry into force of EU Regulation 876/2019 (CRR II), which implemented the Basel Final Standards1, introducing changes to the framework for calculating capital requirements for exposures in comparisons of the CCPs, the Reports MB01, MB02, MB03 and MB04 have been modified.

Retention

On 4 October 2021, with the aim of facilitating the post-trading activities of the Participants of the Derivatives Sections and as requested by the FIA, CC&G introduced Retention in BCS, i.e. the automatic re-proposal, the next working day, of transfer requests. contract and International Give-Up entered but not completed during the day. Prior to this innovation, the transfer requests that were not completed were automatically canceled at the end of the day, making it necessary for the transferring Participants to re-submit them manually.

2.2 Economic results and financial position

Below is a summary of economic data compared to the previous financial year:

(amounts in thousands of euro)

	31/12/2021	31/12/2020
Net interest income	**46.796**	**55.333**
Net commission income	43.448	46.261
Dividends and similar income	5	3
Net income from financial assets/liabilities	2	130
Intermediation margin	**90.250**	**101.727**
Administrative expenses	23.240	(22.791)
Other operating income	1.916	991
Gross operating margin (EBITDA)	**68.925**	**79.927**
Net value adjustments for impairment	(55)	-
Amortisation and depreciation	(2.304)	(2.036)
Operating income	**66.566**	**77.891**
Result of financial management	6.234	440
Net operating margin (EBIT)	**72.800**	**78.331**
Income taxes	(19.566)	(15.342)
Profit (Loss) for the year	**53.234**	**62.988**

Cassa di Compensazione e Garanzia S.p.A. ended the financial year to 31 December 2021 with a net profit of € 53.2 million (€ 63.0 million at 31 December 2020). The intermediation margin was € 90.3 million, divided between net interest income of € 46.8 million, and net fee income of € 43.4 million. At 31 December 2020 the intermediation margin was € 101.7 million, divided between net interest income of € 55.3 million, and net fee income of € 46.3 million.

Administrative expenses amounted to a total of € 23.2 million. Amortisation and depreciation amounted to € 2.3 million whilst other sundry operating revenues amounted to approximately € 1.9 million. As a consequence of what was noted above, net operating income (EBIT) amounted to € 72.8 million. Taxes for the financial year, inclusive of the provision for deferred tax liabilities, were € 19.6 million.

The Balance Sheet shows a total amount of assets that increased from € 129.3 billion at 31 December 2020 to € 138.0 billion at 31 December 2021. In particular, the following assets items are noted, with a counter entry on the liabilities side: financial assets/liabilities held for trading for CCP activities for an amount of € 11.1 billion (€ 6.4 billion at 31 December 2020) and assets/liabilities measured at amortised cost for € 111.7/126.6 billion (€ 109.9/122.6 billion in the previous financial year).

Item 30 of the Balance Sheet shows financial instruments classified as financial assets measured at fair value through other comprehensive income, and these relate to investments in secured assets of margins, default funds and residually, the Company's own funds for a total of € 4.6 billion.

In receivables, which amounted to a total of € 111.7 billion, net of the riclasification in the item 10 Cash and cash equivalents of the bank accounts and the sight deposits, € 1 billion was recorded for receivables from banks, € 5.1 billion for receivables from financial companies and € 105.7 billion for other receivables. In payables, which amounted to a total of € 126.6 billion, € 4.1 billion was recognised under payables to financial companies, € 0.5 billion for payables to banks and € 122.0 billion for other payables.

The Company's equity, equal to € 202.3 million is made up for € 33.0 million of the share capital, for € 6.6 million of the legal reserve, for € 109.5 million of other reserves (including the skin in the game provided for in the EMIR, the extraordinary reserve, reserves from the measurement of financial assets available for sale, the FTA reserves and the other distributable reserves) and for € 53.2 million of the profit for the year.

The cash flow recorded net cash absorbed of € 39.0 million (at 31 December 2020 the cash provided was € 60.6 million).

2.3 Information relating to employees and the environment

At 31 December 2021 the organizational structure was made up of a total of 67 (67 at 31 December 2020) employees, 8 of which are Senior Managers, 24 Middle Managers and 35 clerical staff as well as 11 resources seconded from other Group companies. The average age is 42.9 years and 40% of the workforce is female. The average length of service is 12 years.

In relation to the activities carried out by our Company, which do not entail any particular levels of risk for employees, no accidents in the workplace have been reported, nor have any pathology linked to professional illnesses occurred. From the beginning of the pandemic (COVID-19) the company adopted a safety protocol aimed at protecting its employees through recourse to structural Smart Working which continued for the whole of 2021 and is still going on.

2.4 Research and development

As part of the scouting of new technologies and software development methodologies, CC&G has further extended the perimeter of architectures based on private cloud infrastructures, deepening the issues relating to user and data security and building a technological stack capable of enabling modular developments with a very short time-to-market. The user interface modules that will constitute the frot-end of the future clearing platform for Euronext markets have been implemented in this way.

2.5 Risk assessment

The guidelines for the management of risks adopted by CC&G are dictated by the Board of Directors and monitored by the Chief Risk Officer.

The framework outlining the objectives of the Group in terms of risk management enables management to have an acceptable risk level in pursuing its strategy and to identify the relevant responsibilities.

For the purpose of validating the adequacy of the parameters and the robustness of the models for margin calculation, the Risk Management Office is conducting stress tests and back tests on a daily basis and sensitivity tests on a monthly basis.

Stress tests are also carried out on a daily basis in order to verify the adequacy of the Default Funds amounts.

The stress test framework is revised both by the External Risk Committee and by the Board of Directors at least on a yearly basis.

The adequacy of stress scenarios used for the determination of Default Funds for each segment is assessed, inter alia, by carrying out reverse stress tests with the aim of identifying, through an iterative approach, hypothetical stress scenarios, which would render the available financial resources insufficient to cover a possible default.

The Risk Policy Office is responsible for the function of independent validation of the risk management models and reports to the Chief Risk Officer.

The validation of the model is carried out at least once a year in compliance with the EMIR legislation and on the basis of international standards. The introduction of a new model or a substantial change to an existing model require validation by the Risk Policy Office.

The Risk Policy Office, making use of, among other things, a modular software, MoVE, created in-house, analyses all the components of the risk management models (inputs, calculation stages and outputs) in order to verify their conceptual soundness and their consistency with the purpose envisaged for each model. In addition, on the basis of samples, independent replications are made in order to verify the effective implementation of the models in the IT systems and the adherence to the regulatory requirements and methods declared by the Risk Management Office.

The detailed outcomes of the validation activity are communicated to the subjects involved, namely the Head of Risk Management, the Chief Risk Officer, the Chief Executive Officer, the Board of Directors, and also to the Supervisory Authorities, the Bank of Italy and Consob.

Internal control system

The separation of the operating units from those of control (Finance, Risk, Compliance and Internal Audit) is guaranteed. The latter constitute different levels of control with clear and distinct functional responsibilities.

Internal controls are arranged on the following levels:

Ex-ante:

The front office operating department guarantees in the performance of its daily activities the ex-ante observance of the principles and limits provided for in the relevant Policies.

Level 1:

The first-level controls of operating activities are carried out by a dedicated corporate structure which ensures their correct performance and correct functional segregation and independence with respect to the operating structure. To this end the first-level controls are performed within the Finance department.

Level 2:

In compliance with EMIR rules, CC&G has established internally permanent second-level control functions which operate independently from the operating structures.

In particular, the second level functions provided in the framework of CC&G internal control systems are entrusted to the Chief Risk Officer and the Chief Compliance Officer.

Level 3:

Third level controls are performed by the Italy Internal Audit Department. This structure conducts periodical independent audits on the Company's operating and administrative processes, according to the provisions of the annual Audit Plan. Considering the importance of proper risk management and the relevance it has from a regulatory and governance standpoint, the Audit Department performs periodic controls on the Risk Management Department with the purpose of ensuring a perfect application of the guidelines prepared.

<u>External Risk Committee</u>

In compliance with EMIR provisions, the external Risk Committee, made up from representatives of clearing members, independent members of the Board of Directors and customer negotiators, meets periodically. The members of the Committee have been appointed by CC&G's Board of Directors on the basis of objective non discriminatory criteria and are subject to periodical rotation.

The External Risk Committee is a consultative body of the Board. This Committee expresses non-binding opinions on all measures that may affect the Company's risk management in its capacity as central counterparty and prepares a report on activities carried out on a yearly basis (see paragraph 2.6).

<u>Competition</u>

CC&G constantly compares itself with its major European competitors from an organisational standpoint as well as for services offered. With a view to a possible consolidation of post-trading in Europe, CC&G is well positioned for coping with competition, with extensive experience in the sector and a solid risk management model.

In particular, following the acquisition by Euronext and the start of an internalization process for the clearing of the related markets, there will be the possibility of consolidation and further strengthening that also leverages the expertise in Risk Management practices.

<u>Technology</u>

In order to guarantee a rapid and effective response to market demands and those of its members, the Company has constantly kept a close eye on maintaining technological skills internally. The use of secure, stable, and high-performance technology, enabling high levels of information accessibility and processing capacity, is the determining element in making it possible to meet the increasing operational demand from the market avoiding also interruptions or delays when introducing new services or products. At the same time CC&G maintains stable monitoring of the state of the art with the innovation business unit ensuring constant alignment with the best practices and main standards of the fintech world. The combination of the two above-mentioned key factors enables CC&G to effectively compete in a scenario characterised by rapid technological changes, improvements in standards and the introduction and evolution of new products and services.

The robustness and resilience of the technological organization adopted in CC&G was successfully tested further in the course of 2021 on the occasion of the prolongation of the effects of the COVID-19 pandemic. In this case, in fact, the company, in order to protect the health of its employees and consultants and in full compliance with the regulations and indications of the authorities, has decided to introduce partial openings of its offices or to close them completely depending on the evolution of infections. The experiences made in 2020 and the countermeasures envisaged by its business continuity plans and the remote working methods have ensured full operations in each workplace and the adequacy of cyber security measures despite a very uncertain epidemic context.

During 2021 all the planned infrastructural evolutions were completed: in particular, the "Platform Integration" project which provided for the activation of the prerequisites for the Internalization project on the IBM Power, RedHat, OpenShift platform was completed on schedule.

The internal projects relating to:

- Primary Storage HW refresh (DS8910F) with the adoption of the all-flash disk type

- SMART Integrator migration through the introduction of a new message switching and file transfer interface on RNI
- Novelty detection (Power AI systems enhancement) through:
- Enhancement of HW infrastructure for workloads that use GPUs
- New model for the interception of anomalies in intraday margining
- POC Openshift on Power
- Private cloud migration
- Go-live SFTR service on DTCC
- Migration of trade flows to the new European repository
- Start of test phase for ESMIG T2S
- ISO20022 standard adoption for SWIFT messages
- ASA to Forcepoint firewall migration
- Protocol migration from FTP to SFTP for all Participants.

In addition, the IT Governance team was involved in:

- Renewal of ISO 22301 and 27001 certifications
- Compliance with new regulatory requirements within the National Security Perimeter Cybernetics
- Integration and revision of the new Group's security policies and procedures
- Information Security Training & Awareness.

The IT team then collaborated on all the work tables for the preparatory activities for the separation from London, mainly related to the network and tools for accessing group applications and participating in all the configuration and testing phases of the migrated equipment in the new Aruba datacenter.

The testing activities of the SOLA15 version of the Derivatives market and subsequently those of the SOLA16 version and the related BCS as well as the simulations of the production systems failure scenarios with the aim of verifying disaster recovery procedures.

As required by the test plans approved by the Board, we carried out the unavailability simulations of the entire Rome site rather than the cyber attack scenarios. Finally, the data saved in the last ten years for the London Derivatives, IDEM and New Clear services were migrated in order to make them available also on the new platforms.

The specific part of Cyber Security is constantly aligned with the best practices and therefore also this year the necessary technological implementations and punctual Vulnerability Assessment checks were carried out, both through independent systems and therefore in autonomy with short intervals, and through specialised partners that performed also Penetration Test activities according to different methods agreed in advance. All the results were satisfactory and no particular critical issues or vulnerabilities were found.

During the year CC&G also took part in all the weekly CODISE sessions organised during the most critical phases of the pandemic reporting and describing the current state of its services.

The tests planned by Codise and Certfin in the Cyber area were also regularly performed and saw the involvement, remotely, of all the CC&G colleagues.

As regards the application solutions numerous new developments were completed, including:

Release of the SaaS solution for CCP.A

The SaaS clearing service of the Austrian central counterparty was supported successfully and without incidents by the service management team set up in 2020. Evolutions were made in the context of multimarket and multicurrency functionality*.*

Regulatory technology

In the fourth quarter of 2021, following the decommissioning of the SFTR service offered by the UnaVista Trade Repository (LSEG group), CC&G migrated its operations and outstanding transactions not yet expired to a new Trade Repository (DTCC), preserving the matching statistics towards all participants (including LCH). From the third quarter of 2021 CC&G, in collaboration with the other European CCPs, provides participants, on a daily basis, with a new report for the positions that can be reported pursuant to Article 9 of Regulation 648/2012 / EU (EMIR); this report includes the UTI position generated by CC&G, as well as other fields of the layout provided for by the EMIR regulations and agreed between the other CCPs, with the aim of reconciling their position records and reporting the UTIs generated by the CCP in the EMIR report. The aim of the new report is to introduce a standardized format and content for the position UTI among all CCPs.

Treasury Management

A new "Sensitivity Portfolio" function was created, which is added to the "Market Analysis" section of the platform available to Users in the "Investments & Liquidity Management" area. This function, based on a linear regression algorithm on the nodes of the future interest rate curve, provides a forecast about the trend of the potential yields of government bonds. Furthermore, a new accounting module was created which acquires information from the events recorded in the treasury system and is able to produce flexible accounting records with respect to the layouts and the chart of accounts provided for loading into the destination accounting system. Finally, starting from the events of the system, the new accounting module is able to make a valuation of the monthly provisioning entries directly with the "Net Present Value" criterion, as required by international accounting standards, and no longer through a transformation of the "Straight line" produced natively by the treasury system. With regard to management methodologies, all-round training activities continued, aimed at spreading an AGILE approach to software development within the company in order to bring the technology and business areas involved as close as possible. Dedicated training and coaching activities were carried out and cross-functional teams were deployed with the particular involvement of the project management area. Two project areas are now permanently managed in this way and plans are being developed to further extend it.

Developments on the clearing system

During 2021, new functions of the Clearing system were introduced in line with business requests. The most significant changes are briefly described below.

- Default Management

  In line with the regulatory provisions, functions related to the role of the Close Out Agent (COA) have been introduced, such as: order assignment methods, management of margins linked to positions under management, recognition of specific benefits linked to COA activities.

- Guaranteed Products Management
  Introduction of a new instrument called Single Stock Dividend Futures, this is a Futures contract whose underlying is the dividend of specific shares traded on the Borsa Italiana market.
  Extension of the maturity of options contracts up to 7 years.
- Functionality for the participants
  Following the request of the members of the FIA (Futures Industry Association), the "retention" function was introduced for requests to transfer contracts / positions not finalized at the end of the business day. These requests are now resubmitted for the next 10 working days.
  The security level for the reporting and flow retrieval functions has been increased thanks to the adoption of the SFTP protocol.
- Features related to risk management
  In collaboration with the Risk Management colleagues, a model has been developed that deals with the control of the congruity of the calculation of the initial margins (Novelty Detection), equipped with predictive functions that make use of the use of Artificial Intelligence algorithms.
- Support function for daily operations
  Improvements were made to the reporting in use for the management of issues relating to Anti Money Laundering and to Basel III and CCP-IOSCO (Disclosure 19.1). Certain features have been automated to facilitate the reconciliation and feedback of daily financial operations. The Backup procedure has been released which allows the reception and management of contracts received from the markets in the event that connectivity with

the systems is unavailable trading. Automation of the Autocollateral functionality at the Bank of Italy.

Employees

In a rapidly changing environment that requires a continuous ability to react to change and to count on excellent performance, the Company's ability to attract the best talent and retain key people also depends on the Company's remuneration policy, which is defined according to professional profile, the level of individual contribution and comparison with the reference labour market. Failure to attract and retain key personnel can significantly affect business management, as the company may not be able to implement strategies effectively and on time. Therefore, in order to ensure the competitiveness of its remuneration policies, on an annual basis, the Group and Borsa Italiana revise, also in comparison with the reference labour market, the remuneration policy based on fixed remuneration, the variable component, benefits and corporate welfare plans. A performance management system instead ensures the monitoring and annual assessment of the degree of individual contribution to achieving the company's objectives.

The company adopted, starting from 14 March 2020, the shared Protocol regulating measures for countering and containing the spread of the Covid-19 virus in the workplace which provides for a series of measures (organisational and procedural) aimed at guaranteeing the health of employees, contractors and visitors.

The risk assessment document (RAD) was updated to take into consideration also the COVID 19 risk, although for employees it is not a professional risk.

2.6 Governance and legal information

(a) General information

Name and registered office

Cassa di Compensazione e Garanzia S.p.A. has its registered office in Rome, Via Tomacelli, 146 and a branch in Milan, Piazza degli Affari, 6.

Date of incorporation and date of termination of the company

The Company was incorporated on 31 March 1992 and will end on 31 December 2100.

Companies' Register

The company is entered in the Companies' Register of the Chamber of Commerce of Rome under No. 04289511000.

Legal form

The company is a joint stock company duly incorporated and existing under the laws of Italy, endowed with a management and control system based on the presence of a Board of Directors and a Board of Statutory Auditors.

The Company is subject to the management and coordination activities of Euronext Holding Italia S.p.A.

The following information is not exhaustive and is based on By-laws. The full text of the By-laws is available at the company's registered office.

(b) Corporate bodies

Board of Directors

The Board of Directors was appointed by the ordinary Shareholders' Meeting of 9 July 2021 and will remain in office for the financial year ending at 31 December 2023.

At 31 December 2021, the Board was made up of the following directors[1]:

Renato Tarantola	Chairman
Giorgio Modica	Executive Director with delegated powers for Finance
Marco Polito	Chief Executive Officer
Simon Bartholemew Gallagher	Director
Mary Therese O’Dea	Independent Director
Alfredo Maria Magri	Independent Director

[1] On December 17, 2021, Dott. Vincenzo Pontolillo resigned from the office of Director of the Board of Directors.

General Management

Marco Polito	General Manager

Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the ordinary shareholders' meeting of 29 April 2021 for three financial years, which will expire with the Shareholders' Meeting convened for the approval of the financial statements at 31 December 2023 and is made up as follows:

Roberto Ruozi	Chairperson
Fabio Artoni	Statutory Auditor
Mauro Coazzoli	Statutory Auditor
Miche Haymar D'Ettory	Acting Auditor
Franco Carlo Papa	Acting Auditor

Risk Committee

The Risk Committee, established in compliance with EU Regulation 648/2012 (EMIR) is made up of 8 members, of which:

(a) two independent Directors of CC&G

(b) three representatives of the clearing members

(c) three representatives of the clients

Composition of the Risk Committee:

Alfredo Maria Magri	Chairperson (Independent Director)
Maria Therese O'Dea	Vice Chairperson (Independent Director)
Simona Corno	Representative of the clearing member Unicredit
Rita Gnutti	Representative of the clearing member Intesa San Paolo
Luca Lotti	Representative of the clearing member Cassa Depositi e Prestiti
Aurelien Martini	Representative of the customer Société Générale
Loubna Serrar	Representative of the customer BNP Arbitrage
Romain Berry	Representative of the customer Flow Traders BV

Remuneration Committee

The Remunerations Committee, established in compliance with Article 7 of EU Delegated Regulation No. 153/2013 and Article 20 of the company's By-laws, is made up of 3 members, of which:

(a) the Vice Chairman of the Board of Directors

(b) two non-executive independent directors

Composition of the Remunerations Committee as at 31 December 2021[1]:

Giorgio Modica

Alfredo Magri

Disciplinary Board

The Disciplinary Board[2], established in compliance with Article 26 of the Code of Conduct, consists of:

Prof. Mario Notari	Chairman
Prof. Marco Lamandini	
Prof. Giuseppe Lusignani	

Board of Arbitrators

Il Collegio dei Probiviri[3], istituito secondo quanto previsto dalle Condizioni Generali Parte I è composto da:

Emanuele Rimini	Chairperson
Matteo Rescigno	
Carlo A. Favero	

The corporate governance structure of Cassa di Compensazione e Garanzia S.p.A. is based on the "traditional" system of management and control, characterized by the presence of the Board of Directors (management and strategic supervision body) and of the Board of Auditors (control body), both appointed by the Shareholders' meeting.

Independent auditing of the accounts is performed pursuant to the law by an audit firm (EY S.p.A.).

The **Board of Directors** is responsible for the strategic lead and supervision of the company's overall activity, as well as for the risk management process, in order for these to be consistent with strategic policies.

The Board is vested with all the powers for the ordinary and extraordinary management of the Company in the framework of the provisions of laws, regulations and By-laws, and has the power and authority to perform all acts that it deems necessary and appropriate for pursuing the corporate purpose.

In particular, the Board of Directors, on the proposal of the Chief Executive Officer:

- defines the strategic guidelines and objectives to be pursued, reviews and approves the strategic, industrial and financial plans and the budget of the Company, as well as agreements and alliances of a strategic nature, monitoring periodically their implementation;
- defines, determines and documents the Company's system of risk targets (so called Risk Appetite Framework);
- it defines the Company's risk management policy, providing a periodical review of these;
- defines the principal guidelines of the Company's internal controls system; evaluates on an annual basis, the adequacy, effectiveness and actual functioning of the internal controls system;
- reviews and approves the Company's transactions with a significant strategic, economic, equity and financial relevance for the Company;

[1] On December 17, 2021, Dr. Vincenzo Pontolillo resigned from office.
[2] Appointed by the shareholders' meeting of 24 April 2020 for three years.
[3] Appointed by the Board of Directors meeting of 25 March 2020 for three years.

- grants and revokes powers to and from its members, defining the limits and procedures for exercising such powers;
- it also establishes the frequency, in any event never exceeding a financial quarter, according to which the delegated bodies must report to the Board about the activities carried out while exercising the delegated powers;
- establishes one or more internal Committees, with proposing and consultative functions, including the Remuneration Committee, appointing the members and establishing duties and remuneration;
- establishes a Risk Committee and determines its operating rules;
- evaluates the general performance of the Company's management, on the basis of the information received from the directors with delegations, paying particular attention to the situations of conflict of interest and comparing the results obtained with those planned;
- formulates the proposals to be submitted to the Shareholders' Meeting;
- approves the regulations;
- exercises other powers and carries out the duties required from it by the law and By-laws.

Without prejudice to its exclusive competence, the Board of Directors attributed powers of ordinary management and representation to some of its members, in line with the provisions of the By-laws. The directors vested with particular duties by the Board of Directors are the Chairperson, the Deputy Chairperson, the Chief Executive Officer, and the Director with delegated powers for finance. The Board also appointed a General Manager.

The Chairman has the legal representation of the Company in relation to third parties and before the Court, jointly with the Vice Chairman.

The Deputy Chairperson has the duty to implement the strategic guidance resolved upon by the Board, oversee international relations and make decisions regarding negotiating, perfecting or making amendments concerning national and international alliances and agreements.

The Managing Director is granted all the management powers to centrally manage counterparty guarantee systems operated by the Company and guarantee systems other than those operated by a central counterparty managed by the Company, as well as financial management powers instrumental to the performance of the central counterparty activity provided for in the Company's By-laws.

The General Manager oversees the operations of the Company, has the Company's signature for acts of ordinary management, sees to the implementation of the resolutions of the Shareholders' Meeting and the Board of Directors and oversees the performance of the office.

The Director with delegated powers for finance is granted all powers concerning administration and finance, with the exception of the powers to manage the financial resources deriving from the performance of central counterparty activities provided for by the By-laws and granted to the Managing Director.

Persons in possession of the integrity and professionalism requirements established by the Italian Ministry of Economy and Finance for representatives of the management companies of regulated markets and centralised management of financial instruments, or in possession of the specific requirements provided by law for central counterparties may be vested with the office of director.

At least one third of the directors in office, but no less than two of them, are independent according to that defined by EU Regulation No 648/2012. The Board of Directors resolves upon the existence of the above-mentioned requirements in the next appropriate meeting subsequent to the appointment or to learning that the requirements no longer exist. Independent Directors play a central role in the governance of the Company. They are directly engaged in the matters where potential conflicts of interest may arise, such as risk management and the remuneration of directors, as well as the key personnel of control functions, through participation in the Remuneration and Risk Committees.

The **Remuneration Committee** has proposing and consultative functions in the matter of remunerations of personnel, with particular interest in the more significant company representatives and personnel responsible for risk management, compliance control and internal audit functions; it creates and develops the remuneration policy, monitors its implementation through senior management and periodically reviews its proper functioning.

The Risk Committee is a consultative committee of the board. The Committee expresses its mandatory non-binding opinion to the Board of Directors, on the measures that can affect the management of risks deriving from the Company's central counterparty activities.

In particular, the Committee expresses its opinion on:

- characteristics of the risk models adopted, including models relating to interoperability agreements with other central counterparties, as well as any substantial amendments to the aforementioned models, the relevant methods and the framework for liquidity risk management;
- the internal reference framework for defining the types of extreme but plausible market conditions and the revisions, implemented for the purpose of determining the minimum amount of the default funds, proceeding with the evaluations provided by Articles 29, paragraph 3, and 31 of the EU Delegated Regulation No 153/2013;
- the policy for the management of default procedures;
- the liquidity plan adopted by the Company, in compliance with the provision of Article 32 of EU Delegated Regulation No 153/2013;
- the admission criteria of members;
- the criteria adopted for admitting new classes of secured instruments;
- the outsourcing of functions;
- the policy concerning the use of derivative contracts, for the purpose of Article 47 of EU Regulation No 648 of 2012.

The Committee may also submit proposals to the Board of Directors on matters relating to the management of CC&G risk.

The committee’s advisory and proposal-making activities do not extend to decisions relating to the current operations of the Company.

The Committee prepares an annual report, containing information on activities carried out and their assessments of the Company’s risk management. This report is attached to the annual report on the organisational structure and the management of risk addressed to the supervisory Authorities.

The **Board of Statutory Auditors** is the body responsible for oversight of compliance with the provisions of the law and By-laws, compliance with the principles of correct management and, in particular the adequacy of the internal control system and the organisational, administrative and accounting structures and their proper functioning. The Board of Statutory Auditors is also required to make a reasoned proposal to the Shareholders' Meeting when it appoints the independent auditors.

The Board of directors also performs the functions of Internal Control and Legal Audit Committee, as provided by article 7 of EU Delegated Rule No. 153 of 2013.

The members of the Board of Auditors are appointed for a term of three financial years and may be re-elected.

Each of the members of the Board of Statutory Auditors must possess the requirements of integrity, professionalism and independence, provided for by the law and By-Laws.

The **Shareholders' Meeting** is the body that represents all the shareholders and is responsible for resolving in the ordinary meeting with regard to the approval of the annual financial statements, the appointment and revocation of the members of the Board of Directors, the appointment of the members of the Board of Auditors and their Chairpersons, the determination of the remunerations of the directors and auditors, the conferral of the accounting audit appointment, the responsibility of directors and auditors. The extraordinary shareholders' meeting is responsible for deciding with regard to amendments to the Company's By-Laws and transactions having an extraordinary character such as capital increases, mergers and demergers, except the duties attributed to the competence of the Board of Directors by Article 19 of the By-Laws, as already specified above.

The **independent auditing of the accounts** is carried out pursuant to the law by a company listed in the Special Register kept by Consob. The Shareholders' Meeting of 15 April 2015 conferred the relevant appointment, for the term of nine financial years on the basis of the applicable provisions of law, on EY S.p.A. for the financial years closing on 31 December 2015 to 31 December 2023.

(c) The Company's purpose

The Company is authorised to carry out clearing services as a central counterparty pursuant to (EU) Regulation No 648/2012.

In compliance with Article 4 of the By-laws, the Company has the following corporate purpose:

a) the management and provision of clearing services in its capacity as central counterparty, as defined by European and domestic legislation (in particular by the provisions of EU Regulation No 648/2012 and by Legislative Decree No 58 of 24 February 1998);
b) the implementation of activities conducive to and related to clearing;
c) the management of any other guarantee systems not included in the preceding paragraph;
d) the management and monitoring, also on behalf of third parties, of guarantees of any kind, including bank guarantees, security interests, monetary and security guarantees, including through adjustment techniques of the same guarantees to secured obligations, as well as the implementation, also on behalf of third parties, of cashing and payment instructions.

The Company may also carry out any promotional and marketing activities for its services and products, as well as any activities related or conducive to what is provided for in the preceding paragraphs.

In particular, the Company may provide, manage and market, technological services and advisory support mainly relating to clearing and guarantee and risk management activities.

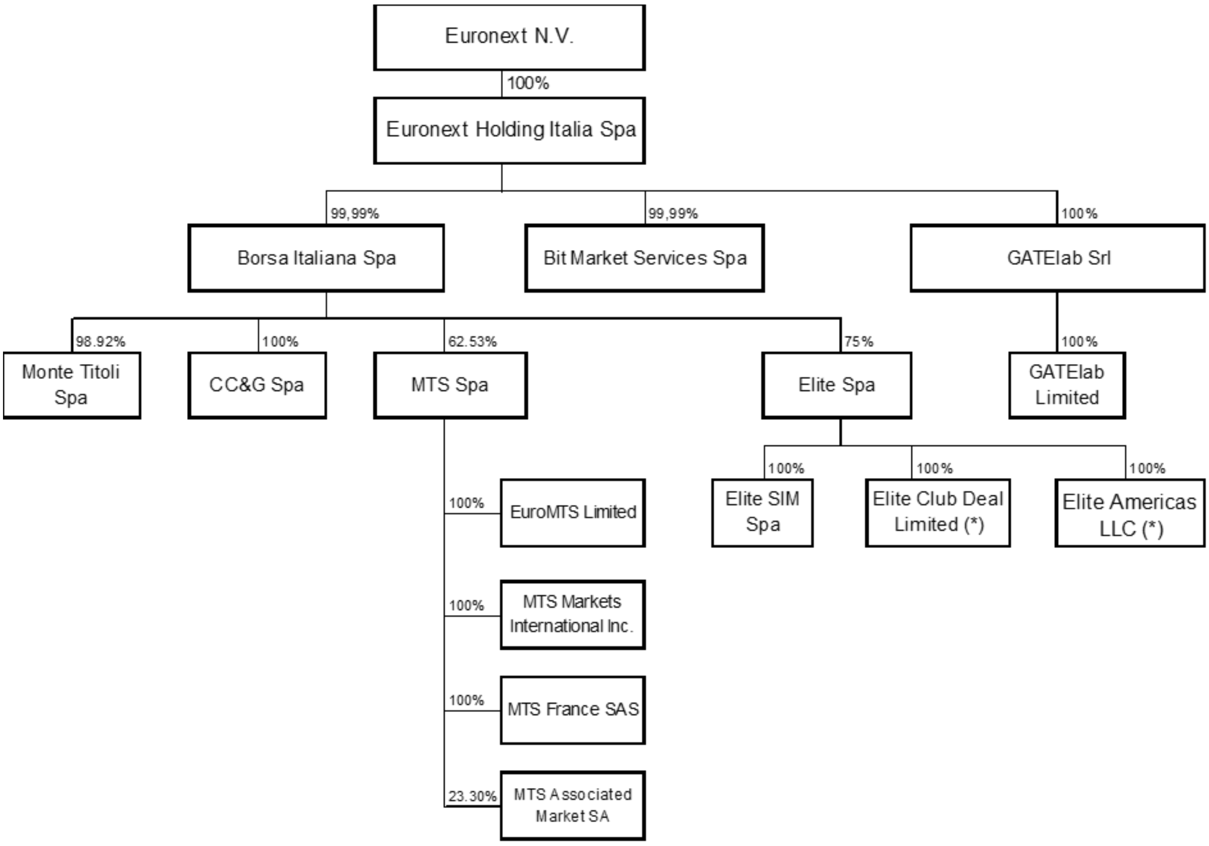
(d) Share capital

The share capital amounts to € 33,000,000.00, fully paid up. It is divided into 5,500 ordinary shares with a nominal value of € 6,000.00 each.

(e) Structure of the Group

Pursuant to Article 2497 et seq. of the Italian Civil Code, at 31 December 2021, Cassa di Compensazione e Garanzia S.p.A. is 100% controlled by Borsa Italiana S.p.A. and is subject to the management and coordination activities of Euronext Holding Italia S.p.A., in turn controlled by the Euronext N.V..

Cassa di Compensazione e Garanzia S.p.A. holds no equity interests.



(*) In liquidation

2.7 Relationships with related parties

For a review of relationships with related parties, reference is made to the appropriate paragraph in the Explanatory Notes.

2.8 Significant events after the close of the financial year

Alongside the signs of improvement in the Covid-19 infections, after the further wave caused by the spread of the Omicron variant in the last quarter of 2021, the worsening of the geopolitical crisis in the Eastern Europe culminated at the end of February 2022 in the invasion of Ukraine by Russia, generating severe macroeconomic imbalances and triggering a serious humanitarian crisis. The instability resulting from the conflict has further put the energy sector, already in crisis for several months, in difficulty with a significant impact on the prices of raw materials and the real economy, causing a new slowdown in the prospects for post-pandemic recovery.
These events, together with the sanctions imposed by Western countries against Russia and its banks, have had disruptive effects on the markets and the securities price all over the world, resulting in the persistence of a scenario of high volatility.
Apart from the above, no significant events occurred after the end of the financial year, such as:

- announcement or launch of restructuring plans,
- capital increases,
- assumption of significant contractual commitments,
- significant disputes that arose after the end of the year.

2.9 Approval of the draft financial statements, proposed allocation of profit, and change of the restricted reserve from "skin-in-the-game"

Dear Shareholders,

We ask you to approve the draft financial statements for the year ending 31 December 2021 (Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Statement of Cash Flows and Explanatory Notes) in their entirety and their individual entries and propose to allocate the net profit for the period of € 53,234,061.31, as follows:

- to Shareholders, as a dividend equal to € 9,195.00 for 5,500 ordinary shares with a nominal value of € 6,000.00 each representing the Share Capital, for a total of € 50,572,500.00;
- to Reserves, the remaining profit of € 2,661,561.31 in order to enable the capital strengthening of the company.
- to change, on the basis of the calculation of the Regulatory Capital requirements - provided for in Regulation (EU) No. 648/2012 (EMIR) - shown in Section D - Other Information, the Restricted Reserve pursuant to Article 45, paragraph 4 of Regulation (EU) 648/2012 (Skin in the Game) - which, following the approval of the Shareholders' Meeting of 29 April 2021 amounted to € 19,785,092.00 - taking it to the new value calculated (pursuant to Regulation (EU) 648/2012) of € 18,520,848.00, allocating the difference to the item Other Reserves.

The dividend will be payable from 4 May 2022.

Rome, 24 March 2022

for the Board of Directors

The Chairman

Renato Tarantola

3. Financial statements for the year ending 31 December 2021

Balance Sheet

ASSETS

(Amounts in euro)

	Assets	31/12/2021	31/12/2020
10.	Cash and cash equivalents	10.540.778.657	6.851.811.248
20.	Financial assets measured at fair value through profit or loss	11.128.626.758	6.434.573.671
	a) financial assets held for trading (for CCP activities)	*11.123.681.590*	*6.427.775.735*
	c) other financial assets with mandatory measurement at fair value (for CCP activities)	*4.945.168*	*6.797.936*
30.	Financial assets measured at fair value through other comprehensive income	4.576.120.610	6.037.128.098
40.	Financial assets measured at amortised cost	111.720.484.832	109.921.265.541
	a) receivables from banks	*974.061.243*	*1.084.237.605*
	b) receivables from financial companies	*5.075.053.801*	*2.675.129.772*
	c) receivables from customers	*22.801*	-
	d) other receivables	*105.671.346.987*	*106.161.898.164*
80.	Property, plant and equipment	2.583.485	2.980.689
90.	Intangible assets	6.516.303	4.584.551
100.	Tax assets	9.134.661	10.481.851
	a) current	*8.190.842*	*10.481.851*
	b) deferred	*943.819*	-
120.	Other assets	2.905.157	978.108
	TOTAL ASSETS	**137.987.150.463**	**129.263.803.757**

LIABILITIES AND SHAREHOLDERS' EQUITY ITEMS

(Amounts in euro)

	Liabilities and shareholders' equity items	31/12/2021	31/12/2020
10.	Financial liabilities measured at amortised cost	126.648.374.953	122.594.077.411
	a) payables	*126.648.374.953*	*122.594.077.411*
20.	Financial liabilities held for trading (for CCP activities)	11.123.681.590	6.427.775.735
30.	Financial liabilities measured at fair value (for CCP activities)	4.126.425	6.175.558
60.	Tax liabilities	-	4.716.861
	a) current	-	-
	b) deferred	-	*4.716.861*
80.	Other liabilities	7.495.954	7.391.830
90.	Employee severance indemnity provision	1.134.093	1.270.072
110.	Share capital	33.000.000	33.000.000
150.	Reserves	116.381.939	113.179.163
160.	Valuation reserves	(278.552)	13.229.041
170.	Profit (Loss) for the year	53.234.061	62.988.086
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**137.987.150.463**	**129.263.803.757**

Income statement

(Amounts in euro)

	Items	31/12/2021	31/12/2020
10.	Interest receivable and similar revenues	1.265.479.641	2.294.831.655
20.	Interest expenses and similar charges	(1.218.683.902)	(2.239.498.723)
30.	**NET INTEREST INCOME**	**46.795.739**	**55.332.932**
40.	Commissions receivable	44.697.593	47.539.706
50.	Commissions payable	(1.250.077)	(1.278.843)
60.	**NET COMMISSION INCOME**	**43.447.516**	**46.260.863**
70.	Dividends and similar income	4.821	3.434
80.	Net income from trading activities	-	-
100.	Profit (Loss) from sale or repurchase of:	6.233.913	439.728
	b) financial assets measured at fair value impacting on comprehensive income	*6.233.913*	*439.728*
110.	Net income from other financial assets and liabilities measured at fair value impacting the income statement	1.686	129.548
	b) other financial assets with mandatory measurement at fair value	*1.686*	*129.548*
120.	**INTERMEDIATION MARGIN**	**96.483.675**	**102.166.505**
130.	Net value adjustments for credit risk of:	(54.649,00)	-
	a) financial assets measured at amortised cost	(54.649,00)	-
150.	**NET FINANCIAL INCOME**	**96.429.026**	**102.166.505**
160.	Administrative expenses:	(23.240.365)	(22.791.366)
	a) personnel expenses	*(7.993.208)*	*(7.743.422)*
	b) other administrative expenses	*(15.247.157)*	*(15.047.944)*
180.	Net adjustments/write-backs on tangible assets	(1.263.203)	(1.278.934)
190.	Net adjustments/write-backs on intangible assets	(1.040.868)	(756.792)
200.	Other operating expenses and income	1.915.517	991.123
210.	**OPERATING COSTS**	**(23.628.919)**	**(23.835.969)**
260.	**PROFIT (LOSS) OF CURRENT OPERATIONS BEFORE TAX**	**72.800.107**	**78.330.536**
270.	Income taxes for the financial year on current operations	(19.566.046)	(15.342.450)
280.	**PROFIT (LOSS) OF CURRENT OPERATIONS NET OF TAXES**	**53.234.061**	**62.988.086**
300.	**PROFIT (LOSS) FOR THE YEAR**	**53.234.061**	**62.988.086**

Statement of comprehensive income

(Amounts in euro)

	Items	31/12/2021	31/12/2020
10.	**Profit (Loss) for the year**	**53.234.061**	**62.988.086**
	Other comprehensive income, net of taxes, without reversal to income statement	**338.704**	**212.261**
70.	Defined benefit plans	338.704	212.261
	Other comprehensive income, net of taxes, with reversal to income statement	**(13.791.607)**	**7.715.963**
140.	Financial assets (other than equities) measured at fair value through other comprehensive income	(13.791.607)	7.715.963
170.	**Total other income components net of taxes**	**(13.452.903)**	**7.928.224**
180.	**Comprehensive income (Item 10+170)**	**39.781.158**	**70.916.310**

Statement of changes in Shareholders' Equity

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 December 2021

(Amounts in euro)

	Balances at 31/12/2020	Change to the opening balances	Balances at 01/01/2021	Allocation of the result of the previous financial year		Changes that occurred in the financial year						Comprehensive income for the year 2021	Shareholders' Equity at 31/12/2021
							Transactions on Shareholders' Equity						
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes		
Share capital	33.000.000		33.000.000										33.000.000
Share premium	-		-										-
Reserves:	-		-										-
- legal	6.600.000		6.600.000										6.600.000
- other reserves	104.441.086		104.441.086	3.148.086									107.589.172
- profits/losses brought forward	-		-										-
- fund for the purchase of shares of parent company	2.082.568		2.082.568									54.690	2.137.258
- FTA reserve	55.509		55.509										55.509
Valuation reserves	13.229.041		13.229.041									(13.507.593)	(278.552)
Equity instruments	-		-										-
Own shares	-		-										-
Profit (Loss) for the year	62.988.086		62.988.086	(3.148.086)	(59.840.000)							53.234.061	53.234.061
Shareholders' Equity	222.396.290	-	222.396.290	-	(59.840.000)	0	-	-	-	-	-	39.781.158	202.337.448

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 December 2020

(Amounts in euro)

	Balances at 31/12/2019	Change to the opening balances	Balances at 01/01/2020	Allocation of the result of the previous financial year		Changes that occurred in the financial year						Comprehensive income for the year 2020	Shareholders' Equity at 31/12/2020
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on Shareholders' Equity: Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes		
Share capital	33.000.000		33.000.000										33.000.000
Share premium	-		-										-
Reserves:	-		-										-
- legal	6.600.000		6.600.000										6.600.000
- other reserves	84.104.929		84.104.929	20.336.157									104.441.086
- profits/losses brought forward	-		-										-
- fund for the purchase of shares of parent company	2.082.568		2.082.568										2.082.568
- FTA reserve	55.509		55.509										55.509
Valuation reserves	5.300.817		5.300.817									7.928.224	13.229.041
Equity instruments	-		-										-
Own shares	-		-										-
Profit (Loss) for the year	53.281.157		53.281.157	(20.336.157)	(32.945.000)							62.988.086	62.988.086
Shareholders' Equity	184.424.980	-	184.424.980	-	(32.945.000)	0	-	-	-	-	-	70.916.310	222.396.290

Cash Flow Statement

DIRECT METHOD

(Amounts in euro)

A. OPERATING ACTIVITIES	Amount	
	31/12/21	31/12/20
1. Management	**39.558.728**	**70.385.927**
- interest income received (+)	(81.309.508)	(68.565.290)
- interest expenses paid (-)	121.645.140	145.769.478
- dividends and similar income (+)	4.821	3.434
- net commission income (+/-)	43.348.471	46.500.721
- personnel expenses (-)	(7.715.121)	(10.570.486)
- other expenses (-)	(10.107.075)	(15.235.460)
- other revenues (+)	2.956.385	1.747.915
- taxes (-)	(29.264.385)	(29.264.385)
2. Liquidity generated / absorbed by financial assets	**(4.572.280.969)**	**4.369.483.000**
- financial assets held for trading for CCP activities	0	0
- financial assets with mandatory measurement at fair value for CCP activities	(185.889)	(236.003)
- financial assets measured at fair value through other comprehensive income	1.445.284.070	(507.379.205)
- financial assets measured at amortised cost	(6.016.799.291)	4.886.556.864
- other assets	(579.859)	(9.458.656)
3. Liquidity generated / absorbed by financial liabilities	**4.590.381.126**	**(4.374.643.734)**
- financial liabilities measured at amortised cost	4.585.381.361	(4.390.780.765)
- financial liabilities held for trading for CCP activities	0	0
- financial liabilities with mandatory measurement at fair value for CCP activities	(10.476)	10.586
- other liabilities	5.010.241	16.126.445
Net liquidity generated/absorbed by operating activity	**57.658.885**	**65.225.193**
B. INVESTMENT ACTIVITY		
1. Cash generated from	**-**	**-**
- sales of tangible assets	0	0
- sales of intangible assets	0	0
2. Cash absorbed by	**(3.838.619)**	**(4.630.915)**
- purchases of tangible assets	(866.000)	(2.417.236)
- purchases of intangible assets	(2.972.619)	(2.213.679)
Net liquidity generated/absorbed by investment activity	**(3.838.619)**	**(4.630.915)**
C FUNDING ACTIVITY		
- distribution of dividends and other	(92.785.000)	0
Net cash generated/absorbed by funding activity	**(92.785.000)**	**0**
CASH GENERATED/ABSORBED IN THE YEAR	**(38.964.734)**	**60.594.278**

RECONCILIATION

	Amount	
	31/12/21	31/12/20
Cash and cash equivalents at beginning of the year	89.947.252	29.352.975
Total net cash generated/absorbed during the year	(38.964.734)	60.594.278
Cash and cash equivalents at year end	50.982.518	89.947.253

Explanatory Notes

Part A - Accounting policies

A.1 - General part

Cassa di Compensazione e Garanzia S.p.A. manages clearing and settlement systems for transactions on derivative and other financial instruments pursuant to EU Regulation 648/2012 EMIR (European Market Infrastructure Regulation), which dictates, at the European level, common rules to all central counterparties defining new levels of transparency and security for the markets.

Section 1 – Declaration of compliance with international accounting standards

On 1 January 2005, Cassa di Compensazione e Garanzia S.p.A. adopted the international accounting standards.

The separate financial statements of the company are prepared according to the accounting standards issued by the International Accounting Standards Board (IASB) and the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC) and endorsed by the European Commission, as provided for by EC Regulation No 1606 of 19 July 2002 transposed in Italy by Italian Legislative Decree No 38 of 28 February 2005, up to the date of approval of these financial statements. In preparing these financial statements the same accounting standards have been used, where applicable, as those adopted in preparing the financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the going concern assumption.

Section 2 - General principles

The financial statements for the year ending 31 December 2021, prepared in Euro, consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement[5], Explanatory Notes and the relevant comparative information; they are also accompanied by the Report on Operations prepared by the Directors.

The financial statements were derived from the tables proposed by the instructions contained in "The financial statements of IFRS intermediaries other than banking intermediaries" document issued by the Bank of Italy on 29 October 2021, suitably adjusted to take into account specific activities carried out by the Company, and taking into account the Bank of Italy Communication of 21 December 2021. To ensure greater compliance with the Bank of Italy's instructions, some tables in the Explanatory Notes were modified according to these tables, and some values were reclassified to take into account the different exposure[6]. The comparison with the previous year was maintained, as per the regulations.

The financial statements were prepared clearly and are a true and accurate representation of the equity situation, the financial situation and the economic result. The Explanatory Notes to the financial statements provide an exhaustive explanation aiming to outline a clear, truthful and accurate presentation of the financial statements.

5 The cash flow statement for the financial year and the previous year was prepared using the direct method, which indicates the main categories of gross cash receipts and payments. The direct method provides useful information in the estimate of future cash flows.
6 In the Balance Sheet, the Income Statement, the Statement of Comprehensive Income and the Explanatory Notes no items were provided that do not present amounts for the financial year to which they relate nor for the preceding financial year.

The IASs/IFRSs were applied with reference also to a "conceptual model for financial reporting" (so called "framework") particularly with regard to the basic principle involving substance over form, and the concept of relevance and significance of the information.

Financial-statement items were evaluated based on the continuity of the company's business and taking into account the economic function of the assets and liabilities considered.

In compliance with the provisions of IAS 1, the following general principles were observed in preparing the interim financial statements:

- going concern: the financial statements were prepared on the basis of a going-concern assumption; therefore, assets, liabilities and off-balance-sheet transactions were measured according to operating criteria;
- economic pertinence: costs and revenues were recognised on the basis of economic accrual and according to the criterion of correlation;
- relevance and aggregation of items: each relevant class of items has been presented separately in the financial statements. Items of dissimilar nature or allocation have been aggregated only if irrelevant;
- offsetting: assets and liabilities, income and charges must not be offset unless expressly required or allowed by a standard or an interpretation;
- comparative information: comparative information is provided for a previous period for all data presented in the financial statements unless otherwise called for by a standard or an interpretation;
- uniformity of presentation: the presentation and classification of the items have been kept constant over time in order to ensure that the information is comparable, unless otherwise specifically required by new accounting standards or by their interpretations.

The assessment criteria adopted are therefore consistent and comply with the principles of relevance, significance and meaningfulness of accounting information as well as prevalence of economic substance over legal form. These criteria have not been changed with respect to the previous year.

Main risks and uncertainties

In document No 2 of 6 February 2009 and again in document No 4 of 3 March 2010, Bank of Italy, Consob and Isvap requested that financial reports provide information that is indispensable for a better understanding of the Company's performance and prospects.

The company also took into account the Bank of Italy Communication of 21 December 2021 and, in particular, in relation to the risks, uncertainties and impacts of the COVID-19 epidemic please see what is described in the report on operations and below in section 4.

Having regard to those recommendations and with reference to the precondition of business continuity, it is pointed out that the financial statements as at 31 December 2021 were prepared based on the perspective of business continuity, there being no reasons to consider that the Company will not continue operating in the foreseeable future. In fact, no aspects were found in the equity and financial structure and in the operating performance that would lead to uncertainties on this issue. Information on the risks and uncertainties to which the Company is exposed are described in the context of this report.

The information on financial risks and operational risks, the methods for managing the same, is given in the dedicated section of the Report on the Operations and in the Explanatory Notes to the financial statements.

Group tax regimen

The Company exercised jointly with the Parent Company Euronext Holding Italia S.p.A. the option for the national consolidation regimen for the three years 2019 – 2021. The option is irrevocable for three years, unless the requisites for application of the regimen are no longer met and with the possibility of revocation at the end of the three years.

The economic relationships, as well as the reciprocal responsibilities and obligations, between the Company and the parent are defined in the "Regulation for participation in the national consolidation taxation regimen of the group controlled by Euronext Holding Italia S.p.A.".

The national tax consolidation is an arrangement introduced by the tax reform (Italian Legislative Decree no. 344 of 12 December 2003 and related implementing decrees) which offers groups of companies resident in Italy the opportunity to optimise taxation.

On 24 September 2019 London Stock Exchange Group Holdings Italia S.p.A. and its Italian subsidiaries exercised the option for the establishment of the VAT Group, governed by articles from 70-bis to 70-duodecies of Italian Presidential Decree no. 633/1972.

The option is effective from 1 January 2020 and will have a three-year duration, with automatic renewal from year to year, unless revoked.

As a result of the option, both the performance of services and sales of goods between subjects belonging to the VAT Group are not relevant for the purposes of value added tax. Sales of goods and the performance of services made by a subject that belongs to the VAT Group to an external subject, are considered made by the VAT Group; sales of goods and the performance of services made by an external subject to a subject in the group are considered made to the VAT Group.

New accounting standards applicable to financial period ended 31 December 2021

In compliance with IAS 8, the following table shows the new international accounting standards, or the amendments to the standards already into force, with the related approval Regulations whose application has become mandatory from the financial period ended 31 December 2021.

EU Regulation and publication date	**Document title**	**Date of approval**	**Date of entry into force**
(UE) 2020/2097 16 December 2020	Extension of the temporary exemption from the application of IFRS 9 (Amendments to IFRS 4)	15 December 2020	1 January 2021
(UE) 2021/25 14 January 2021	Reform of benchmarks – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	13 January 2021	1 January 2021
(UE) 2021/1421 31 August 2021	Concessions on lease payments due to COVID-19 after 30 June 2021 (Amendments to IFRS 16)	30 January 2021	1 January 2021

Amendment to IFRS 4 – Insurance contracts, deferred application of IFRS 9 (published 25 June 2020)

On 15 November 2020, the European Union approved the Regulation for the extension of the temporary exemption from the application of IFRS 9 - Amendments to IFRS 4 Insurance Contracts. In particular, the amendments to IFRS 4 extend the expiry of the temporary exemption from the application of IFRS 9 until 2023 in order to align the date of entry into force of IFRS 9 with the new IFRS 17 and thus remedy the accounting consequences. which could occur in the event of the entry into force of the two standards on different dates.

The amendment applies from the commencement date of their first financial year beginning 1 January 2021 or later.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments include the temporary easing of the requirements with reference to the effects on the financial statements when the interest rate offered on the interbank market (IBOR) is replaced by an alternative essentially risk-free rate (Risk Free Rate - RFR). The changes include the following practical expedient:

- A practical expedient that allows to consider and treat contractual changes, or changes in cash flows that are directly required by the reform, as changes in a variable interest rate, equivalent to a movement in an interest rate in the market;
- Allow the changes, required by the IBOR reform, to be made to the documentation for the designation of the hedging relationship without this having to be terminated;
- Provides a temporary relief in separate identification requirements when an RFR is designated as hedging a risk component

Amendments to IFRS 16 Covid-19 Related Rent Concessions after 30 June 2021
On 28 May 2020, the IASB published an amendment to IFRS 16. This amendment allows a lessee not to apply the requirements of IFRS 16 on the accounting effects of contractual amendments for reductions in lease payments granted by lessors that are a direct consequence of the Covid-19 pandemic. The amendment introduces a practical expedient whereby a lessee may choose not to assess whether the reduction in lease payments represent a contractual change. A lessee who chooses to use this expedient accounts for the reductions as if they were not contractual changes under IFRS 16. The changes were to be applicable until 30 June 2021, but as the impact of the Covid19 pandemic continues, on 31 March 2021, the IASB extended the period of application of the practical expedient until 30 June 2022. The amendments apply to financial years starting on 1 April 2021 or later.
The new standards or amendments reported above have not had a significant impact on the company's financial statements.

International accounting standards approved by the European Union but not yet into force

The following table shows the new international accounting standards, or the amendments to the standards already into force, with the related Regulations approved by the European Union, whose adoption will become mandatory starting from 1 January 2022 (or from a later date in case of financial statements relating to financial years different from the calendar year).

Standard/ Interpretation	**Title**	**Date of publication**	**Date of entry into force**
IFRS 17	Insurance contracts	18 May 2017	1 January 2023
Standard/ Interpretation	**Amendements**	**Date of publication**	**Date of entry into force**
IAS 1	Presentation of the Financial Statements: classification of liabilities as current or non-current and Deferral of the effective date of the classification of liabilities as current and non-current	23 January 2020	1 January 2023
IFRS 3	Business Combination	13 May 2020	1 January 2022
IAS 16	Property, Plants and Equipment	14 May 2020	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	14 May 2020	1 January 2022

IAS 8	Changes in Accounting Estimates and Errors: Definition of Accounting Estimate.	12 February 2021	1 January 2023
IAS 12	Income taxes: Deferred taxes relating to assets and liabilities deriving from a single transaction	7 May 2021	1 January 2023

Section 3 - Events subsequent to the reference date of these financial statements

In the period between the date of these financial statements and their approval by the Board of Directors and besides what was already reported in the Directors' Report, no events have occurred that require an adjustment of the data approved at that meeting. The draft financial statements were approved by the Board of Directors on 24 March 2022 and were authorised for publication on that date (IAS 10).

Section 4 - Other aspects

In consideration of the unique nature of the service rendered by the Company and the fact that it is geographically concentrated within the country, the Segment reporting provided by IFRS 8 is represented by the financial statements themselves.

With reference to the changes in the accounting estimates associated with COVID-19, we can specify that these had no significant effect in the year or that they are not expected to have an effect in future years. We can also specify that no contractual modifications and accounting cancellations were made during the year.

Cassa di Compensazione e Garanzia S.p.A.'s financial statements for the year ending 31 December 2021 are subject to audit by EY S.p.A.

A.2 – Section relating to the main items of the financial statements

Cash and cash equivalents

Cash and cash equivalents include items that meet the requirements of on-demand or short-term (3 months) availability, are successful and do not incur collection costs. Starting from the balance sheet closed on 31 December 2021, this item also includes "sight" loans (current accounts and sight deposits) from banks, as per the provision of 29 October 2021 of the Bank of Italy.

Financial assets measured at fair value impacting on the income statement - Financial trading assets/liabilities for Central Counterparty activities

These items show measurement at fair value of open transactions not settled at the reporting date (so-called "open interest") on the derivatives market (IDEM Equity, IDEX and AGREX) in which Cassa di Compensazione e Garanzia operates as a central counterparty.

In particular, these items include:

- contracts relating to derivative financial instruments on the FTSE MIB stock market index (index futures, stock mini-futures, index options, etc.);
- Derivative financial instruments contracts on single stocks (stock futures, stock options);
- Commodity futures contracts (energy and durum wheat futures).

The fair value valuation of such positions is determined on the market price of each individual financial instrument at the closing of the financial year; since the Company has a perfect balance of assets and liabilities, this amount is equally entered in both assets and liabilities, therefore the fair value of both items does not lead to any net profit or loss in the income statement of the Company (item "Net profit/loss from trading activities").

Financial assets measured at fair value through profit or loss - Other financial assets/liabilities measured at fair value for Central Counterparty activities

The company, operating as central counterparty in trades on regulated markets of standardised financial instruments, decided to adopt the settlement date as reference date for the recognition of financial assets and therefore these items include:

- listed share and bond financial instruments, measured at fair value, which CC&G has in its portfolio, having already collected them in the T2S and ICSD (international CSD) settlement systems, and has not yet delivered to the purchasing intermediaries;
- the valuation at fair value of financial assets/liabilities traded and not yet settled on stock and bond markets (both for transactions carried out around the turn of the year and for which the trade date has already passed but not the settlement date and for transactions that have reached the settlement date but not yet settled).

These items are represented in the item 'Guarantees and commitments' in Part D - "Other information".

The "fair value" of the financial instruments in the portfolio has been determined on the basis of the market price of each individual financial instrument at the moment of "withdrawal" in the framework of the T2S and ICSD settlement systems (date of first recognition); subsequently the changes in fair value of the securities in the portfolio are recorded in the income statement ("Net income from financial assets and liabilities measured at fair value" item) on the basis of the market price at the date of the financial statements, perfectly balanced by the offsetting of the equivalent differences with respect to commitments for transactions to be settled. Memorandum accounts show the nominal value of open interest positions at the reference date of the financial statements: the difference between the nominal value of the securities to be received and the securities to be delivered is provided by the nominal value of securities in the portfolio in question.

Please refer to "Part D - Other information" for the details.

For securities traded as part of central counterparty activities on stock and bond markets and still not concluded at the settlement date, the difference between the settlement price of each individual financial instrument at the trade date and the market price of each individual financial instrument at the end of the financial year, represented by prices recorded on the last day of the year, is recorded. The effects of this valuation are recorded in the income statement (item "Net income from financial assets and liabilities valued at fair value"), to offset the recording of the same amount in respect of the commitment to market counterparties.

Given the company's fully balanced position as market central counterparty with regard to assets and liabilities, no net income or loss is generated.

Financial assets measured at fair value impacting on comprehensive income

This item includes all financial assets (debt instruments, equities and loans) classified in the portfolio at fair value, impacting on comprehensive income. The CCP has decided to include in this item all financial assets that do not belong to other categories of financial instruments typical of its core business.

These assets are initially recognised at fair value, which corresponds to the purchase or subscription cost of the transaction.

This category includes the investment in secured assets of Margins and payments to the Default Funds deposited by participants with the central guarantee system, in compliance with the new EMIR rules.

This refers to EU country Government Bonds and Bonds issued by the European Union and Supranational Bonds issued by the European Investment Bank, the European Stability Mechanism and the European Financial Stability Facility, as well as bonds issued by government agencies of EU countries recognised at fair value under financial assets measured at fair value through other comprehensive income - BS Assets, item 30.

After the initial recording, accrued interest is shown in the Income Statement according to the actual interest rate of the transaction. Financial assets measured at fair value through other comprehensive income are measured at fair value on the basis of the closing prices published on the active market. Capital gains and losses resulting from changes in the fair value are shown directly in the shareholders' equity, in a specific valuation reserve, except for impairment losses.

In case of sale before maturity, the gains and losses from a valuation pending in the shareholders' equity reserve are shown in the income statement in item 100, "Gain/loss deriving from disposal or repurchase of financial assets".

Financial assets/liabilities valued at amortised cost

The initial recognition of financial assets is done on the settlement date for debt instruments and on the date of disbursement in the case of receivables. At the time of initial recognition, assets are stated at their fair value, which normally corresponds to the total amount disbursed for costs/incomes directly determined from the start of the transaction, referring to individual instruments, even if they are settled at a subsequent date. Even though they may have the stated characteristics, costs are excluded when they refer to a reimbursement by the debtor counterparty or if they qualify as administrative costs.

Included in this category are financial assets represented by debt instruments, managed within the scope of a "held to collect" business model, where the contractual flows only represent principal payments and interest on the residual principal (Solely Payment of Principal and Interest test – SPPI – passed). Receivables that do not pass the SPPI test are classified under the portfolio of financial assets that must be measured at fair value (see Financial assets measured at fair value impacting the income statement - Item 20).

After the initial recognition, financial assets stated in this category are measured at amortised cost. The amortised cost equals the difference between the gross carrying amount and the provision for losses determined by the expected credit losses.

The gross carrying amount is the amount in the initial recognition, decreased/increased by:

- principal repayments;
- the amortisation of the difference between the amount paid and the amount reimbursable on expiry, represented by initial costs/incomes. The amortisation is calculated based on the effective interest rate method, which considers these costs/income;
- profits/losses from a concession.

The amortised cost method is not used for short-term receivables where the discounting effect would be negligible. A similar criterion is adopted for receivables without a definite expiry or demand receivables.

At the close of each financial period or interim position, financial assets measured at amortised cost are subject to impairment with the recognition of the expected credit losses (over a 12 month time frame or based on the financial instrument’s entire life, should the credit risk rise significantly in relation to the financial asset’s initial recognition – lifetime expected losses).

Financial assets measured at amortised cost, are classified under three categories (defined as stages) for impairment purposes, in ascending order according to the deterioration in credit quality.

The first category – stage 1 – includes financial instruments that have not undergone a significant increase in the credit risk since initial recognition.

The second category – stage 2 – includes financial instruments that have undergone a significant increase in credit risk, which is measured by taking into account the indicators set by the accounting standard and the relevance these have for the company.

The third category – stage 3 – includes all impaired positions.

Expected credit losses over a 12 month time frame are recognised for financial instruments in the first category. For financial instruments in the other two categories, expected losses are determined over the course of the financial instrument’s entire life cycle (lifetime expected losses).

<u>Receivables/Payables due to clearing members</u>

These are trade receivables/payables whose maturity does not exceed thirty days and, therefore, are not discounted back, and are recorded at their nominal value net of any ancillary collection costs.

<u>Receivables/payables due to clearing members for CCP activities</u>

This item includes receivables/payables originated from clearing member's activities in the derivative, share and bond segments. These include amounts to be received/delivered for initial margins, variation margins and option premiums. These receivables/payables are settled the day after the determination of the receivable and therefore are not discounted back, and represent the fair value, calculated by Cassa di Compensazione e Garanzia, on the basis of procedures that reflect operational risks.

Operational risks mean risks attributable to the correct functioning of the margining system, also taking into account:

- Equity/technical and organisational risks adopted by CC&G for the selection of members;

- The organisational structure and the internal audit system.

This item also includes the value of repurchase agreements (repos) entered into by members in the bond market that make use of the company's clearing and guarantee system. They represent the value of the transactions already settled in cash and not yet forward settled. This item, evaluated at amortised cost, was already valued by allocating the return of such repurchase agreement on a pro-rata temporis basis (coupon accrued during the year and spread between the spot price and forward price). Since the company is perfectly balanced as regards asset and liability positions, this evaluation does not impact on the operating result. This item includes receivables for guarantees given in securities.

Please refer to "Part D - Other information" for the details.

Property, plant and equipment

Property, plant and equipment items are entered at purchase cost inclusive of directly attributable ancillary expenses and the amounts are shown net of depreciation and any impairment losses[7].

Maintenance costs relating to improvements are attributed to the asset to which they relate and are depreciated over the remaining useful life of the asset.

IFRS 16

In accordance with the provisions of the standard IFRS 16, which came into force and was adopted starting from 1 January 2019, the Company accounts for a right of use when it holds control over an asset it does not own for a period of not less than 12 months and when this asset is not of "low value". The corresponding fixed asset is initially recognised at cost and amortised on a straight line basis along the shorter time period between the duration of the leasing contract and the estimated useful life. The cost is calculated as the financial liability for the leasing, plus all other ancillary costs and net of any incentives received. The duration of the leasing is instead equal to the non-modifiable term of the contract, plus any option for extension or reduction due to interruption clauses which, on the basis of the management's judgement, are reasonably likely to be exercised.

The financial liability for the leasing is calculated as the net present value of the future payments that will be made on the basis of the terms provided for in the leasing contract. If the contract provides for extension or interruption clauses, the management uses its judgement to determine whether these are reasonably likely to be exercised.

Since the Company, as also the Group it belongs to, does not have external sources of financing, the net present value of the future payments was calculated using as the rate for discounting the interest rate of intragroup loans, 1.4%.

The financial liability thus determined corresponding to the payments provided for within the next year was classified among current liabilities, while the remainder among non-current liabilities.

The main quantitative information related to rights of use and financial liabilities recognised in the Company's financial statements in application of the standard IFRS 16 is presented below:

[7] The depreciation periods for each category of tangible fixed assets are as follows:

- Automatic data processing systems	three years
- Plant and equipment	five years
- Furniture and fittings	three years

Right-of-use assets

€ 000	Right-of-use 2021	Acc. depn. 2021	Net Book Value 2021
Servers	3.004	1.922	1.083
Cars	28	25	3
Total	**3.033**	**1.947**	**1.086**

Finance lease liabilities

€ 000	2021
Maturity analysis - contractual undiscounted cash flows	
Less than one year	559
One to five years	556
More than five years	-
Total undiscounted cash flows	**1.115**
Total lease liabilities	**1.099**
Current	502
Non Current	597

The interest rate used for discounting the cash flows is 1.4% conventionally understood as the internal rate of return of cash and cash equivalents.

Amounts recognized in the income statement

€ 000	2021
Interest on lease liabilities - Servers	21
Interest on lease liabilities - Cars	-
Depreciation - Servers	807
Depreciation - Cars	9
Annual amount relating to short term leases	-
Annual amount relating to leases of low value assets	-

Intangible Assets

Intangible assets are recorded under assets when it is likely that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably measured. These assets are recorded at purchase cost, net of impairments and amortised on a straight-line basis over the asset's estimated useful life[8].

Impairment of assets

The Company reviews the book value of its tangible and intangible assets to determine whether there are signs that these assets have suffered any impairment.

[8] They refer to:
- software licences, amortised over three years;
- costs for the development of application software, amortised over three years;
- ongoing intangible assets and payments on account relating to costs incurred for the development of specific application software and the purchase of software licences for projects not yet completed; no amortisation has been calculated on this item.

If it is not possible to individually estimate the recoverable amount of an asset, the company estimates the recoverable value of the cash flow generating unit to which the asset belongs[9].

Impairment is recorded if the recoverable amount is below the book value. This impairment loss is reversed in the event that the reasons that led to impairment no longer exist, up to the maximum amount of the original value.

Other assets/liabilities

These are measured at cost, representative of the recoverable value of assets; since they are short-term items, they are not discounted. The item includes receivables relating to bankruptcy proceedings following market insolvencies that have a matching item in the liabilities in the form of amounts owed to members in guarantee funds. The latter refer to long-term receivables and payables that cannot be offset and which should be valued following impairment tests and therefore discounted back. Considering the importance that these items have for members in guarantee funds and considering also that the company will not incur any losses from such insolvency proceedings, it has been deemed appropriate not to proceed with devaluation. In addition, it also includes the receivables/payables to the Parent Company (consolidating entity for the time being) as a result of applying the national tax consolidation system.

Financial assets and liabilities subject to offsetting in the financial statements

As from the year ended 31 December 2017, following discussions with the Group, it was decided to provide more information on the presentation of net or gross financial assets and liabilities (so-called offsetting), in accordance with IAS 32, paragraph 42.

In particular, IAS 32 requires the presentation of financial assets and financial liabilities on a net basis if this representation reflects the future cash flows that the entity expects to obtain from the settlement of two or more separate financial instruments.

There are essentially two criteria for such compensation:

1. a criterion whereby an entity has the legal right to offset amounts recognised in the accounts;
2. a criterion by which an entity intends to settle the net residual amount, or to realise the asset and simultaneously settle the liability.

The net amounts represent financial assets and liabilities offset by a contractual position in accordance with the provisions of Cassa Compensazione e Garanzia S.p.A. regulations.

Operationally, the concept of a contractual position corresponds to an ISIN data item, a member data item and an account item.

Please refer to "Part D - Other information" for the details.

Employee severance indemnity

The employee severance indemnity (TFR) pursuant to article 2120 of the Italian Civil Code is subject to an actuarial valuation, based on assumptions regarding the employees' seniority of service and the remuneration received during a certain period of service. The entry in the financial statements of defined benefit plans requires an estimate - by means of actuarial techniques - of the amount of employees' contributions for the work carried out during the current and previous years and the discounted value of such contributions, in order to determine the present value of

[9] The recoverable value of an asset is the higher of its current value less costs to sell and its value in use. Where the current value is the consideration obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties and the value in use of an asset is calculated by discounting estimated future cash flows, gross of taxes, at a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

the company's commitments. The calculation of the current value of the company's commitments is performed by an external expert according to the Projected Unit Credit Method considering only accrued seniority at valuation date, the years of service at the valuation reference date and the total average seniority at the time the benefit liquidation is expected. Moreover, the aforementioned method entails the consideration of future salary increases, regardless of the reason (inflation, career progress, contracts renewals, etc.) until the termination of the employment.

Regulation No 475/2012 endorsed the amendments to IAS 19, as approved by the IASB on 16 June 2011, with the objective of rendering the financial statements understandable and comparable, above all with regard to defined benefit plans. The most important amendment refers to the elimination of different admissible accounting treatments for recognising defined benefit plans and the consequent introduction of a single method that provides for the immediate recognition in the statement of comprehensive income of the discounted profits/losses deriving from the evaluation of the obligation. In relation to the previous accounting layout adopted, the principal effects consist of the elimination of the recording in the income statement, with immediate recognition in the statement of comprehensive income and, therefore, in the shareholders' equity, of the changes in value of the obligations and of the assets servicing the plan.

Share-based payments

Share-based payments to employees, granted by the previous parent company London Stock Exchange Group Plc, were recorded as an expense in the income statement for the portion of the share allocation plan, determined at fair value, on the grant date and considering terms and conditions to which such instruments were granted. The related liability has been booked within the current liabilities – Short-term intercompany payables (until 31 December 2015 the liability was recorded in the equity into a specific reserve).

Share-based payments to employees, granted by the current parent company Euronext NV, are recorded as an expense in the income statement for the portion of the share allocation plan, determined at fair value, on the grant date and considering terms and conditions to which such instruments are granted. The related liability is booked in a dedicated equity reserve in accordance with the provisions of IFRS 2 in relation to equity-settled share-based payments.

In addition to the cost of the share plan, the portion of the severance indemnity that the Company will have to settle or recognise at the end of the accrual period is recorded in the income statement by increasing the related liabilities.

Revenue and costs recognition

For the purposes of recognising revenue, IFRS 15 is based on the principle of transferring control, and not only the transfer of risks and benefits.

The new standard requires that the contract identifies all performance obligations, where applicable, each with its own revenue recognition model. An analysis of the performance obligations therefore forms the basis for the recognition of each revenue component relating to the different products and/or services offered.

Services are deemed to have been transferred once the customer gains control thereof.

Revenue arising from the rendering of services is not recognised in the income statement while there is a strong possibility that a significant reversal could occur.

Costs are recognised at the time they are incurred.

Interest payable/receivable and similar income and expenses

Financial income and expenses are recorded, using the effective interest rate, as they accrue on the basis of interest accrued on the relevant financial assets and liabilities.

Taxes

Current taxes are recognised on the basis of the estimate of the taxable income in accordance with the current rules and taking into account the applicable exemptions and the tax credits due in the context of the national tax consolidation.

In the case of negative taxable incomes the tax income on these losses is recognised, only in the case of verified capacity on the part of the national tax consolidation.

Income taxes related to previous years, including any monetary sanctions and interest accrued, are included in the income tax expense of the year.

Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount of the assets and liabilities and the corresponding value attributed to them for tax purposes, adopting the tax rates expected to be applicable in the years in which the temporary differences mature.

Deferred tax assets are shown net of deferred tax liabilities, or vice versa, if this offsetting is possible, on the basis of the type and maturity of the differences that originated them.

Deferred tax assets are recognised when there is reasonable certainty of their realisation through adequate taxable incomes in the years in which the deductible temporary differences will mature.

The tax benefit connected with the retainable tax losses is recognised only when there are, at the same time, the following conditions:

- there is reasonable certainty of their recovery on the basis of the capacity of the Company or of the Group national tax consolidation, as a result of the option related to the "tax consolidation", to produce future taxable incomes;
- the tax losses in question derive from clearly identified circumstances and it is reasonably certain that these circumstances will not be repeated.

The deferred tax assets and liabilities related to a transaction or a fact recognised directly in Equity are recognised adjusting the corresponding equity item.

Guarantees and commitments

Regarding items recorded as guarantees and commitments referred to in part D - "Other information", we can note that:

- third party securities deposited as collateral and securities to be received/delivered for transactions to be settled are recorded at their nominal value;
- sureties deposited as guarantee are recorded at their nominal value;
- securities to be received/delivered for transactions to be settled are recorded at the nominal value of open interest positions at the balance sheet reference date.

No guarantees were issued by the company in favour of third parties.

Use of estimates

The preparation of the financial statements and of the relevant notes pursuant to International Accounting Standards requires the use of estimates and assumptions which impact the value of assets and liabilities in the financial statements and in the information related to potential assets and liabilities at the reporting date. Final results could differ from the estimates made.

Estimates and assumptions are periodically reviewed and the effects of the changes are recorded in the income statement.

In particular, see the "risk management" section, part D "Other information" of the Explanatory Notes, for an illustration of the methods adopted for the calculation of margins and default funds, as elements of the risk management system of CC&G as central counterparty.

A.3 Information on transfers between portfolios of financial assets

There were no reclassifications of financial assets during the year.

A.4 – Fair value disclosure

Information of a qualitative nature

A.4.1 Fair value levels 2 and 3: measurement techniques and inputs used

There are no assets and/or liabilities measured at fair value related to level 2 and level 3, on a recurring basis[10].

Fair value measurements are classified according to hierarchy of levels that reflects the significance of the inputs used in the measurements. As CC&G operates exclusively on regulated markets, assets and financial liabilities at fair value are only "Level 1" and that is - as defined by IFRS 13 - they refer to quoted prices (unadjusted) in an active market for the assets or liabilities to be measured.

A.4.2 Processes and sensitivity of evaluations

Cassa di Compensazione e Garanzia uses no fair value levels other than level 1 in the hierarchies provided for in IFRS 13. However, conventionally, as provided by Circular no. 262 of 22 December 2005 of the banks, to which in absence of other regulations the Central Counterparty as financial intermediary makes reference, for assets secured by repos, as well as receivables/payables in the financial statements and available cash, uses level 3 fair value for indicating the amortized cost or real value of what deposited.

A.4.3 The fair value hierarchy

Financial instruments are measured at fair value in accordance with the classes required by IFRS 13, as follows:

Livello 1. prices (without adjustments) on the active market as defined by IFRS 13 for assets or liabilities to be measured.

Livello 2. Inputs other than quoted prices included in the preceding paragraph, that are observable either directly (as prices) or indirectly (derived from prices) on the market.

Livello 3. Inputs that are not based on observable market data.

A.4.4 Other information

Reference is made to paragraphs A.4.1 and A.4.2 above.

10 With reference to receivables and payables, valued in the financial statements at amortised cost in accordance with IAS 39, it is considered that this valuation reasonably approximates the fair value of these items for which a hierarchy of fair value of category 3 is indicated in the tables in the Explanatory Notes to the financial statements.

Disclosure of quantitative information

A.4.5 The fair value hierarchy

The following table shows the breakdown of financial portfolios based on the above-mentioned levels of fair value. There are no assets/liabilities classified as level 2 or level 3.

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: division by fair value levels

	31/12/2021			31/12/2020		
Assets/Liabilities measured at fair value	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss						
a) financial assets held for trading	11.123.681.590			6.427.775.735		
b) financial assets designated at fair value						
c) other financial assets with mandatory measurement at fair value	4.945.168			6.797.936		
2. Financial assets measured at fair value through other comprehensive income	4.576.120.610			6.037.128.098		
Total	**15.704.747.368**	**-**	**-**	**12.471.701.769**	**-**	**-**
1. Financial liabilities held for trading	11.123.681.590			6.427.775.735		
2. Financial liabilities measured obligatorily at fair value	4.126.425			6.175.558		
Total	**11.127.808.015**	**-**	**-**	**6.433.951.293**	**-**	**-**

Key:

L1= Level 1

L2= Level 2

L3= Level 3

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

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2021				31/12/2020			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	111.720.484.832			111.720.484.832	109.921.265.541			109.921.265.541
Total	**111.720.484.832**	**-**	**-**	**111.720.484.832**	**109.921.265.541**	**-**	**-**	**109.921.265.541**
1. Financial liabilities measured at amortised cost	126.648.374.953			126.648.374.953	122.594.077.411			122.594.077.411
Total	**126.648.374.953**	**-**	**-**	**126.648.374.953**	**122.594.077.411**	**-**	**-**	**122.594.077.411**

Key:

BV = Book Value

L1= Level 1

L2= Level 2

L3= Level 3

A.5 Disclosure of so-called "day one profit/loss"

This section has not been completed, since at the date of the financial statements in question, there were no balances attributable to the items in question.

ANALYSIS OF THE MAIN ITEMS IN THE FINANCIAL STATEMENTS

Part B – Information on the Balance Sheet

BALANCE SHEET- ASSETS

Section 1 - Cash and cash equivalents - Item 10

This item amounts to € 10,540,778,657 (€ 6,851,811,248 31 December 2020) and is made up of cash in hand, for € 54 (€ 74 31 December 2020), and current accounts and sight deposits, for € 10,540,778,603 (euro 6,851,811,174 31 December 2020).

In this regard, it should be noted that, following the update of the instructions on "The financial statements of IFRS intermediaries other than banking intermediaries" published by the Bank of Italy on 29 October 2021, the "sight" loans to banks shown in the 2020 under item 40 Financial assets valued at amortized cost (a) loans to banks have been reclassified in these financial statements under item 10 Cash and cash equivalents (including the comparative figure for 2020).

Breakdown of item 10 "Cash and cash equivalents"

Items/Values	**Total 31/12/2021**	**Total 31/12/2020**
Cash	**54**	**74**
Bank accounts and sight deposits	**10.540.778.603**	**6.851.811.174**
Cash deposited by participants held at Central Bank (1)	*10.479.679.535*	*6.743.293.551*
Cash from own funds held at Central Bank (1)	*5.000.000*	*-*
Cash from own funds held in bank accounts (2)	*45.982.463*	*89.947.177*
Cash deposited by participants held in bank accounts (2)	*10.116.605*	*18.570.446*
Totale	**10.540.778.657**	**6.851.811.248**

(1) The legislation, in art. 47 paragraph 4 of EU Regulation 648/2012 (EMIR) governs the investment policy of CCPs for which the cash deposits of a CCP must be established through highly secure mechanisms with authorized financial institutions or alternatively through the use of deposits with National Central Banks.

(2) This item includes also interest income accrued on bank current accounts and not yet paid, entered in the current account availability on an accrual basis.

Section 2 -Financial assets measured at fair value through profit or loss - Item 20

Item 20a - Financial assets held for trading for CCP activities

This item, relating to derivative instrument transactions, amounted to € 11,123,681,590 (€ 6,427,775,735 in the previous year) and relates to the net matching entry of open positions (so-called "open interest") of financial assets held for trading for CCP activities. This item represents the measurement at fair value of open interest positions on the derivatives markets (IDEM Equity, IDEX and Agrex), in which the Company operates as Central Counterparty.

2.1 Financial assets held for trading: breakdown by product

Items/Values	Total 31/12/2021			Total 31/12/2020		
	L1	L2	L3	L1	L2	L3
B. Derivative financial instruments	**11.123.681.590**			**6.427.775.735**		
1. Financial derivatives	11.123.681.590			6.427.775.735		
1.1 for trading	11.123.681.590			6.427.775.735		
FTSE stock market index derivatives:	*9.724.660.709*			*5.194.601.400*		
- Futures	*8.907.128.510*			*4.345.239.190*		
- Mini Futures	*83.886.166*			*50.463.247*		
- Options	*733.646.033*			*798.898.963*		
Single stock derivatives:	*1.399.020.881*			*1.228.271.213*		
- Futures	*344.583.781*			*214.038.173*		
- Options	*1.054.437.100*			*1.014.233.040*		
Commodities derivatives	*0*			*4.903.122*		
Total	**11.123.681.590**	**0**	**0**	**6.427.775.735**	**0**	**0**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

2.2 Derivative financial instruments

Underlying assets/type of derivatives	Total 31/12/2021				Total 31/12/2020			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central Counterparties	Without Central Counterparties: With clearing agreements	Without Central Counterparties: Without clearing agreements		Central Counterparties	Without Central Counterparties: With clearing agreements	Without Central Counterparties: Without clearing agreements	
2. Equities and share indices				**11.123.681.590**				**6.422.872.613**
- Fair Value				11.123.681.590				6.422.872.613
5. Goods				**-**				**4.903.122**
- Fair Value				-				4.903.122
Total	**0**	**0**	**0**	**11.123.681.590**	**0**	**0**	**0**	**6.427.775.735**

2.3 Financial assets held for trading: breakdown by debtor/issuers/counterparties

Items/Values	Total 31/12/2021	Total 31/12/2020
B. DERIVATIVE INSTRUMENTS	**11.123.681.590**	**6.427.775.735**
a) Central Counterparties	-	-
b) Others	11.123.681.590	6.427.775.735
Total	**11.123.681.590**	**6.427.775.735**

Item 20c - Other financial assets with mandatory measurement at fair value for CCP activities

This item, which refers to non-derivative financial instruments transactions, amounted to € 4,945,168 (€ 6,797,936 in the previous year).

2.6 Other financial assets with mandatory measurement at fair value: breakdown by type

Items/Values	**Total 31/12/2021**			**Total 31/12/2020**		
	L1	L2	L3	L1	L2	L3
1. Debt instruments	**4.232.870**			**5.228.138**		
Financial instruments traded but not yet settled (1):	3.889.863			5.053.112		
- *Government bonds*	*3.889.863*			*5.053.112*		
Financial instruments in the portfolio (2):	343.007			175.026		
- *Government bonds*	*343.007*			*175.026*		
2. Equities	**712.298**			**1.569.798**		
Financial instruments traded but not yet settled (1):	236.436			1.111.844		
- *Equity instruments*	*236.436*			*1.111.844*		
Financial instruments in the portfolio (2):	475.862			457.954		
- *Equity instruments*	*475.862*			*457.954*		
Total	**4.945.168**	**0**	**0**	**6.797.936**	**0**	**0**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

(1) This item represents the difference between the trading value and the market value, as at the date of the financial statements, for instruments already traded but not yet settled (mainly related to the MTS, MTA and MOT markets).

(2) This item represents the value of the securities withdrawn from the T2S and ICSD settlement systems, which have been delivered to the respective buyers after the close of the financial year; these values incorporate the valuation at market prices at the date of the financial statements.

Section 3 -Financial assets measured at fair value impacting the comprehensive income - Item 30

This item includes all investments in secured assets paid in cash by members of the central counterparty system. Investments linked to the Company's equity were also included to meet the requirements of Regulation (EU) no. 648/2012 (EMIR), Article 47, paragraphs 1 and 2 in terms of Regulatory Capital invested in secured assets.

3.1 Financial assets measured at fair value impacting on comprehensive income: composition breakdown

Items/Values	Total 31/12/2021			Total 31/12/2020		
	L1	L2	L3	L1	L2	L3
1. Debt instruments	**4.576.120.610**			**6.037.128.098**		
1.1 Structured instruments	-			-		
1.2 Other debt instruments	4.576.120.610			6.037.128.098		
of which: securities purchased through equity financing	*115.712.150*			*122.919.678*		
of which: securities purchased with contributions of the participants	*4.460.408.460*			*5.914.208.420*		
Total	**4.576.120.610**	**0**	**0**	**6.037.128.098**	**0**	**0**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

The overall investment amounts to € 4,576,120,610 corresponding to a purchase value of € 4,613,075,262 and a nominal value of € 4,495,600,000 of securities in portfolio, adjusted for interest not yet accrued at the date for € 82,049,764 and € -1,529,154 resulting from the measurement of securities at fair value at the reporting date.
The portion of securities representing the Company's equity, included in the aforementioned total, amounted to € 115,712,150 corresponding to a purchase value of € 116,044,490 and a nominal value of € 115,000,000, adjusted for interest not yet accrued at the date for € 772,748 and € -60.598 as the effect deriving from the measurement of securities at fair value at the reporting date.

Part of the Company's funds are invested in securities, in compliance with EMIR rules on the capital requirements of central counterparties.

Currently the investment in secured assets consists of Government Bonds issued by the Governments of France, Germany, Italy, Portugal and Spain; and Supranational Bonds issued by the European Stability Mechanism and the European Financial Stability Facility, as well as securities issued by the Spanish (Instituto de Credito Oficial), German (Kreditanstalt für Wiederaufbau) and French (Caisse d'Amortissement de la Dette Sociale) government agencies. These securities were recorded at their fair value and valued on the basis of the public market prices on the date of these financial statements. The amount of the valuation is recorded under equity in the Balance Sheet, item 160, net of prepaid and deferred taxes that do not have any economic impact, as they reflect only the theoretical taxation of Equity items. These deferred tax assets and liabilities are present under item 100 B of assets in the Balance Sheet and item 60 B of liabilities in the Balance Sheet.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtors/issuers

	Total 31/12/2021	Total 31/12/2020
1. Debt instruments	**4.576.120.610**	**6.037.128.098**
- Governments and Central Banks	3.744.849.500	5.278.469.338
- Other issuers	831.271.110	758.658.760
Total	**4.576.120.610**	**6.037.128.098**

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

Item 40a - Receivables from banks

This item amounted to € 974,061,243 (€ 1,084,237,605 in the previous year).

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

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

Breakdown	Total 31/12/2021						Total 31/12/2020					
	Book Value			Fair Value			Book Value			Fair Value		
	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3
3. Loans	**175.000.000**					**175.000.000**	**340.000.000**					**340.000.000**
3.1 Repurchase agreements (1)	175.000.000					175.000.000	340.000.000					340.000.000
5. Other assets	**799.061.243**					**799.061.243**	**744.237.605**					**744.237.605**
5.1 Receivables guaranteed by securities (2)	796.160.290					796.160.290	738.075.738					738.075.738
5.2 Receivables from participants for margins and premiums	39.171					39.171	3.228.073					3.228.073
5.3 Clearing commissions on contracts entered into in relevant month (3)	2.617.494					2.617.494	2.599.627					2.599.627
5.4 Commissions on securities deposited as collateral (3)	244.288					244.288	334.167					334.167
Total	**974.061.243**					**974.061.243**	**1.084.237.605**					**1.084.237.605**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

(1) The rule provided for in Article 45, paragraph 2 of the Delegated Regulation No 153/2013 (ESMA) states that, if cash is not deposited with the Central Bank, but is kept overnight, no less than 95% of that cash will be deposited into collateralised deposits, including repurchase agreements. CC&G intended to use triparty agents (the principal international CSDs) in order to comply with such rules.

(2) These represent the amounts of initial margins due by banks, for open interest positions at the close of the financial year and not yet paid in cash since guaranteed by the prior deposit of securities.

(3) These amounts were collected on the first day of market trading of the month following the reference month.

Item 40b – Receivables from financial companies

This item amounted to € 5,075,053,801 (€ 2,675,129,772 in the previous year).

4.2 Financial assets measured at amortised cost: breakdown by type of receivables from financial companies

4.2 Financial assets measured at amortised cost: breakdown by type of receivables from financial companies

Breakdown	Total 31/12/2021						Total 31/12/2020					
	Book Value			Fair Value			Book Value			Fair Value		
	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3
3. Other assets:	**5.075.053.801**					**5.075.053.801**	**2.675.129.772**					**2.675.129.772**
Receivables from other clearing and guarantee systems (1)	5.070.777.959					5.070.777.959	2.662.384.002					2.662.384.002
Receivables guaranteed by securities (2)	2.026.014					2.026.014	10.253.407					10.253.407
Clearing commissions on contracts entered into in relevant month (3)	659.224					659.224	685.814					685.814
Commissions on securities deposited as collateral (3)	2.065					2.065	2.508					2.508
Receivables from Group financial companies (4)	27.328					27.328	160.841					160.841
Other receivables for services (5)	1.561.211					1.561.211	1.643.200					1.643.200
Total	**5.075.053.801**					**5.075.053.801**	**2.675.129.772**					**2.675.129.772**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

(1) These correspond to the margins paid to LCH SA for the interoperability link existing with the French central counterparty on the MTS market; in particular the balance can be broken down into € 4,151,559,669 for initial margins, € 688,000,000 for the Additional Initial Margin as well as a receivable for margins of € 225,534,014 and a receivable for interest of € 5,684,275.

(2) These represent the amounts of initial margins due by financial companies, for open interest positions at the close of the financial year and not yet paid in cash since guaranteed by the prior deposit of securities.

(3) These amounts were collected on the first day of market trading of the month following the reference month.

(4) For a detailed examination of the item Receivables from group financial companies please see the section "Related-party transactions" in Part D – Other Information of this document.

(5) These trade receivables mainly refer to receivables for invoices issued and still to be issued to the Austrian CCP for consultancy services; to invoices to be issued to the Bucharest Stock Exchange for consultancy services; to invoices issued to financial companies participating in the LSE Derivatives Market through the BCS technological infrastructure and to invoices to be issued for clearing services.

Item 40c – customer receivables

This item amounts to € 22,801 (€ 0 in the previous year).

4.3 Financial assets valued at amortized cost: breakdown by type of customer receivables

Breakdown	Total 31/12/2021						Total 31/12/2020					
	Book Value			Fair Value			Book Value			Fair Value		
	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3
3. Other assets:	**22.801**					**22.801**	**-**					**-**
Clearing fees for contracts entered into in the reference month (1)	11.401					11.401	-					-
Other receivables for services	11.400					11.400	-					-
Total	**22.801**					**22.801**	**-**					**-**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

(1) These sums were collected on the first day of market opening of the month following the reference month.

Item 40d – Other receivables

This item amounted to € 105,671,346,987 (€ 106,161,898,164 in the previous year).

4.7 Financial assets measured at amortised cost: breakdown by type of other receivables

Breakdown	Total 31/12/2021						Total 31/12/2020					
	Book Value			Fair Value			Book Value			Fair Value		
	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3	First and second stage	Third stage	of which: acquired or originated impaired	L1	L2	L3
3. Other assets:	**105.671.346.987**					**105.671.346.987**	**106.161.898.164**					**106.161.898.164**
Receivables from repo transactions for CCP activities (1)	105.638.952.565					105.638.952.565	106.139.307.426					106.139.307.426
Receivables for interest on cash deposited by participants (2)	31.926.579					31.926.579	21.768.121					21.768.121
Receivables from participants in the settlement system T2S and ICSD	467.843					467.843	822.617					822.617
Total	**105.671.346.987**					**105.671.346.987**	**106.161.898.164**					**106.161.898.164**

Key:
L1= Level 1
L2= Level 2
L3= Level 3

(1) This represents, like the corresponding item 10 in the liabilities, the value of repo transactions carried out by members using the CCP service.

(2) These represent interest owed to the members on the cash deposited to cover initial margins and default funds. From 1 October 2020 the rate applied to deposits is equal to the daily "€STR" rate minus 21.5 basis points for initial guarantee margins and the daily "€STR" rate minus 16.5 basis points for deposits of Participants as Default Funds.

This item includes the receivables where it was not possible to make a distinction between receivables from banks, receivables from financial companies and receivables from customers in operational terms, as required by Bank of Italy Circular 140 of 11 February 1991 containing "Instructions on customer classification".

Section 8 - Property, plant and equipment - Item 80

8.1 Property, plant and equipment held for operating purposes: breakdown of assets measured at cost

Assets/values	Total 31/12/2021	Total 31/12/2020
1. Owned assets	**1.497.645**	**1.078.343**
c) furniture	10.585	10.820
d) electronic systems	1.487.060	1.067.523
e) other	0	0
2. Rights of use acquired with leasing	**1.085.840**	**1.902.346**
b) buildings	0	0
d) electronic systems	1.082.699	1.889.782
e) other	3.141	12.564
Total	**2.583.485**	**2.980.689**

During this financial year electronic systems were purchased for € 866 millions. The decreases are due to depreciation for the year.

8.6 Property, plant and equipment held for operating purposes: annual changes

	ure	Electronic systems	Long-term hires	**Total**
A. Gross opening balance	**668.059**	**9.717.134**	**3.032.697**	**13.417.890**
A.1 Total net value reductions	(657.239)	(8.649.611)	(1.130.351)	(10.437.201)
A.2 Net opening balance	**10.820**	**1.067.523**	**1.902.346**	**2.980.689**
B. Increases	**-**	**866.000**	**0**	**866.000**
B.1 Purchases	-	866.000	-	866.000
B.7 Other changes	-	-	-	0
C. Decreases	**(235)**	**(446.462)**	**(816.506)**	**(1.263.203)**
C.1 Sales	-	-	-	-
C.2 Amortisation and depreciation	(235)	(446.462)	(816.506)	(1.263.203)
C.7 Other changes	-	-	-	-
D. Net closing balance	**10.585**	**1.487.061**	**1.085.840**	**2.583.486**
D.1 Total net value reductions	(657.474)	(9.096.073)	(1.946.857)	(11.700.404)
D.2 Gross closing balance	**668.059**	**10.583.134**	**3.032.697**	**14.283.890**

Section 9 - Intangible assets - Item 90

9.1 Intangible assets: breakdown

Items/Measurement	Total 31/12/2021		Total 31/12/2020	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
2. Other intangible assets:	**6.516.303**		**4.584.551**	
2.1 own assets	6.516.303		4.584.551	
- other	6.516.303		4.584.551	
2.2 Rights of use acquired with leasing	0		0	
Total	**6.516.303**		**4.584.551**	

9.2 Intangible assets: annual changes

	Total
A. Opening balance	**4.584.551**
B. Increases	**3.968.236**
B.1 Purchases	2.972.619
B.4 Altre variazioni	995.617
C. Decreases	**(2.036.485)**
C.2 Amortisation and depreciation	(1.040.868)
C.5 Altre variazioni	(995.617)
D. Final balance	**6.516.303**

During this financial year electronic systems were purchased for € 2,972,619. The decreases are due to depreciation for the year.

Section 10 – Tax assets and tax liabilities – Item 100 under assets and Item 60 under liabilities

At 31 December 2021, the balance of tax assets was € 9,134,661 due to current tax assets.

In the previous year the balance of tax liabilities was € 4,716,861 due entirely to deferred tax liabilities.

10.1 "Tax assets: current and deferred": breakdown

Items/breakdown(	Total 31/12/2021	Total 31/12/2020
Tax assets:		
a) current	8.190.842	10.481.851
b) deferred	943.819	-
Total	**9.134.661**	**10.481.851**

10.2 "Tax liabilities: current and deferred": breakdown

Items/Breakdown	Total 31/12/2021	Total 31/12/2020
Tax liabilities:		
a) current	-	-
b) deferred	-	(4.716.861)
Total	**-**	**(4.716.861)**

Current tax assets, of € 8,190,842 at 31 December 2021, were made up of the higher taxes paid for IRES Surcharge pursuant to art. 1, paragraph 65, Italian Law no. 208/2015 and IRAP for the years from 2018 to 2020 because the Company should have been considered as an "industrial/commercial company" and not as a financial intermediary, in accordance with the response to a ruling request received by the company on 24 February 2021.

10.3 Changes in prepaid tax (counter entry in income statement).

	Total 31/12/2021	Total 31/12/2020
1. Opening balance	**-**	**-**
2. Increases	**-**	**-**
2.1 Deferred tax assets recognised during the year	-	-
d) other	-	-
3. Decreases	**-**	**-**
3.1 Deferred tax assets cancelled during the year	-	-
a) reversals	-	-
4. Final amount	**-**	**-**

10.4 Changes in deferred tax liabilities (counter entry in income statement)

	Total 31/12/2021	Total 31/12/2020
1. Opening balance	**293.047**	**354.662**
2. Increases	**-**	**9.104**
2.1 Deferred tax liabilities recognised during the year	-	9.104
a) related to previous FYs	-	-
c) other	-	9.104
3. Decreases	**(28.551)**	**(70.719)**
3.1 Deferred tax liabilities cancelled during the year	(28.551)	(70.719)
a) reversals	-	-
c) other	(28.551)	(70.719)
4. Final amount	**264.496**	**293.047**

Deferred taxes for the financial year

Items/Technical forms	Amounts	IRES	IRAP	TOTAL
Non-deductible CC&G amortisations	1.331.504	274.958	-	274.958
Unpaid emoluments due to directors	2.365	568	-	568
Amount set aside to provisions for corporate restructuring	-	(700)	-	(700)
Allocation to provisions for impairment of receivables	105.408	25.298	2.575	27.873
Total	**1.439.277**	**300.124**	**2.575**	**302.699**

Items/Technical forms	Amounts	IRES	IRAP	TOTAL
Unrealized exchange gains	-	37	-	37
Deferred tax assets on employee severance indemnity for the year	51.758	10.610	-	10.610
Deferred tax assets on employee severance indemnity OCI as at 31/03/2013	(203.545)	(48.851)	-	(48.851)
Total	**(151.787)**	**(38.204)**	**-**	**(38.204)**

10.6 Changes in deferred tax (counter item in the shareholders' equity)

	Total 31/12/2021	Total 21/12/2020
1. Opening balance	**(5.009.908)**	**(2.583.125)**
2. Increases	5.689.231	**-**
2.1 Deferred tax liabilities recognised during the year	-	-
c) other	5.689.231	-
3. Decreases	**-**	**(2.426.783)**
3.1 Deferred tax liabilities cancelled during the year	-	(2.426.783)
c) other	-	(2.426.783)
4. Final amount	**679.323**	**(5.009.908)**

The values shown in table 10.6 above refer to deferred taxes on securities in the portfolio measured at fair value with balancing item in the shareholders' equity.

Section 12 - Other assets - Item 120

This item amounted to € 2,905,157 (€ 978,108 in the previous year).

12.1 Other assets: breakdown

Breakdown	Total 31/12/2021	Total 31/12/2020
Receivables from Group companies (1)	1.644.336	258.470
Tax credits	-	
Receivables relating to bankruptcy proceedings (2)	38.508	38.508
Guarantee deposits	2.500	2.500
Other receivables (3)	1.219.813	678.630
Total	**2.905.157**	**978.108**

(1) For a detailed examination of the item Receivables from group companies please see the section “Related-party transactions” in Part D – Other information of this document.

(2) These amounts refer exclusively to certain "traders/negotiators" participating in guarantee funds, which were declared bankrupt in previous years and in relation to which CC&G, as fund manager, took action, pursuant to the applicable provisions of laws and regulations, in order to recover the disbursement in relation to the insolvent parties in the interest of the members that made the disbursement. Any minor collections of these claims will not lead to losses for the Company, because should that be the case, minor debts will arise in relation to members in the funds. The receivable and payable items for bankruptcy proceedings still under way remain outstanding.

(3) The other receivables of € 1,219,813 mainly refer for € 657,380 to prepaid expenses for costs incurred and not yet accrued, for € 461,944 to the receivable from the previous parent company London Stock Exchange Group Plc for the recharging of costs of the employees relating to the first 4 months of 2021, for € 20,025 relating to withholding tax on bank interest and € 48,071 for receivables from the Banks and Insurance Fund for training courses for employees co-financed by the fund itself.

BALANCE SHEET – LIABILITIES

Section 1 – Financial liabilities measured at amortised cost – Item 10

This item amounted to € 126,648,374,953 (€122,594,077,411 in the previous financial Year).

1.1 Financial liabilities measured at amortised cost: breakdown by type of payables

Items	Total 31/12/2021				Total 31/12/2020			
	due to banks	due to financial companies	due to costumers	others	due to banks	due to financial companies	due to costumers	others
1. Loans	**510.000.000**				**350.000.000**			
1.1 Repurchase agreements	510.000.000				350.000.000			
2. Leasing payables (1)				**1.099.146**				**1.916.290**
3. Other payables	**1.038.732**	**4.113.940.806**		**122.022.296.269**	**1.539.007**	**4.416.967.848**		**117.823.654.266**
Due for repo transactions for CCP activities (2)				105.638.952.565				106.139.307.426
Payables to participants for margins and premiums				9.061.321.319				6.004.361.493
Amounts due to participants in Default funds				6.910.839.000				5.168.433.000
Due to other clearing and guarantee systems (3)		4.113.940.806		-		4.384.022.848		-
Due to participants for advance account deposits				411.091.630				511.542.828
Payables to the shareholder for dividends (4)						32.945.000		
Interest payable (5)	1.038.732				1.539.007			
Payables to participants in MIC		-		-				-
Payables to participants in the securities settlement system T2S and ICSD				91.755				9.519
Total	**511.038.732**	**4.113.940.806**		**122.023.395.415**	**351.539.007**	**4.416.967.848**		**117.825.570.556**
Fair value - level 1								
Fair value - level 2								
Fair value - level 3	**511.038.732**	**4.113.940.806**		**122.023.395.415**	**351.539.007**	**4.416.967.848**		**117.825.570.556**
Total Fair value	**511.038.732**	**4.113.940.806**		**122.023.395.415**	**351.539.007**	**4.416.967.848**		**117.825.570.556**

(1) These are financial payables connected with the application of IFRS 16.

(2) This amount includes, as for the corresponding item 40 of the assets, the value of repurchase agreements (repos) entered into by members that use the company's CCP guarantee service.

(3) These correspond to the margins paid by LCH SA for the interoperability link existing with the French central counterparty on the MTS market. The item includes € 3,384,661,955 for initial margins, € 688,000,000 for the additional initial margin, € 6,008,892 for interest payable by CC&G on cash deposited as initial margins and additional initial margin, and € 35,269,959 for margins to cover fail positions.

(4) The Board of Directors, at its meeting on 21 July 2020, resolved in agreement with the shareholder to defer payment of the dividend approved by the Shareholders' Meeting, ordering that it was to be paid starting from 1 January 2021, in consideration of the Recommendation on the restriction of distributions during the COVID–19 pandemic, with which the European Committee for systemic risk (ESRB/2020/7) aimed to limit the distribution of profits and capital by financial institutions, including CCPs.

(5) This amount includes € 378,024 of interest payable accrued on investments and Repo loans and € 1,416,756, the amount relating to interest accrued on deposits with the National Central Bank, which will be debited at the end of the maintenance period. Starting from 10 June 2014, the ECB adopted a negative monthly interest settlement for deposits with central banks by the IMF. This rate, as of 31 December 2021 was equal to -50 bps.

Section 2 - Financial liabilities held for trading for CCP activities - Item 20

This item amounted to € 11,123,681,590 (€ 6,427,775,735 in the previous year) and can be broken down as follows:

2.1 - Financial liabilities held for trading: breakdown by type

Type of transaction/Securities	Total 31/12/2021					Total 31/12/2020				
	NV	Fair Value			Fair value*	NV	Fair Value			Fair value*
		L1	L2	L3			L1	L2	L3	
B. Derivative instruments		**11.123.681.590**					**6.427.775.735**			
1. Financial derivatives		11.123.681.590					6.427.775.735			
S&P stock market index derivatives:	x	*9.724.660.709*			x	x	*5.194.601.400*			x
- Futures	x	*8.907.128.510*			x	x	*4.345.239.190*			x
- Mini Futures	x	*83.886.166*			x	x	*50.463.247*			x
- Options	x	*733.646.033*			x	x	*798.898.963*			x
Single stock derivatives:	x	*1.399.020.881*			x	x	*1.228.271.213*			x
- Futures	x	*344.583.781*			x	x	*214.038.173*			x
- Options	x	*1.054.437.100*			x	x	*1.014.233.040*			x
Commodities derivatives	x	-			x	x	*4.903.122*			x
Total		**11.123.681.590**					**6.427.775.735**	**-**	**-**	

L1= level 1
L2= level 2
L3= level 3
NV= nominal/notional value
FV* = Fair value calculated excluding changes in value due to changes in the creditworthiness of the issuer from the date of issue.

This item includes the "fair value" of the open interest positions on the derivative market in which the company operates as Central Counterparty.

2.4 Details of financial liabilities held for trading: derivative financial instruments

Underlying assets/type of derivatives	Total Controparti Centrali				Total Controparti Centrali			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central Counterparties	Without Central Counterparties			Central Counterparties	Without Central Counterparties		
		With clearing agreements	Without clearing agreements			With clearing agreements	Without clearing agreements	
2. Equities and share indices				**11.123.681.590**				**6.422.872.613**
- Fair Value				11.123.681.590				6.422.872.613
5. Goods				**-**				**4.903.122**
- Fair Value				-				4.903.122
Total	**-**	**-**	**-**	**11.123.681.590**	**-**	**-**	**-**	**6.427.775.735**

Section 3 -Financial liabilities measured at fair value for CCP activities - Item 30

This item amounted to € 4,126,425 (€ 6,175,558 in the previous year) and includes:

3.1 Financial liabilities measured at fair value: breakdown by type

Liabilities	Total 31/12/2021					Total 31/12/2020				
	NV	*Fair Value*			FV*	NV	*Fair Value*			FV*
		L1	L2	L3			L1	L2	L3	
2. Debt instruments		**4.126.425**			**x**		**6.175.558**			**x**
Bonds		3.889.989					5.063.714			
Financial instruments traded but not yet settled										
- Government bonds		*3.889.863*			x		*5.053.112*			x
Financial instruments in the portfolio										
- Valuation on Government bonds (1)		*126*			x		*10.602*			x
Other securities		236.436			x		1.111.844			x
Financial instruments traded but not yet settled:										
- Equity instruments		*236.436*			x		*1.111.844*			x
Financial instruments in the portfolio:										
-Measurement of equity instruments		-			x		-			x
Total		**4.126.425**					**6.175.558**			

L1= Level 1
L2= Level 2
L3= Level 3
NV= nominal/notional value
Fair Value*= Fair value calculated excluding changes in value due to changes in the creditworthiness of the issuer from the date of issue

(1) This value relates to the valuation at market prices on the reporting date of bonds withdrawn from the T2S and ICSD Links settlement systems for instruments settling both in Euro and in US Dollars which were delivered to the respective purchasers after the closing date of the financial year.

Section 6 - Tax liabilities - Item 60

Reference is made to section 100 under Assets "Tax assets and tax liabilities".

Section 8 - Other liabilities - Item 80

The amount of € 7,495,954 (€ 7,391,830 in the previous year), can be broken down as follows:

8.1 Other liabilities: breakdown

Items	Total 31/12/2021	Total 31/12/2020
Due to intercompany suppliers (1)	1.223.339	2.216.892
Due to suppliers (2)	2.932.256	1.766.648
Sundry payables (3)	1.974.639	1.868.607
Due to social securities and insurance institutions	710.131	691.267
Due for recoveries from bankruptcy proceedings (4)	648.686	648.686
Deferred income	1.285	187.563
Tax payables	5.510	12.059
Due to customers	108	108
Total	**7.495.954**	**7.391.830**

(1) Payables to intercompany suppliers for a total of € 1,223,339 were recognised in relation to group companies for invoices to be paid and for invoices to be issued. For a more complete examination of the item Payables to intercompany suppliers please see the section "Related-party transactions" in Part D – Other Information of this document.

(2) Such debt is related to generic suppliers of services rendered and goods purchased for the operational management of the Company.

(3) This item consists of amounts due to employees for deferred salaries, payables for bonus payments, payables for withholding taxes levied on employment salaries and payables arising from fees to the members of the Board of Directors and the Board of Statutory Auditors.

(4) These amounts refer exclusively to receivables claimed for insolvencies of certain "traders/negotiators" participating in guarantee funds, which were declared insolvent in previous years; the corresponding item in the assets side is recorded under "Other assets", amounting to € 39,000. The difference between the amount recorded in liabilities and the amount charged to assets is due to amounts collected but not yet paid to members while awaiting developments in on-going proceedings. The credit and debt positions for insolvency proceedings still under way remain outstanding.

Section 9- Employee severance indemnity provision - Item 90

This item incorporates the liabilities relating to the severance indemnity for employees, adequately discounted back, according to the appraisal of the independent actuary, on the basis of the rates shown below.

9.1 Employee severance indemnity provision: annual changes

	Total 31/12/2021	**Total 31/12/2020**
A. Opening balance	**1.270.072**	**1.212.857**
B. Increases	**214.323**	**252.575**
B1. Provision for the year	82.611	109.275
B2. Other increases	131.712	143.300
C. Decreases	**(350.302)**	**(195.360)**
C1. Settlements made	(53.966)	(38.033)
C2. Other decreases	(296.336)	(157.327)
D. Final balance	**1.134.093**	**1.270.072**

This table presents the annual changes in the company's employee severance indemnity (TFR). The actuarial value of the TFR determined in accordance with IAS 19 was € 1,206,520 at 31 December 2021.

The table below shows the assumptions of the independent actuary for the purpose of evaluating the employee severance indemnity (TFR).

9.2 Other information
Assumptions for actuarial valuation

	31/12/2021	**31/12/2020**
Annual technical discount rate	0,77%	0,37%
Annual inflation rate	1,20%	1,00%
Annual rate of salary increase for managers and middle managers	2,20%	3,00%
Annual rate of salary increase for administrative staff	2,20%	2,00%
Annual rate of increase of the Employee Severance Indemnity (TFR)	2,40%	2,25%

With regard to the discount rate, the iBoxx Eurozone Corporates AA 10+ index at the last useful date was taken as reference for the value of the said parameter.

For the choice of the annual inflation rate reference was made to the document on the inflation forecast measured by the IPCA index for the years 2021 – 2024, published by ISTAT on 4 June 2021 and assuming also for the subsequent years to 2024 the constant value of 1.20%.

The sensitivity analysis, performed on the main variables adopted in the actuarial calculation of the Severance Indemnity Provisions (net of the portion referred to deferred remuneration) of € 1,206,520 is presented below.

Sensitivity analysis of Past Service Liability

Yearly discount rate		Annual inflation rate		Annual turnover rate	
+0,50%	-0,50%	+0,25%	-0,25%	+2,00%	-2,00%
1.136.348	1.283.354	1.220.492	1.192.798	1.144.625	1.287.440

Section 11 - Assets - Items 110 - 150 - 160 - 170

The shareholders' equity at the reporting date amounted to € 202,337,448 (€222,396,290 in the previous year). For an analytical breakdown of changes in shareholders' equity, reference must be made to the relevant statement.

The share capital of Cassa di Compensazione e Garanzia S.p.A. is composed of 5,500 shares, with face value of € 6,000 each, for a total value of € 33,000,000.

11.1 Capital: breakdown

Type	Amount
1. Share capital	**33.000.000**
1.1 Ordinary shares	33.000.000

11.5 Other information - Item 150 "Reserves" and item 160 "Valuation reserves"

	Legal reserve	Extraordinary reserve	Regulatory reserves	Share Awards	Reserve for FTA	Reserve for IAS19	Valuation reserve	Other	Total
A. Opening balance	**6.600.000**	**2.518.414**	**21.930.126**	**2.082.568**	**55.509**	**525.886**	**12.703.155**	**79.992.546**	**126.408.204**
B. Increases	**-**	**-**	**354.966**	**54.690**	**-**	**284.014**	**-**	**2.793.120**	**3.486.790**
B1. Allocation of income	-	-	354.966	-	-	-	-	2.793.120	3.148.086
B2. Other increases	-	-	-	54.690	-	284.014	-	-	338.704
C. Decreases	**-**	**-**	**-**	**-**	**-**	**-**	**13.791.607**	**-**	**13.791.607**
C1. Settlements made	-	-	-	-	-	-	-	-	-
C2. Other decreases	-	-	-	-	-	-	13.791.607	-	13.791.607
D. Final balance	**6.600.000**	**2.518.414**	**22.285.092**	**2.137.258**	**55.509**	**809.900**	**- 1.088.452**	**82.785.666**	**116.103.387**

These reserves comprise the fully paid up legal reserve pursuant to Article 2430 of the Italian Civil Code, an extraordinary reserve allocated by the company over the years, reserves from First Time Adoption and therefore not distributable, valuation reserves on financial assets measured at fair value through other comprehensive income, in the portfolio at 31 December 2021 - shown in item 30, BS Assets - and other reserves.

The item Other reserves includes a strategic capital reserve (Strategic Buffer) of € 20,300,000.00 established in order to strengthen the Company's shareholders' equity. The definition of the method of calculating the said reserve (to be revalued annually at the moment of proposing the allocation of the profits for the year) was decided by the Board of Directors on 22 October 2019.

€ 19,785,092 corresponding to the "Skin-in-the-Game" (equivalent to 25% of the Regulatory Capital, which according to European legislation must be allocated to a restricted reserve) has been allocated to Regulatory Reserves, following the amendment by the Shareholders' Meeting of 29 April 2021 of the previous reserve amounting to € 19,430,126 (with a increase of € 354,966 compared to the previous year).

It is pointed out for the purpose of the reconciliation of the balance of the regulatory reserves in the amount of 21,930,126 that an additional reserve, equal to € 1,000,000, allocated to the coverage of losses (Internal Buffer), was approved by the Shareholders' Meeting of 6 November 2013. On 18 November 2015 the establishment was decided of a reserve, in the amount of € 1,500,000 in compliance with Article B.6.2.3. of CC&G Rules, intended to cover the expenses for the default procedure of a Clearing Member (Second Skin in the Game), resolved upon later by the Board of Directors of 2 December 2015 and validated by the Shareholders' Meeting of 13 April 2016.

The reserve pursuant to IAS 19 corresponds to the portion of actuarial gains and losses taken to reserves in this financial year.

Analysis of the breakdown of Shareholders' Equity items

Nature/description	**Amount**	**Possibility of utilisation**	**Portion available for distribution**	**Summary of drawdowns made**	
				To cover losses	**For other reasons**
Share capital	**33.000.000**				
Income reserves:	**116.103.387**				
Legal reserve	6.600.000	B			
Extraordinary reserve	2.518.414	A, B, C	2.518.414		
Revaluation reserve, of which:					
- *revaluation of securities*	- 1.088.452	D			
- *severance indemnity revaluation*	809.900	D			
Regulatory reserves (*)	22.285.092	B, D			
Other reserves (**)	82.785.666	A, B, C	82.785.666		
Reserve from transition to IFRS	55.509	A, B, C			
Provision for the purchase of Parent Company shares	2.137.258	D			
Profit (Loss) for the year	53.234.061		53.234.061		
Total	**202.337.448**		**138.538.141**	0	0

(*) Skin in the game, Second Skin in the game and Internal Buffer
(**) includes the Strategic Buffer reserve

Key

A: to increase capital
B: to cover losses
C: for distribution to shareholders
D: unavailable reserve

Part C – Information on the Income Statement

Section 1 - Interest- Items 10 and 20

Interest receivable and similar revenues - Item 10

This item amounted to € 1,265,479,641 (€2,294,831,655 in the previous year) and can be broken down as follows:

1.1 Interest receivable and similar income: breakdown

Items/Technical forms	Debt instruments	Loans	Other transactions	**Total 31/12/2021**	**Total 31/12/2020**
2. Financial assets measured at fair value through other comprehensive income (1)	**(16.776.832)**			**(16.776.832)**	**(10.503.603)**
3. Financial assets measured at amortised cost:		**(50.138.976)**	**1.332.395.449**	**1.282.256.473**	**2.305.335.258**
3.1 Receivables from banks		(50.138.976)		**(50.138.976)**	**(51.364.503)**
- on deposits with commercial banks (2)		*- 99.787*		***(99.787)***	***9.202***
- on deposits with the National Central Bank (3)		*(48.219.813)*		***(48.219.813)***	***(49.982.631)***
- on Repos assets (4)		*(1.819.376)*		***(1.819.376)***	***(1.391.074)***
3.2 Receivables from financial companies			(18.542.524)	**(18.542.524)**	**(17.317.699)**
- on deposits with other clearing and guarantee systems (5)			(18.542.524)	**(18.542.524)**	**(17.317.699)**
3.3 Receivables from costumers			1.350.937.973	**1.350.937.973**	**2.374.017.460**
- on Repos for CCP activities (6)			1.350.937.973	**1.350.937.973**	**2.374.017.460**
Total	**(16.776.832)**	**(50.138.976)**	**1.332.395.449**	**1.265.479.641**	**2.294.831.655**

(1) This item includes negative interest accrued on securities in the portfolio at 31 December 2021 for € -16,776,832 (€ -10,503,603 at 31 December 2020).

(2) The item includes interest accrued on on-demand bank deposits equal to € -99,787 at 31 December 2021 (€ 9,202 at 31 December 2020).

(3) The item includes negative interest accrued on deposits with the National Central Bank, equal to € -48,219,813 at 31 December 2021, which was debited at the end of the various maintenance periods (the time schedule for the Eurosystem is published annually by the ECB). Starting from 10 June 2014, the ECB has adopted for deposits with the central banks by the FMI a negative interest rate. This rate, at 31 December 2021, was -50 basis points. At 31 December 2020 the negative interest accrued was € -49,982,631.

(4) The item includes interest payable accrued on investments in repos that CC&G carries out in fulfilment of Article 45 of Delegated Regulation No 153/2013.

(5) The item includes negative interest accrued on amounts deposited with LCH SA for initial margins and the Additional Initial Margin.

(6) The item includes the valorisation of repos as at 31 December 2021 for central counterparty activities.

Interest expenses and similar charges- Item 20

This item amounted to a total of € 1,218,683,902 (€ 2,239,498,723 in the previous financial year) and can be broken down as follows:

1.3 Interest and similar expenses: breakdown

Items/Technical forms	Payables	Bonds	Other transactions	**Total 31/12/2021**	**Total 31/12/2020**
1. Financial liabilities measured at amortised cost	(132.280.194)		1.350.937.973	**1.218.657.779**	**2.239.464.976**
1.1 Due to banks	(3.188.338)			**(3.188.338)**	**(396.560)**
- on Repos assets (1)	*(3.188.338)*			***(3.188.338)***	***(396.560)***
1.2 Due to financial companies	(20.678.688)			**(20.678.688)**	**(21.928.477)**
- on deposits with other clearing and guarantee systems (2)	*(20.678.688)*			***(20.678.688)***	***(21.928.477)***
1.3 Due to customers:	(108.413.168)		1.350.937.973	**1.242.524.805**	**2.261.790.013**
- on deposits by clearing members (3)	*(108.413.168)*			***(108.413.168)***	***(112.227.447)***
- on Repos for CCP activities (4)			*1.350.937.973*	***1.350.937.973***	***2.374.017.460***
4. Other liabilities (5)			26.123	**26.123**	**33.747**
Total	**(132.280.194)**		**1.350.964.096**	**1.218.683.902**	**2.239.498.723**
of which: interest expense related to leasing payables			21.598	21.598	26.385

(1) This item includes interest accrued on repo funding contracts entered into by Cassa Compensazione e Garanzia during the period.

(2) The item includes interest accrued on the amounts that LCH SA deposited with CC&G for initial margins and the Additional Initial Margin.

(3) This item includes interest owed by members on the cash deposited to cover initial margins and default funds. The company in fact adopted, starting from 1 October 2020, a pricing list in which cash deposited by the participants entails a negative remuneration at the daily "€STR" rate minus 21.5 basis points for initial guarantee margins and at the daily "€STR" rate minus 16.5 basis points for deposits of Participants as Default Funds.

(4) The item includes the valorisation of repos as at 31 December 2021 for central counterparty activities.

(5) The item includes interest expense related to payables for leasing fees and interest expense deriving from the actuarial valuation of employee severance indemnity.

Section 2 - Commissions - Items 40 and 50

Commission receivable - Item 40

This item includes commissions received for services performed, amounting to € 44,697,593 (€47,539,706 in the previous financial year), as shown in the following table:

2.1 Commission receivables: breakdown

Breakdown	**Total 31/12/2021**	**Total 31/12/2020**
e) services:	31.899.380	34.014.965
- others	31.899.380	34.014.965
- clearing activities	*31.899.380*	*34.014.965*
h) other commissions:	12.798.213	13.524.741
- other clearing commissions	*5.893.226*	*5.490.979*
- shareholdings	*3.753.003*	*3.825.627*
- commissions on guarantees deposited	*3.151.984*	*4.208.135*
Total	**44.697.593**	**47.539.706**

Commissions payable - Item 50

2.2 Commissions payable: breakdown

Breakdown/Sectors	**Total 31/12/2021**	**Total 31/12/2020**
d) other commissions	1.250.077	1.278.843
- bank commissions	*1.250.077*	*1.278.843*
Total	**1.250.077**	**1.278.843**

This item amounted to € 1,250,077 (€ 1,278,843 in the previous year) and includes commissions payable for lines of credit (for € 464,375), and costs incurred for bank services.

Section 3 - Dividends and similar income - Item 70

This item amounted to € 4,821 (€3,434 in the previous year) and represents the amount of dividends collected on withdrawn securities cum-dividend, delivered in subsequent gross settlement cycles, ex-dividend due to the effect of CC&G's direct intervention in the settlement system. This item must be offset with item 110 of the Income Statement, Capital losses on dividends.

3.1 Dividends and similar income: breakdown

Items/Income	**Total 31/12/2021**		**Total 31/12/2020**	
	Dividends	Similar income	Dividends	Similar income
B. Other financial assets obligatorily measured at fair value	4.821	-	3.434	-
Total	**4.821**	**-**	**3.434**	**-**

Section 4 – Net income from trading activities – Item 80

4.1 Net income from trading activities: breakdown

Transactions/Income components	Capital gains (A)	Gains from trading (B)	Capital losses (C)	Losses from trading (D)	Net result [(A+B) - (C+D)]
4. Derivative instruments:		**1.008.963.494**		**1.008.963.494**	
4.1 Financial derivatives		1.008.963.494		1.008.963.494	
Variation margins for CCP activities		*961.454.914*		*961.454.914*	
Option premiums for CCP activities		*47.508.580*		*47.508.580*	
Total	**-**	**1.008.963.494**	**-**	**1.008.963.494**	**-**

This item represents the gains and losses which, at 31 December 2021, the Company obtained as the result of trading activities. Since Cassa di Compensazione e Garanzia operates as a central counterparty, there is obviously an equal exposure of both gains and losses, with a net result of zero (as shown above in the income statement summary).

Section 6 – Profit (Loss) from sale or repurchase – item 100

This item amounted to € 6,233,913 (€ 439,728 in the previous year).

6.1 Profit (Loss) from sale or repurchase: breakdown

Items/Income components	Total 31/12/2021			Total 31/12/2020		
	Gains	Losses	Net result	Gains	Losses	Net result
A. Financial assets	**6.233.913**	**-**	**6.233.913**	**439.728**	**-**	**439.728**
2. Financial assets measured at fair value through other comprehensive income	6.233.913	-	6.233.913	439.728	-	439.728
2.1 Debt instruments	*6.233.913*	-	*6.233.913*	*439.728*	-	*439.728*
Total Assets (A)	**6.233.913**	**-**	**6.233.913**	**439.728**	**-**	**439.728**

The item refers to gains and losses from the sale of securities made in the financial year. Securities, included under item 30 of the Assets side of the BS, are normally held by CC&G until maturity in order to invest the members' margins in secured assets. Sales are conducted solely in order to satisfy the cash requirements of the Company or to diversify country risk. Currently the investment of securities in the portfolio is diversified over six Euro-zone countries, namely Belgium, France, Ireland, Italy, the Netherlands, Spain and Portugal; and Supranational Bonds issued by the European Stability Mechanism and the European Financial Stability Facility, as well as securities issued by the Spanish (Instituto de Credito Oficial) and French (Caisse d'Amortissement de la Dette Sociale) government agencies.

Section 7 – Net income from other financial assets and liabilities measured at fair value impacting the income statement– Item 110

This item amounted to € 1,686 (€ 129,548 in the previous year).

7.1 Net changes to other financial assets and liabilities measured at fair value
Through profit or loss: breakdown of financial assets and liabilities designated at fair value

Transactions/Income components	Capital gains (A)	Gains on disposals (B)	Capital losses (C)	Losses from disposals (D)	**Net result [(A+B) - (C+D)]**
1. Financial assets	**(4.126.299)**	**6.507**	**4.821**		**(4.124.613)**
1.1 Debt instruments	(3.889.863)	2.597	4.821		**(3.892.087)**
1.2 Equity securities	(236.436)	3.910			**(232.526)**
2. Financial liabilities			**(4.126.299)**		**4.126.299**
2.1 Debt instruments			(3.889.863)		**3.889.863**
2.2 Equity securities			(236.436)		**236.436**
Total	**(4.126.299)**	**6.507**	**(4.121.478)**	**-**	**1.686**

The capital gains and capital losses items mainly refer to the change deriving from the fair value measurement of the securities traded and not yet settled on the equity and bond markets and of financial instruments in the portfolio withdrawn from the settlement system T2S and ICSD. In consideration of the perfect balancing of the contractual positions undertaken by the Company, the overall economic impact is null.

Section 8 – Net value adjustments for credit risk– Item 130

The balance of the item amounts to € 54,649 (€ 0 in the previous year) and represents the provision to the bad debt provision due to the impairment on customer loans made in accordance with the provisions of the IFRS 9 accounting standard.

8.1 Net value adjustments for credit risk of financial assets measured at amortised cost: breakdown

Operations/ Income components	Write down (1)						Write back (2)				Totale	Totale
			Third		Impaired							
	First stage	Second stage	Write-off	Others	Write-off	Others	First stage	Second stage	Third stage	Impaired acquired o originated	31/12/2021	31/12/2020
3. Receivables from customers	**54.649**										**54.649**	**-**
– other receivables	54.649										**54.649**	**-**
Totale	**54.649**										**54.649**	**-**

Section 10 - Administrative expenses- Item 160

The total balance of the item amounted to € 23,240,365 (€ 22,791,366 in the previous year).

10.1 Personnel expenses: breakdown

Type of expense/values	**Total 31/12/2021**	**Total 31/12/2020**
1. Employees:	**7.069.305**	**7.014.454**
a) Wages and salaries	4.817.903	4.847.277
b) Social security charges	1.324.406	1.278.802
d) Welfare costs	159.458	149.389
e) Provisions for employee severance indemnities (1)	379.942	340.584
h) Other employee benefits (2)	387.596	398.402
2. Other employees in service (3)	**706.551**	**514.769**
3. Directors and Auditors (4)	**217.352**	**214.199**
Total	**7.993.208**	**7.743.422**

(1) The item Other employee benefits includes mainly training expenses, meal allowance indemnity and insurance policies.

(2) The "Other employees in service" item includes costs relating to employees seconded at CC&G by Borsa Italiana S.p.A. and Monte Titoli S.p.A. after deducting the costs for CC&G personnel seconded to Monte Titoli S.p.A.

(3) In the item Directors and Auditors the remunerations have been included of the directors and of the board of auditors, as per circular No. 0101799/10 of 8 February 2010 of the Bank of Italy having for its subject "Normativa in materia di bilanci bancari e finanziari".

Changes in the number of employees during the financial year were as follows:

10.2 Average number of employees by category

Category	**31/12/2020**	Recruitments	Resignations	Transfers	**31/12/2021**	Average
Executives	8		-	-	8	8,0
Middle managers	24		(1)	1	24	24,0
Administrative staff	35	5	(4)	(1)	35	35,0
Total employees	**67**	**5**	**(5)**	**-**	**67**	**67,0**
Seconded in	11	-	-	-	11	11,0
Seconded out	-	-	-	-	-	
Total employees and secondments	**78**	**5**	**(5)**	**-**	**78**	**78,0**

10.3 Other administrative expenses: breakdown

Items/Sectors	**Total 31/12/2021**	**Total 31/12/2020**
IT Services (1)	9.082.543	8.531.024
Other expenses (2)	2.651.466	2.665.831
Professional services (3)	967.226	1.200.491
Expenses for Company offices (4)	1.071.385	1.193.704
Contributions to Authorities (5)	628.479	627.606
Telematic and data transmission services	615.330	534.498
EMIR Compliance and Trade Repository (6)	89.457	221.440
Insurance costs	141.271	70.251
Corporate bodies operating costs		3.099
Total other administrative expenses	**15.247.157**	**15.047.944**

(1) This item includes fees for assistance and maintenance of hardware and software for information systems with the related third party suppliers.

(2) The item includes non-deductible VAT on goods and services.

(3) The item includes the costs of legal, tax, notary and auditing consultancy services provided by external professionals and expenses re-charged by Group companies for support services supplied during the year.

(4) Company office expenses refer to the costs of leasing the company headquarters in Rome and Milan and ancillary costs.

(5) The item mainly includes the CONSOB contribution of € 542,185 and the AGCM contribution of € 90,200.

(6) It includes all expenses incurred for the adjustment to the EMIR.

Section 12 - Net value adjustments on property, plant and equipment - Item 180

This item amounted to € 1,263,203 at 31 December 2021 (€ 1,278,934 in the previous year) and is entirely composed of the depreciation rates for the year relating to assets classified under the asset item "Tangible assets".

12.1 Net value adjustments on property, plant and equipment: breakdown

Assets/Income components	Depreciation (a)	Value adjustments for impairment (b)	Write-backs (c)	**Net result (a+b-c)**
A. Property, plant and equipment	1.263.203			**1.263.203**
A.1 for functional use	1.263.203			**1.263.203**
- Owned by the company	446.697			**446.697**
- Rights of use acquired with leasing	816.506			**816.506**
Total	**1.263.203**	**-**	**-**	**1.263.203**

Section 13 - Net value adjustments on intangible assets - Item 190

This item amounts to € 1,040,868 (€ 756,792 in the previous year) and is entirely composed of the depreciation charges for the year relating to assets classified under the asset item "Intangible assets".

13.1 Net value adjustments to intangible assets: breakdown

Assets/Income components	Amortisation (a)	Value adjustments for impairment (b)	Write-backs (c)	Net result (a+b-c)
1. Intangible assets other than goodwill	**1.040.868**			**1.040.868**
of which: software				
1.1 own assets	1.040.868			1.040.868
1.2 rights of use acquired with leasing	0			0
Total	**1.040.868**	**-**	**-**	**1.040.868**

Section 14 - Other operating expenses and income - Item 200

This item amounting to € 1,915,517 (€ 991,123 in the previous financial year) refers to expenses for € 68,374 and income for € 1,983,891.

14.1 Other operating expenses: breakdown

Items/Sectors	**Total 31/12/2021**	**Total 31/12/2020**
Negative rounding up	199	504
Exchange losses	68.175	6.958
Other non-deductible costs	-	8.761
Total operating expenses (A)	**68.374**	**16.223**

14.2 Other operating income: breakdown

Items/Sectors	**Total 31/12/2021**	**Total 31/12/2020**
Sundry income (intercompany re-charging)	186.166	255.500
Other operating income	1.318.759	751.481
Other income	478.966	365
Total operating income (B)	**1.983.891**	**1.007.346**
Total other operating expenses and income (B-A)	**1.915.517**	**991.123**

Other operating income primarily refers to income deriving from central counterparty services supplied on an outsourcing basis to the Austrian central counterparty and to the Romanian counterparty.

The item Other income includes the recharge to the previous parent company London Stock Exchange Group Plc of personnel costs relating to the first 4 months of 2021.

Section 19 – Income taxes for the financial year on current operations – Item 270

This item amounted to € 19,566,046 (€ 15,342,450 in the previous year).

19.1 Income taxes for the financial year on continuing operations: breakdown

	Total 31/12/2021	Total 31/12/2020
1. Current taxes (-)	20.483.651	22.163.673
2. Change in current taxes of previous years (+/-)	(946.156)	(6.882.838)
5. Changes in deferred tax liabilities (+/-)	28.551	61.615
6. Taxes for the period (-) (-1+/-2+/-5)	**19.566.046**	**15.342.450**

Current taxes, a total expense of € 20,483,651 at 31 December 2021, were made up:
- for € 17,076,937 of the expense for IRES deriving from the transfer of taxable income to the Group national tax consolidation;
- for € 3,406,714 of the expense for IRAP of the year.

The item Change in current taxes from previous years was made up of the higher taxes paid for the years 2018 and 2019 as at 31 December 2020 for € 6,794,236 and emerging from the supplementary declarations presented.

Below is the reconciliation between theoretical and actual charges for IRES and IRAP purposes:

19.2 Reconciliation between theoretical tax charges and actual tax charges in the financial statements

	Total 31/12/2021
Profit before taxes	**72.800.107**
Theoretical IRES	17.472.026
Effect of increases	154.033
Effect of decreases	(187.382)
ACE deduction	(361.740)
Actual IRES	**17.076.937**
Irap	3.406.714
Adjustments of previous years	(946.156)
Deferred taxes	28.551
Total tax burden	**19.566.046**

Part D - Other information

Financial assets and liabilities subject to offsetting in the financial statements

As shown in the section on accounting policies, following discussion at Group level, it was decided to provide more information on the offsetting of financial assets and liabilities pursuant to IAS 32, paragraph 42 as from the financial statements for the year ended 31 December 2017.

The tables below provide the financial assets and liabilities that were offset in accordance with IAS 32, paragraph 42.

The 'Gross amount of assets' and 'Gross amount of liabilities' columns indicate the amounts of financial assets and financial liabilities, gross of offsets carried out in accordance with IAS 32, paragraph 42.

The "Amount of financial liabilities/assets cleared in the financial statements" column indicates the amounts that were cleared in accordance with IAS 32, paragraph 42.

The "Net amount of assets reported in the financial statements" and "Net amount of liabilities reported in the financial statements" columns show the net balances reported in the balance sheet.

Financial Assets subject to offsetting

Items/Values	Total 31/12/2021			Total 31/12/2020		
	Gross amount (a)	Offset amount (b)	Net amount (c)=(a)-(b)	Gross amount (a)	Offset amount (b)	Net amount (c)=(a)-(b)
Derivative financial instruments (item 20a)	24.913.655.803	13.789.974.213	11.123.681.590	18.871.668.312	12.443.892.577	6.427.775.735
Government Bonds (item 20c)	6.785.622	2.895.759	3.889.863	6.822.550	1.769.438	5.053.112
Equity instruments (item 20c)	576.340	339.904	236.436	3.280.842	2.168.998	1.111.844
Receivables from repo transactions for CCPactivities (item 40d)	118.785.865.174	13.146.912.690	105.638.952.484	126.738.971.133	20.599.663.707	106.139.307.426
Totale	**143.706.882.939**	**26.940.122.566**	**116.766.760.373**	**145.620.742.837**	**33.047.494.720**	**112.573.248.117**

Financial liabilities subject to offsetting

Items/Values	Total 31/12/2021			Total 31/12/2020		
	Gross amount (a)	Offset amount (b)	Net amount (c)=(a)-(b)	Gross amount (a)	Offset amount (b)	Net amount (c)=(a)-(b)
Derivative financial instruments (item 20)	24.913.655.803	13.789.974.213	11.123.681.590	18.871.668.312	12.443.892.577	6.427.775.735
Government Bonds (item 30)	6.785.622	2.895.759	3.889.863	6.822.550	1.769.438	5.053.112
Equity instruments (item 30)	576.340	339.904	236.436	3.280.842	2.168.998	1.111.844
Receivables from repo transactions for CCPactivities (item 10)	118.785.865.174	13.146.912.690	105.638.952.484	126.738.971.133	20.599.663.707	106.139.307.426
Totale	**143.706.882.939**	**26.940.122.566**	**116.766.760.373**	**145.620.742.837**	**33.047.494.720**	**112.573.248.117**

The assets and liabilities subject to offsetting are:

- Financial assets and liabilities held for trading for central counterparty activities: this item includes the fair value measurement of open transactions not settled at the date of the financial statements (IDEM, IDEX and AGREX open interest);
- Financial assets and liabilities measured at fair value for central counterparty activities: in particular, financial assets and liabilities measured at fair value that are traded and not yet settled on the equity (MTA) and bond (MTS, MOT) markets are offset;
- Financial assets and liabilities measured at amortised cost to clearing members for central counterparty activities: these are offset in particular by repurchase agreements (repo) carried out by bond market members who use the company's clearing and guarantee service.

Guarantees and commitments

These are represented by the following items:

- "Third parties' securities deposited as collateral" (€ 2,116.9 million) shows the nominal value of Government bonds (€ 2,114.8 million) and of shares deposited in order to guarantee short call positions in options (€ 2.1 million) deposited by CCP members.

- "Securities to be received/delivered for transactions to be settled", for € 673.0 million and € 674.2 million, respectively; these represent the nominal value of open positions on the markets in which CC&G provides central counterparty activity, including securities withdrawn in the framework of the TS2 and ICSD settlement systems; the difference between the amount of securities to be received and those to be delivered represents what was already withdrawn in the TS2 and ICSD Links settlement process.

Long term incentive plan share based

Below is the information required by IFRS 2 on the subject of payments based on shares or share options.

Plans assigned by the LSE Group

The plans were closed on the date of leaving the LSE Group.

The movements of the plans during the year 2021 are shown below:

31/12/2021	**CC&G**			
n. shares	Share Options	SAYE	LTIP	**Total**
Beginnig balance 01/01/21	0	5.182	18.013	**23.195**
Granted shares				**0**
Transferred shares				**0**
Transferred shares from UK				
Exercised shares		(4.105)	(12.438)	**(16.543)**
Forfeited shares				**0**
Lapsed shares		(1.077)	(5.575)	**(6.652)**
Ending balance 31/12/21	**0**	**0**	**0**	**0**

The cost charged to the year 2021 amounts to 123,789 euros, net of the severance pay.

No new shares were assigned during the year.

Plans assigned by the Euronext Group

"10 Shares For All"

On November 18, 2021, Euronext awarded 10 shares of Euronext N.V. free of charge to each employee of the Group in possession of the following eligibility requirements at that date:

- hired for an indefinite period (including part time) as of 30 September 2021
- active duty in any of the companies of the Borsa Italiana Group (excluding apprentices, employees suspended in the notice period, on long-term leave).

The assigned shares are registered in an account with BT, Banque Transatlantique, the manager of the equity plan, for a period of three years, which is referred to as the vesting period. The shares will vest and become the property of the employee 3 years after the grant date, provided that:

- he is still a Euronext employee;
- that the Company remains profitable.

"PSP-Performance Share Plan"

On November 18, 2021, Euronext awarded a group of executives and senior managers selected by the Managing Board the opportunity to receive Euronext N.V. shares free of charge upon the satisfaction of certain performance conditions to be verified at the end of a period of three years from the grant date. The shares assigned are divided into two equal parts and the respective performance conditions are measured separately, with reference to:

- performance of the Total Shareholder Return of Euronext N.V. compared to the STOXX Europe 600 Financial Services index;
- EBITDA

The shares will vest and become the property of the employee 3 years after the grant date, provided that:

- the performance results have been achieved;
- that the employee is still part of the selected executives and senior managers.

The movements of the plans during the year 2021 are shown below:

31/12/2021	**232-CC&G**			
n. azioni	Ten Share		LTIP	**Totale**
Beginnig balance 01/01/21	0	0	0	**0**
Granted shares	600		2.058	**2.658**
Transferred shares				**0**
Exercised shares				**0**
Forfeited shares				**0**
Lapsed shares				**0**
Ending balance 31/12/21	**600**	**0**	**2.058**	**2.658**

The cost charged to the 2021 financial year amounts to 4,989 euros, net of the pension pay.

The fair value of the shares assigned during the year was determined using a probabilistic valuation model. The main valuation assumptions used in the model are the following:

2021	**Ten Share Plan**	**LTIP Plan**
Assignment date	18-nov-21	18-nov-21
Price of shares at assignment date	92,25 €	92,25 €
Expected life	3 years	3 years
Dividend yield	1.72%	1.72%
Risk free interest rate	0,00%	0,00%
Volatilità	28.16%	28.16%
Fair value TSR	56,79 €	56,79 €

Relationships with related parties

Intercompany relations

The following table shows details of "non-atypical" transactions during the year with related parties and the financial balances at 31 December 2021 in being with them (including both relations with the companies of the LSEG Group, the group to which he belongs until 29 April 2021 and relations with the Euronext Group).

(Amounts in Euro)

	REVENUE	RECEIVABLES	ASSETS
Borsa Italiana SpA			
- Work in Progress			17.738
- Custody, administration and Settlement	49.007		
Euronext Holding Italia Spa			
- Services rendered and costs recharged		200.366	
- Tax consolidation		1.443.970	
GateLab Srl			
- Software Capitalized			258.667
- Work in Progress			443.040
London Stock Exchange Plc			
- Fees for services	10.227		
- Work in Progress			1.980
LSEG Business Services Ltd			
- Work in Progress			28
Monte Titoli Spa			
- Fees for services	107.527		
- Work in Progress			155.440
Mts SpA			
- Fees for services	20.000		
- Services rendered and costs recharged		27.328	

(Amounts in euro)

	COSTS	PAYABLES
BIt Market Services SpA		
- Fees for services	10.800	
Borsa Italiana Spa		
- Fees for services	2.381.237	
- Seconded personnel	932.213	
- Services rendered and costs recharged		607.331
EuroMTS Ltd		
- Fees for services	25.500	
Euronext Holding Italia Spa		
- Rent and service charges	832.385	
- Fees for services	38.396	
- Insurance	106.968	
- Group VAT		191.342
GateLab Srl		
- Software amortization	129.333	
- Fees for services	25.280	
London Stock Exchange Group Plc		
- Insurance	34.303	
London Stock Exchange Plc		
- Fees for services	777	
LSEG Business Services Ltd		
- Fees for services	292.183	
Monte Titoli SpA		
- Fees for services	4.678.468	
- Services rendered and costs recharged		398.497
UnaVista Limited		
- Fees for services	8.580	
Una Vista TRADEcho B.V.		
- Fees for services	80.877	
Mts SpA		
- Fees for services	2.400	
- Services rendered and costs recharged		2.870

Relationships with companies of the Group are governed on the basis of specific agreements, and on the basis of fees in line with those of the market.

Remunerations of the members of corporate bodies

As required by IAS 24, the indication is shown below of the amount of the fees payable in the financial year just ended to the members of the Board of Directors, Board of Statutory Auditors and to the Key managers of the Company:

Directors and Key Managers	805.951
Auditors	74.720
Total	**880.671**

With regard to executives with strategic responsibilities, the breakdown of remuneration categories is detailed below:

a. Short-term employee benefits	479.366
b. Post-employment benefits	44.695
c. Other long-term benefits	-
d. Severance benefits	77.563
e. Share-Based Payments	83.327
Total	**684.951**

Plan	**Date of award**	**Numbers of shares**
LSEG Matching Share Award (2014)	26/04/2018	1.488
LSEG Matching Share Award (2014)	22/03/2019	1.722
LSEG Performance Share Award (2014)	26/04/2018	5.991
LSEG Performance Share Award (2014)	22/03/2019	5.241
LSEG Performance Share Award (2014)	22/04/2020	3.571

Directors of the Companies of the Group receive no remuneration. The amount relating to the key managers represents the overall cost borne by the Company, inclusive of any and all supplemental elements. The key managers category comprises managers with strategic responsibilities, i.e. with powers and responsibilities relating to planning, management and control of the business activities (Managing Director and General Manager).

No loans have been granted and no guarantees were issued in favour of Directors and Statutory Auditors.

Management and coordination

It should be noted that at the reference date of the financial statements as of 31 December 2021, the Company is subject to the management and coordination of Euronext Holding Italia S.p.A., thus renamed following the completion on 28th April 2021 of the sale by the London Stock Exchange Group to Euronext N.V. of the 100% of the shares of the parent company London Stock Exchange Group Holdings Italia S.p.A..

Pursuant to art. 2497-bis of the Italian Civil Code, the essential data of the latest approved financial statements of London Stock Exchange Group Holdings Italia S.p.A. (now Euronext Holding Italia S.p.A.) are reported below. For an adequate and complete understanding of the equity and financial position, as well as the economic result achieved in the financial year ended 31st December 2020, reference should be made to the financial statements which, accompanied by the report of the independent auditors, are available in the forms and methods set out by law.

STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2020

(Amounts in €/1000)	**31-dic-20**
Assets	
Non-current assets	1.455.881
Total current assets	45.521
TOTAL ASSETS	**1.501.402**
Liabilities	
Non-current liabilities	146.921
Current liabilities	85.668
TOTAL LIABILITIES	**232.589**
NET ASSETS	**1.268.813**
Equity	
Share capital	350.000
Reserves	794.349
(loos)/profit of the period	124.464
TOTAL EQUITY	**1.268.813**

STATEMENT OF COMPREHENSIVE INCOME AS OF 31 DECEMBER 2020

(Amount in €/1000)	**31-dic-20**
Revenues	139.174
TOTAL REVENUES	**139.174**
Employee's costs	1.251
Service costs	3.543
Depreciation and amortization	7.104
Operating expenses	205
TOTAL OPERATING COSTS	**12.103**
Finance income	-
Finance expense	2.378
PROFIT BEFORE TAX	**124.693**
Taxes	229
NET INCOME	**124.464**
Other elements with an impact on Shareholder's Equity	20
TOTAL NET INCOME	**124.484**

<u>Disclosure of auditing fees and fees for services other than the audit</u>

Pursuant to Article 2427, paragraph 1, sub-paragraph 16 bis, of the Italian Civil Code, implementing the provisions of Article 37, paragraph 16 of Italian Legislative Decree No. 39 of 27 January 2010, the following table is presented:

Services	**Entity that provided the service**	**Fees (euro)**
Independent auditing	EY S.p.A.	77,119
Other auditing services (Reporting Package	EY S.p.A.	39,896
Certification services	EY S.p.A.	2,262
Total		**119,277**

<u>Capital Requirements</u>

The European Banking Authority approved in December 2012 Delegated Regulation No 152 supplementing Regulation No 648/2012 (EMIR) concerning technical rules governing the capital requirements of central counterparties. Pursuant to Article 2, a central counterparty must have capital (inclusive of undistributed profits and reserves) that must be, at any time, sufficient to cover the total exposure to the following risks:

- risks relating to the liquidation or restructuring of assets,
- credit, counterparty's and market risks (not covered by specific financial resources pursuant to Articles 41 to 44 or EMIR Regulation),
- operational and legal risks,
- business risks.

The capital thus identified must be invested in secured assets for the purpose of complying with the provision of Article 47 of the EMIR. On the date of approval of these financial statements, CC&G has invested its Regulatory Capital in Government Bonds.

If the capital held by the central counterparty decreases below 110% equity requirements ("notification threshold"), the CCP must notify the competent Authority immediately, keeping it up to date until the amount of said capital increases and exceeds the above-mentioned notification threshold.

Moreover, pursuant to Article 35 of Delegated Rule no. 153 (ESMA), the central counterparty must hold and show separately in its balance sheet, an amount of equity resources ("Skin in the Game") to be used as defence line in the event of default by the members ("Default Waterfall"). This amount is calculated as 25% of the minimum capital (TCR). The CCP must notify the competent authority immediately if the amount of the Skin in the Game to be held for Default Waterfall decreases below the mandatory minimum amount.

Article 45, paragraph 4 of EU Regulation No. 648/2012 requires a CCP to have a share equal at least to 25% of the Regulatory Capital allocated to a restricted reserve (Skin in the Game).

From this the need derives to comply with these provisions of law and to allocate a share of the reserves represented by profits to the Skin in the Game. This reserve must be changed every year, at the time of approval of the Financial Statements, depending on the Company's levels of risk.

In addition, for the purpose of having additional coverage in support of the Regulatory Capital, Cassa di Compensazione e Garanzia has created an additional reserve, equal to € 1,000,000.00, intended to cover any losses (Internal Buffer), pursuant to the resolution of the Shareholders' Meeting of 6 November 2013.

The establishment of a reserve in the amount of € 1,500,000.00 pursuant to Article B.6.2.3. of the CC&G Regulations, was defined by the Managing Director on 18 November 2015, in agreement with the Deputy Chairperson; this reserve is intended to cover the expenses for the default procedure of a clearing member (Second Skin in the Game), resolved upon later by the Board of Directors' Meeting of 2 December 2015 and ratified by the Shareholders' Meeting of 13 April 2016.

From a management standpoint, the calculation of the Regulatory Capital of Cassa di Compensazione e Garanzia - which takes into account the business risk, the market risk, the counterparty risk and operational risks - showed at 31 December 2021, a Skin in The Game equal to € 18,520,848.00 (25% of the total regulatory capital equal to € 74,083,390.00), 6% less than the comparable figure for 31 December 2020, of € 19,785,092.00.

The calculation of the Regulatory Capital at 31 December 2021 is shown below, from which the value of the "skin-in-the-game", the Internal Buffer and the second "skin-in-the-game" is inferred.

Total Shareholders Equity *(Importi in euro)*	**31/12/2021**
Capital	33.000.000
Reserves	116.103.387
Net profit allocated to reservers	2.661.561
Total Shareholder's Equity	**151.764.948**
Intangible assets	(6.516.303)
FVOCI and FTA reserves	(865.409)
Share awards	(2.137.258)
Total Shareholder's Equity after prudential filter	**142.245.979**
Skin in the game (SIG)	18.520.848
Total "NET" Shareholder's Equity	**123.725.131**

Capital Requirement as per art. 16 EMIR Regulation *(Importi in euro)*	**31/12/2021**
Winding down/restructuring requirement	12.028.436
Credit, Market and Counterparty risk	40.768.126
Operational risk	15.272.610
Business Risk	6.014.218
Total Capital Requirement (TCR)	**74.083.390**
Notification threshold (10%)	7.408.339
TCR + Notification threshold	**81.491.729**
Internal Buffer (IB)	1.000.000
Second Skin in the Game (SIG2)	1.500.000
TCR + Notification threshold + SIG2 + IB	**83.991.729**

Shareholders' Equity available pursuant to the applicable Provisions of Law, at 31 December 2021 amounted to € 142,245,978.00 (on an overall amount of Shareholders' Equity on the same date of € 142,604,621.00 including the profit for the year allocated to Reserves), having sterilised the impact of the reserves from First Time Adoption, Financial Assets at fair value through OCI, IAS 19 reserves and Share Awards, as well as the entire amount of intangible assets present under assets in the Balance Sheet on the date of these financial statements.

Following the Regulatory Capital requirements, the Company has calculated, according to the parameters provided by EU Regulation No 152/2013 of the Commission of 19 December 2012:

- the requisite of winding down and restructuring.
- Credit, Counterparty and Market risks.
- Operational risk.
- Business risk.

These risks, assessed on the basis of the corporate structure and solidity with respect to the market, have been calculated at € 74,083,390.00 (Regulatory Capital). A 10% notification threshold was then applied to these risks, pursuant to Article 1 of the aforementioned EU Regulation.

The value of the Regulatory Capital alone, excluding the notification threshold, was also subject to a 25% guarantee threshold (skin-in-the-game) which will be allocated (following the approval of the Shareholders' Meeting of 27 April 2022) to a restricted reserve of up to € 18,520,848.00. The Internal Buffer reserve, equal to € 1,000,000 was allocated to a restricted reserve by the Shareholders' Meeting of 6 November 2013. The second "skin-in-the-game" reserve, as per resolution of the Board of Directors' meeting of 2 December 2015, was defined as € 1,500,000, and allocated to a restricted reserve by the Shareholders' Meeting of 13 April 2016.

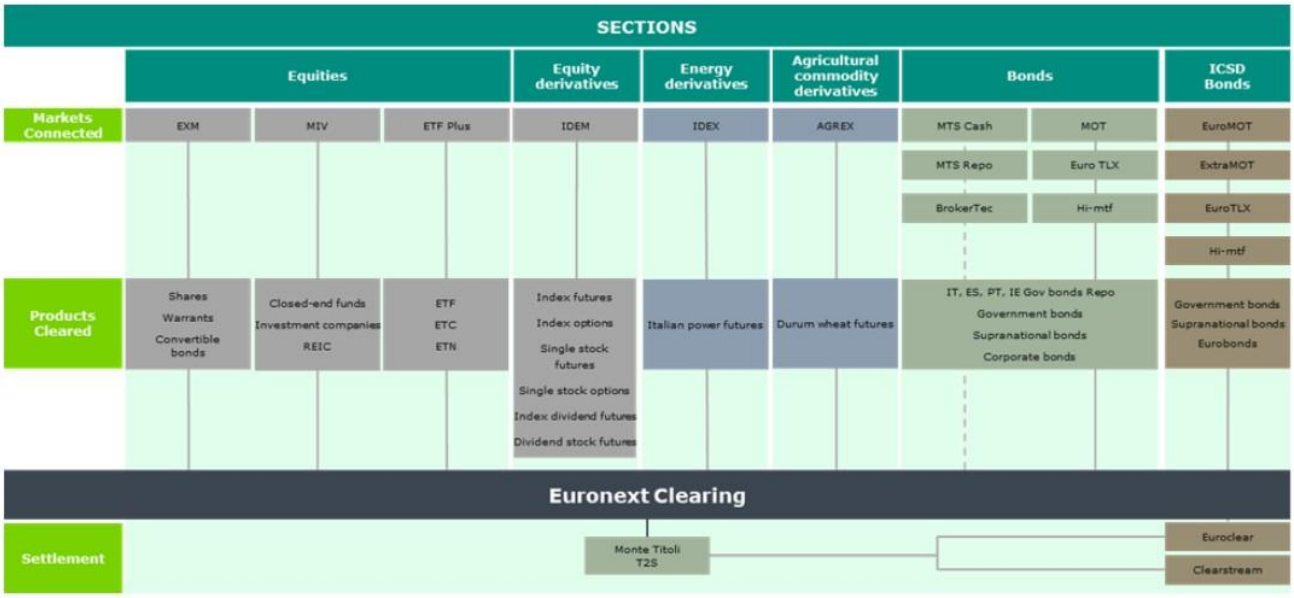
On 22 October 2019 the Board of Directors approved the method for calculating a strategic capital reserve (Strategic Buffer) to be established annually when the proposal for allocation of the profit is made. This reserve (available and distributable) was set aside initially with the approval of the 2019 annual financial statements and for an amount of € 20,300,000 and has as its purpose the consolidation of the capital resources strengthening CC&G's equity structure through the creation of an incremental capital buffer also to cover future growth of the business. The amount of the Strategic Buffer was revalued on preparation of the said annual financial statements and no further increase in its amount is required. The value of the reserve at 31 December 2021 was therefore still € 20,300,000.

Risk management

Introduction

Cassa di Compensazione e Garanzia S.p.A. manages the central counterparty (CCP) guarantee system on a broad range of markets: shares, option rights, warrants and convertible bonds listed on MTA, ETF and ETC listed on ETF Plus, futures and options on single stocks and index listed on IDEM Equity, futures on dividends, futures on electricity listed on IDEX, futures on durum wheat listed on AGREX, closed end funds, investment companies and real estate investment companies listed on MIV, Italian Government Bonds listed on MTS, EuroMTS, BrokerTec and Repo e-MID, Italian Government Bonds and bonds listed on MOT, EuroTLX and Hi-MTF.

CC&G avoids counterparty risk by becoming a contractual counterparty itself to members in organised markets and single Stock Exchange Group guarantor of the good outcome of the contracts acting as buyer in relation to the sellers and, vice-versa, operating in the capacity as seller in relation to the buyers.



CC&G activities are subjected to the supervision of the Bank of Italy and Consob, which approve its Regulations.

CC&G's financial protection system is based on 4 levels of protection:

1) membership requirements
2) margin system
3) default funds
4) equity and financial resources.

1. Membership requirements

Membership is the CC&G first line of defence, and establishes which members may be admitted to the system. It is possible to become member of CC&G as direct clearing member, general or individual (becoming counterparty to CC&G), or as Negotiator Customer (becoming counterparty to a general member). Clearing members must have a minimum regulatory capital. Each clearing member must also have an organisational structure, as well as technological and electronic systems, ensuring an orderly, continuing and efficient management of activities and relationships required by CC&G regulations.

2. Margin system

The margin system represents a fundamental system of risk management adopted by CC&G.

Members must post sufficient guarantees to cover the theoretical liquidation costs that CC&G would incur in case of default, in order to close the member's position in the most unfavourable, reasonably possible, market scenario. All Direct Members are therefore required to pay margins on all open positions.

The margins applied to each category of financial instruments are determined on the basis of statistical analyses so as to provide for a prefixed coverage level compared to price variations actually recorded.

Margins are calculated using the MARS - Margining System methodology for IDEM and BIT markets and the MVP methodology (Method for Portfolio Valuation) for fixed income markets. In addition, MMeL methodology is applied to the energy derivatives segment and MMeG methodology to the Derivatives on Agricultural Commodities segment.

The above-mentioned methodologies are efficient, reliable and accurate margin calculation systems able to recognise the overall portfolio risk and enable the netting of risks between strictly correlated products. The MARS - Margining System methodology permits cross-margining between equity and derivatives instruments composing the portfolio.

Fundamental principles applying to equity and equity derivatives sections: MarS

All financial instruments that are considered by CC&G as significantly correlated with one another in terms of price variations are included in one single Integrated Portfolio and, therefore, Initial Margins are calculated at portfolio level.

CC&G's Margining System method enables determination, at an overall aggregate level, of the risk exposure of each member per:

- Group of products: integrated portfolio including underlying assets with price variations with significant statistical correlation;

- Group of classes: integrated cash-derivative portfolio relating to the same share (options, futures and shares on the same share).

In order for a member to be allowed to benefit from cross-margining on cash-derivatives integrated portfolios, it is necessary that they are a general member or individual member in both sections, or, if they are a customer negotiator, that they use the same general member in both markets.

Fundamental principles governing the bond section: MVP

The MVP methodology allows for inclusion in Classes of financial instruments that are significantly correlated with one another, on the basis of their specific sensitivity to interest rate changes, measured through "Duration" or Time to Maturity. It allows for offsetting the risk between positions of opposite sign of instruments pertaining to the same Class of Duration or Life at Maturity, as well as between Classes of contiguous and well related Durations.

Fundamental principles governing the energy derivatives section: MMeL

Derivatives contracts traded on IDEX are included in a single Integrated Portfolio and, therefore, Initial Margins are calculated at portfolio level. The MMeL margining methodology provides for a class structure, each of which includes all contracts of the same kind (futures) with the same underlying asset (settlement price of the contract related to Italy) and the same characteristics (Delivery Period and supply type: Baseload and Peakload). Starting from August 2016 the method was refined in order to allow for the application of Product Groups fulfilling EMIR/EMSA regulatory requirements.

In addition to the final cash settlement, the option for the physical delivery/collection of the energy underlying the subscribed futures contract is also permitted. This settlement takes place outside CC&G's system, on the platform of the Energy markets manager, according to the rules in force therein.

Fundamental principles governing the derivatives section on agricultural commodities: MMeG

Derivatives contracts of Durum Wheat traded on AGREX are included in one single Integrated Portfolio and, therefore, Initial Margins are calculated at portfolio level.

MMeG margining methodology defines a structure of Classes comprising: delivery positions, and uncovered positions in delivery and matched delivery positions of the Withdrawing Counterparty and that in Delivery.

Collateral

The Initial Margins may be covered both in cash (euro) and/or in euro-denominated Government Bonds, traded on MTS and issued by countries of the Eurozone characterised by a low level of credit risk and market risk. The value of the guarantees deposited in securities usable to cover the initial margins is determined on the basis of the concentration limits.

The measurement methodology also involves each government bond deposited at CC&G to cover initial margins being evaluated daily, including intraday, applying a precautionary ‘haircut’ on the basis of the duration of the security.

Intraday Margins can be hedged in cash (euro) and also through the use of government bonds.

3. Default Funds

CC&G has an additional protection that is added to the margins system, represented by Default Funds. The function of Default Funds is to hedge the risk, generated by extreme changes in market conditions, and not guaranteed by the margin system; the objective is to ensure the integrity of the markets also in the event of multiple defaults in extreme market conditions, in line with the provisions of the EMIR.

The volumes of Default Funds are determined by CC&G on the basis of the results of the "stress tests" performed daily. Such results are reviewed by the Risk Committee of CC&G which modifies the amount of the default funds if it considers it necessary.

As of 31 December 2021 the Default Funds were made up as follows:

- Equity and Equity Derivatives Market: € 2,400 million;
- Bond Segment: € 4,500 million;
- Energy Derivatives Segment: € 0.7 million;
- Agricultural Commodity Derivatives Segment: € 0.1 million.

The adjustment of the default fund contribution portion for the participants is usually performed on a monthly basis, on the basis of the initial margins paid in the preceding month. For a general clearing member, the contribution quota to be deposited also includes those relating to its customer negotiators, if any.

The payment of the contribution quota to the default fund must be made in cash (Euro).

4. Equity and financial resources

At 31 December 2021, the shareholders' equity of CC&G was € 202.3 million. In addition, CC&G has obtained adequate credit lines negotiated with the main Italian banks, in order to cope with the needs linked to the management of the settlement phase (T2S and ICSD).

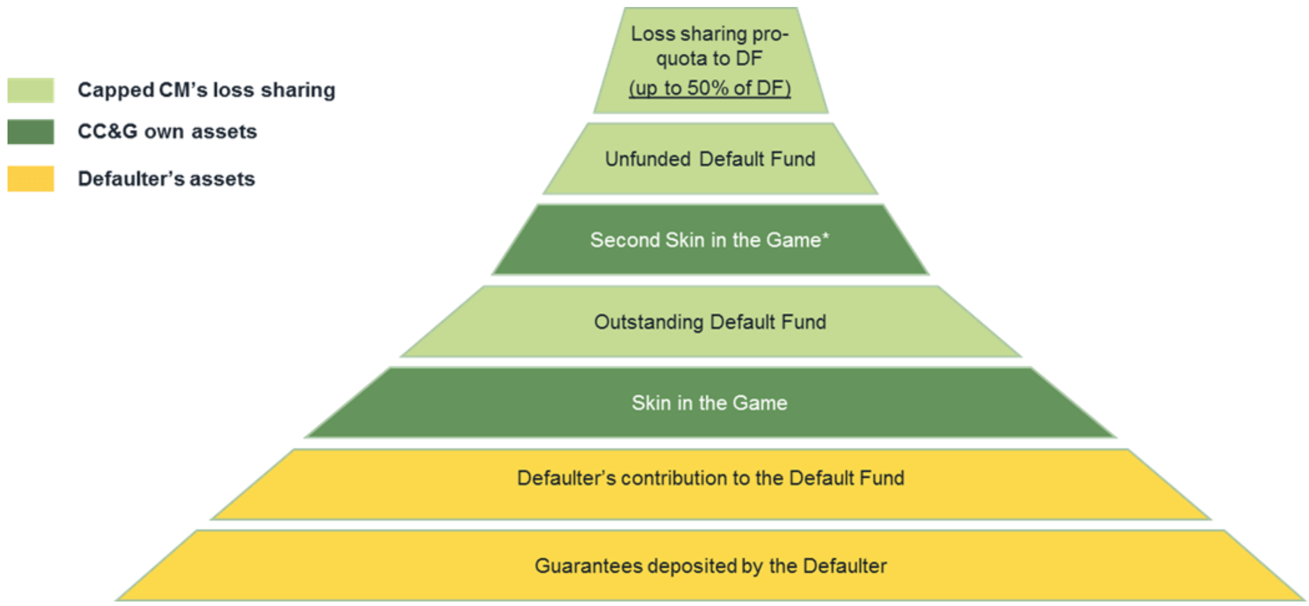
<u>Insolvency proceedings against a Member</u>

In case of default of a clearing member, for covering the losses CC&G uses the following resources:

a) the Margins deposited by the Defaulting Member;
b) the contributions to the Default Fund of the defaulting member;
c) CC&G's own resources ("skin-in-the-game"), determined in compliance with the limits provided by Article 45 of EMIR Rules;
d) contributions to the Default Fund of other clearing members of the Segment concerned, in proportion to the amounts paid and limited to the losses related to the Segment concerned;
e) CC&G's own resources in the amount of € 1.5 million (Second Skin in the Game);
f) the contribution to the Default Fund not financed in advance by other members, in proportion to the payment of contributions to the Default Fund of the Segment concerned.

When the resources of the default waterfall listed in sub-paragraphs a)-f) are not sufficient, CC&G will distribute the remaining losses *pro rata* on the basis of the quota of contribution to the default fund among the members of the related segment. In any case, the losses that can be allocated to non-defaulting members shall be subject to a maximum limit represented by 50% of the amount of additional resources requested under the terms of Article B.6.2.3, letter f) of the Regulation.

Upon completion of the foregoing activities, CC&G may, in order to ensure the continuity of the business of the other Segments and of the interoperable CCP, after notifying the competent authorities, close the Segment. For this purpose, CC&G may take into account, by way of example, the following elements: the importance of counterparty risk mitigation for members, the number of members, the amount of guaranteed values.



The amount of the Skin-in-the-game, corresponding to 25% of the minimum regulatory capital was € 18,520,848.00 at 31 December 2021.[11]

CC&G Recovery Plan and changes in the management of a default

CC&G has as usual updated its Recovery plan 2021 in compliance with the guidelines defined in the report prepared by CPMI IOSCO "report on recovery of financial market infrastructures", published in October 2014 and updated in July 2017 and in the document " principles for financial markets infrastructures (PFMIs) ", published in April 2012.

The objective of the recovery plan is to define the information and procedures necessary to allow CC&G to continue to provide its critical services even in the remote hypothesis in which its survival is threatened. The recovery plan is structured so as to enable CC&G to identify and use promptly the most appropriate instruments to deal with such extreme stress conditions. This reduces the risk that the effectiveness of recovery actions will be diminished by a climate of uncertainty.

CC&G has identified its "critical" services, i.e. those services which ensure normal functioning of markets served by CC&G and the safeguarding of financial stability. Potential scenarios that could prevent the CCP from running normally were then identified. CC&G included in the recovery plan the description of the scenarios, the events that could trigger these scenarios, the list of preventive controls that it can use to monitor these events, the financial/organisational impacts of the scenarios on the CCP and its members and the measures to be implemented in the event that these scenarios occur.

Insolvency proceedings against a special member (interoperable CCP)

In case of default of a special member, CC&G charges the losses and expenses suffered in the following order:

a) to the Margins deposited by the Special Defaulting Member;
b) to CC&G's own resources, referred to as Internal Buffer in the amount of €1 million, and within the limits established in a specific Communication;
c) to the members which have a positive balance following a cash settlement, through a reduction in proportion to the amounts due to them.

If the Special Member ceases the central counterparty service in relation to its members and proceeds with a settlement in cash also in relation to CC&G, CC&G reserves the right to proceed with a cash settlement in relation to members participating in the market concerned.

Definition of risks

The main risks identified, monitored and actively managed by CC&G are the following:

i. country risk
ii. market risk
iii. credit risk
iv. issuer risk
v. liquidity risk
vi. interest rate risk
vii. exchange rate risk

[11] This amount, resulting from the calculation of the regulatory capital at 31/12/2021, as shown in the current draft financial statements, following approval by the Board of Directors' Meeting and the Shareholders' Meeting, will replace the preceding value of € 19,785,092.00.

viii. operational risk.

The management of these risks is governed according to the "Investment Policy" and the risk appetite framework. We must specify that the monitoring of the aforementioned risks takes into account the potential impacts deriving from the Covid-19 pandemic.

The definition of operational risks, as well as the consequent management and control methodology, is instead regulated by the "Operational Risk Manual".

Country risk

Country risk is the risk of potential losses for the Company deriving from a worsening of the creditworthiness or default of a sovereign country which is the issuer of financial instruments that have been the object of investments or whose institutions have a debit with the Company.

In order to mitigate this risk CC&G, in conducting its typical activity as Central Counterparty, calibrates its guarantees considering the creditworthiness of the issuer country of the guaranteed government bonds. In addition, only government securities of the European Union are eligible to be deposited as collateral.

Finally, CC&G limits its investments to securities issued by sovereign Countries of the European Union in possession of high credit worthiness on the basis of the "SRF" (Sovereign Risk Framework) method adopted for the monitoring and management of Country risk.

Moreover deposits, or receivables of any kind that CC&G may claim in relation to institutions located in the country considered are included in such limits.

Market Risk

Market Risk is defined as the risk that CC&G may suffer losses as a result of changes in value of the financial instruments traded on the markets for which the Company exercises its central counterparty function or changes in value of the financial instruments in which the Company invested the margins acquired from the members or its own resources.

a) Financial instruments traded on markets for which the Company exercises its central counterparty function.

In carrying out its typical activity as a central counterparty, CC&G does not incur any market risks since the positions assumed as buyer and seller in relation to all the other counterparties that operate on guaranteed markets, are balanced with respect to amounts, maturities and prices. In the case of a member default the risk is mitigated by the collection of the guarantees represented by initial margins and default funds.

b) Investments in financial instruments of margins, deposits of default funds or own resources.

The Company's activity is governed by EU Regulation 648/2012[12] on OTC derivative instruments, central counterparties and trade repositories, subsequently supplemented by EU Delegated Regulation No 153/2013 issued concerning technical standards related to the requirements for central counterparties.

In compliance with the above-mentioned rules and regulations, CC&G invests its financial resources exclusively in cash or highly liquid financial instruments with minimum market and credit risks.

Credit Risk

[12] *(EU) Regulation No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivative instruments, central counterparties and data registers on negotiations*

Credit Risk is the risk that CC&G may suffer losses that derive from a worsening of the creditworthiness or default of a counterparty:

a. of which (Member of the guarantee systems) the risks in the performance of the business mission of the central counterparty have been guaranteed. The risk is mitigated by the application of the admission criteria to the guarantee systems provided by the Company's regulations, approved by the Bank of Italy together with Consob, and by the right to request increased margins, including intraday, from members having a temporarily worsened creditworthiness.

b. at which amounts of money have been deposited from margins, Default Fund contributions or own resources. The risk is mitigated by strict limits specified in the CC&G Investment Policy for managing cash resources, and an internal method to assess the investment counterparty's creditworthiness.

c. on which securities were deposited for custody and administration.

To mitigate this risk, CC&G deposits securities with the national central depositary Monte Titoli S.p.A. or with the International Central Securities Depositories or with the Central Bank, against intraday refinancing.

For trade receivables and assets deriving from contracts, CC&G follows the approach adopted by the Group. In particular, the Group adopts a simplified approach to the calculation of expected losses. It consequently does not monitor credit risk, but rather fully recognises the expected loss at each reference date. The Group has prepared a matrix system based on historic information, which is revised in view of forecast elements with reference to specific types of debtors and their economic context, and is used as a tool to determine expected losses. In line with the approach adopted by the group the company monitored trade receivables carefully following the Covid-19 pandemic and it can be confirmed that these receivables were not impacted, also in the early months of financial year 2021, and that a worsening of credit risk has not occurred.

CC&G considers all financial assets measured at amortised cost and classified among the best credit rating categories to be a low credit risk. This refers to all its cash and receivables from the Central Bank.

CC&G considers a financial asset to be in default when the contract-based payments are overdue by two years. In some cases, CC&G could also consider a financial asset to be in default when internal or external information indicates that it is improbable for the Company to fully recover the contractual amounts, prior to having reviewed the guarantees on the credit it holds. A financial asset is eliminated when there is no reasonable expectation of recovering the contract-based financial flows.

For assets represented by debt instruments measured at fair value recognised in OCI, CC&G applies the simplified approach permitted for low credit risk assets. At each financial statements' reporting date, the Group assesses whether it considers the debt instrument to have a low credit risk by using all the information available that can be sourced without excessive costs or effort. In conducting this assessment, CC&G monitors the debt instrument's credit rating. Financial assets represented by debt instruments held by CC&G measured at fair value and recognised in OCI include only listed bonds classified in the best credit rating categories, and consequently are considered as low credit risk investments. CC&G policy measures the expected losses over the next twelve months on these instruments year-on-year.

Nonetheless, when there is a significant increase in credit risk, the Group fully recognises the expected losses referring to the exposure's residual duration. CC&G uses the leading Agency ratings both in determining whether the debt instrument's credit risk has increased significantly, and to estimate the expected losses referring to the exposure's residual duration.

Issuer risk

Issuer Risk is the risk that the Company may suffer losses deriving from the worsening of the creditworthiness or default of an issuer of financial instruments in which the Company has invested. Reference is made to the "Credit risk” section.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to satisfy its payment obligations on the dates these fall due.

With regard to liquidity, the Company, in addition to the obligations deriving from its CCP core business, must take into account those deriving from its participation in the "Target II” securities settlement process managed by Monte Titoli and the securities settlement process managed by the "ICSDs" through Euroclear.

The monitoring of liquidity risk, in ordinary conditions as well as stress conditions, is performed according to the provisions of the liquidity plan approved by the Board of Directors, in line with the EMIR/ESMA regulatory requirements.

The mitigation factors of these risks provided by the liquidity plan comprise the following:

- the right to access intraday re-financing at the Central Bank;
- the availability of collateralised and non collateralised credit lines, granted by leading commercial banks;
- the option to enter into financing repurchase agreements with qualified counterparties in the tri-party platforms of Euroclear and Clearstream.

Interest rate risk

Interest Rate Risk is the risk that the Company may suffer losses deriving from fluctuations in interest rate levels at which items of the assets and liabilities of the financial statements, which are not matched according to maturities or reference rate parameter, are exposed.

At 31 December 2021 the Company remunerates, with the reference parameter of the short-term rate "€STR" -21.5 bps the initial guarantee margins and “€STR” -16.5 bps the members' deposits for the Default Funds.

Any derivatives, such as interest rate swaps, may be used exclusively for hedging the risk. As of 31 December 2021 no derivative transactions appear to be in existence.

From the standpoint of loans and/or investments, the Company has no loans in existence.

Exchange Rate Risk (FX risk)

Exchange Rate or FX Risk is the risk that the Company may suffer losses from a fluctuation of the Euro exchange rates, in which its capital is denominated and its accounting books are expressed, or of other currencies in which items of the financial statements not balanced in equal currency are expressed. The Company has not operated under conditions that entailed an FX risk.

Operational Risk

Operational Risk is the risk that the Company may suffer losses caused by the operational activity of its employees, processes, electronic systems, external suppliers and unexpected events.

The management of operational risk, in general, is the responsibility of the Risk Policy Office, which prepares a quarterly update report for the Group Risk Department, the Board of Statutory Auditors and the Board of Directors.

The Operational Risks Committee works with an advisory function, in support of the Chief Executive Officer’s decisions, on the subject of assessments related to Operational Risks – other than those covered by the Risks Committee - to which Cassa di Compensazione e Garanzia is potentially exposed.

The Risk Policy office also takes note of any problems or incidents linked to operations, coordinates the stages of communicating them and monitors the corrective actions necessary for the resolution or mitigation of the risk.

To supervise the Operational Risk, CC&G has arranged a mapping of all the processes relating to its business and of the risks connected thereto. For each process, "delicate" procedures and detailed policies have been realized, which are updated on a periodical basis.

The electronic system (Technology Risk) complies with the Guidelines of the Bank of Italy on the Business Continuity:

a. operations are guaranteed by an architectural configuration that envisages availability in two separate Data Centres at a distance of over 500 Km, linked by high-speed back-up lines and based on distinct Carriers, where the central processing systems and cyber connectivity and security devices are installed. Both centres have infrastructure with the same configuration, data aligned in real time and are permanently managed and maintained remotely by CC&G specialists from the BC&SM section and relevant SOC (Security Operations Centre);
b. the architecture provides a re-start option in disaster recovery situations within two hours;
c. disaster recovery and business continuity tests are conducted at least once a year;
d. external suppliers are selected according to the aforementioned Guidelines and are subject to specific SLA checks.

The whole plan is regularly tested, constantly updated and disseminated within the structure.

Rome, 24 March 2022

for the Board of Directors

The Chairman

Renato Tarantola

4. Board of Statutory Auditors' Report

CASSA DI COMPENSAZIONE E GARANZIA S.p.A.

Registered office in Rome – Via Tomacelli 146

Fully paid-up share capital € 33,000,000

Tax identification number and registration

in the Rome Business Register 04289511000

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Company subject to the management and coordination of

Euronext Holding Italia S.p.A.

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BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2021 PURSUANT TO ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE

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To the Shareholders of Cassa di Compensazione e Garanzia S.p.A.

During the financial year ended 31 December 2021, our activity was inspired by the provisions of the law and the rules of conduct of the board of statutory auditors of unlisted companies issued by the National Council of Chartered Accountants and Accounting Experts, publication in December 2020 and effective from 1 January 2021.
We inform you about this activity and the results achieved with this report.
The financial statements as of 31.12.2021 of Cassa di Compensazione e Garanzia S.p.A., prepared in accordance with the International Financial Reporting Standards adopted by the European Union, which shows an operating result of 53,234,061 euros, have been submitted for your examination.
The same was made available to us within the deadline provided by the law.
The firm in charge of the statutory audit of the accounts EY S.p.A has delivered its report to us dated 12 April 2022 containing an opinion without exceptions.
From what is reported in the report of the firm in charge of the statutory audit, the financial statements at 31.12.2021 represent in a true and fair way the equity and financial position, the economic result and the cash flows of your Company as well as being compliant with rules governing its drafting.
The Board of Statutory Auditors, which is not in charge of the statutory audit, carried out

the supervisory activity over the financial statements as provided for by Rule 3.8. of the "Rules of conduct of the board of statutory auditors of unlisted companies", consisting in an overall control aimed at verifying that the financial statements have been correctly prepared. The verification of compliance with the accounting data is in fact the responsibility of the firm in charge of the statutory audit.

1) Supervisory activity pursuant to art. 2403 et seq. of the Italian Civil Code

We monitored the compliance with the law and the bylaws, the compliance with the principles of correct administration and, in particular, the adequacy of the organizational structure, the administrative and accounting system and their concrete functioning.

We participated in the shareholders' meetings and the meetings of the board of directors and,based on the information available, we have no significant findings to report.

We acquired from the administrative body also during the meetings held information on the overall management trend and its foreseeable evolution, as well as on the most important operations, due to their size or characteristics, carried out by the company and its subsidiaries and, based on the acquired information, we have no particular observations to report

The information required by art. 2381 paragraph 5 of the Italian Civil Code, were provided by the managing director.

The Company, pursuant to art. 2497 et seq. of the Italian Civil Code, is subject to management and coordination by Euronext Holding Italia S.p.A., which is in turn directly controlled by Euronext N.V.

We promptly exchanged data and information relevant to the performance of our supervisory activity with the statutory auditor.

We met with the supervisory body and no critical issues with respect to the correct implementation of the organizational model that needed to be highlighted in this report emerged.

We acquired knowledge and monitored the adequacy of the organizational, administrative and accounting structure and its concrete functioning also through the collection of information from the heads of the corporate functions and in this regard we have no particular observations to report.

We acquired knowledge and monitored, to the extent of our competence, the adequacy and the functioning of the administrative-accounting system, as well as its reliability in correctly representing management events, by obtaining information from the heads of the corporate functions and examining company documents, and in this regard we have no particular observations to report.

No complaints have been received from the shareholders pursuant to art. 2408 of the Italian Civil Code and no complaints have been made pursuant to art. 2409, paragraph 7 of the Italian Civil Code.

We have not made any reports to the management body pursuant to and for the purposes of art. 15 D.L. n. 118/2021.

During the year, the Board of Statutory Auditors did not issue opinions and observations required by law.

During the supervisory activity, as described above, no other significant facts emerged such as to require mention in this report.
In its role of “Internal control and statutory audit committee” established pursuant to Legislative Decree no. 39/2010 and to art. 7 of the EMIR regulation n. 153/2013, the Board performed the supervisory functions provided for by art. 19.

2) Comments on the financial statements
From what is reported in the report of the firm in charge of the statutory audit “the financial statements provide a true and fair view of the equity and financial position of Cassa di Compensazione e Garanzia S.p.A. as of 31.12.2021 and of the economic result and cash flows for the year ended as of that date in compliance with the International Financial Reporting Standards adopted by the European Union".
To the best of our knowledge, the directors, in preparing the financial statements, did not derogate from the provisions of the law pursuant to art. 2423 paragraph 5 of the Italian Civil Code.
The notes to the financial statements adequately illustrate the transactions with related parties.
Compliance with the law regarding the preparation of the directors’ report has been verified and in this regard there are no observations that need to be highlighted herein. Furthermore, the independent auditors certified that the directors’ report is consistent with the financial statements as of 31.12.2021, as well as its compliance with the law.
We recall your attention to what is stated in the notes to the financial statements regarding the impact of the epidemiological emergency from COVID-19 on the Company in the course of the financial year 2021, as well as regarding the risks and impacts of the pandemic on the development of the Company in the course of 2022 also taking into account what is stated therein regarding the conflict in Ukraine.

The Board of Statutory Auditors, during the periodic meetings, obtained information on the measures and controls put in place by the Company, in compliance with the relevant legislation

3) Observations and proposals regarding the approval of the financial statements
Considering the results of the activity carried out by us and the opinion expressed in the audit report issued by the firm in charge of the statutory audit, we invite the shareholders to approve the financial statements for the year ended 31 December 2021, as prepared by the directors.
The Board of Statutory Auditors agrees with the proposal for the allocation of the result for the year formulated by the directors in the notes to the financial statements.

Milan, 12 April 2022

For the Board of Statutory Auditors

The Chairman

(Roberto Ruozi)

This report has been translated into the English language solely for the convenience of the international readers. For the original signature please refer to the Italian version of the Financial Statements.

5. Report by the Auditing Firm

Cassa di Compensazione e Garanzia S.p.A.

Financial statements as at December 31, 2021

Independent auditor's report pursuant to articles 14 and 19-bis of Legislative Decree n. 39, dated 27 January 2010

EY S.p.A.
Via Meravigli 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditor's report pursuant to articles 14 and 19-bis of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Cassa di Compensazione e Garanzia S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cassa di Compensazione e Garanzia S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2021, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement article 43 of Legislative Decree n. 136, dated 18 August 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.
We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement article 43 of Legislative Decree n. 136, dated 18 August 2015, and, within the terms provided by the 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, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee (“Collegio Sindacale”) is responsible, within the terms provided by the law, for overseeing the Company’s financial reporting process.

Auditor’s 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 auditor’s 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 International Standards on Auditing (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 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 International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;
- we have obtained 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;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of 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 auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated 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 have communicated with those charged with governance, identified at an appropriate level as 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.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Cassa di Compensazione e Garanzia S.p.A. are responsible for the preparation of the Report on Operations of Cassa di Compensazione e Garanzia S.p.A. as at 31 December 2021, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the financial statements of Cassa di Compensazione e Garanzia S.p.A. as at 31 December 2021 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the financial statements of Cassa di Compensazione e Garanzia S.p.A. as at 31 December 2021 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, 12 April 2022

EY S.p.A.
Signed by: Stefano Cattaneo, Auditor

This report has been translated into the English language solely for the convenience of international readers.