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Testo del comunicato

Vedi allegato.

PRESS RELEASE

BANCA MPS: BOARD APPROVES RESULTS AS AT 31 MARCH 2020

QUARTER IMPACTED BY COVID-19 EMERGENCY, WITH PRUDENTIAL PROVISIONS ON LOAN PORTFOLIO

NET RESULT NEGATIVE FOR EUR 244 MILLION, INCLUDING ADDITIONAL NON-ORDINARY PROVISIONS FOR EUR 193 MILLION (ON BOTH PERFORMING AND NON-PERFORMING EXPOSURES) LINKED TO NEW MACRO CONTEXT AND NEGATIVE NON-OPERATING COMPONENTS FOR EUR 112 MILLION

GROSS OPERATING RESULT AT EUR 181 MILLION, WITH RESILIENT FEES & COMMISSIONS, STABLE IN THE QUARTER NOTWITHSTANDING THE EMERGENCY AND INCREASING Y/Y

UPWARD COMMERCIAL TREND IN THE FIRST TWO MONTHS OF THE YEAR THANKS TO NETWORK STRENGTH. IN THE QUARTER:
NEW MORTGAGES FOR EUR 1.9 BILLION (+13% Y/Y)
WEALTH MANAGEMENT PRODUCT PLACEMENTS FOR EUR 3.2 BILLION (+22% Y/Y)
COMMERCIAL DIRECT FUNDING[1] UP BY 3.1 BILLION (VS. DEC-19)

PROMPT AND EFFECTIVE RESPONSE OF THE BANK TO THE COVID-19 EMERGENCY: BUSINESS CONTINUITY GUARANTEED FROM THE OUTSET, WITH WEEKLY AVERAGE OF EMPLOYEES WORKING REMOTELY SURPASSING 85% AND EFFICIENT BRANCH ACCESS ROTATION
SUPPORT TO HOUSEHOLDS AND BUSINESSES WITH ROLLOUT OF GOVERNMENT MEASURES AND AD-HOC INITIATIVES

GROSS NPE RATIO REDUCTION CONTINUES: 11.8% (VS. 12.4% IN DEC-19)

THE BANK CAN COUNT ON SOLID BASIS TO DEAL WITH THE CURRENT SERIOUS CRISIS:
CAPITAL RATIOS ABOVE REGULATORY REQUIREMENTS:
TRANSITIONAL CET1 RATIO: 13.6% vs. 8.8% SREP[2]
TIER 1 RATIO: 13.6% vs. 10.9% SREP[3]
TOTAL CAPITAL: 16.2% vs. 13.6% SREP

SOLID LIQUIDITY POSITION EVEN AFTER REIMBURSEMENT OF EUR 8 BILLION GOVERNMENT-GUARANTEED BONDS IN THE QUARTER:
LCR >150%, NSFR >100%

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[1] Current accounts and time deposits.
[2] SREP threshold revised from original value following changes to the P2R composition communicated by the ECB.
[3] See note 2.

- **Gross operating result for the quarter at EUR 181 million:**
    - **Net interest income at EUR 327 million, down 1.9% Q/Q due to the persisting pressure on assets (volumes and interest rates), higher cost of market funding (attributable to the two institutional bond issues in January) and one fewer day**
    - **Fees and commissions at EUR 370 million (-0.3% Q/Q), essentially stable despite sharp slowdown in operations linked to the Covid-19 emergency, thanks to good wealth management product placement flows recorded in the first part of the year and the lack of commissions on the Government-Guaranteed Bonds reimbursed during the quarter (EUR 8 billion)**
    - **Other income from banking business[4] at EUR 39 million, including gains on the sale of govies which offset the results from trading that were impacted by tensions on the financial markets**
    - **Operating costs at EUR 548 million, with personnel costs impacted by the labour contract renewal and other administrative expenses down from 4Q19**
- **Cost of credit at 83bps, of which c. 60bps relating to ordinary component. In analogy with what had already been done in 1Q19, additional provisions for c. EUR 193 million prudentially booked in the quarter to account for the updated macroeconomic scenario, which anticipates a 3.4% cumulative drop in GDP in 2020-21.**
    - **As a prudential measure, the performing loan portfolio was revised to take into account the new scenario ahead of the ECB's publication of the scenario (expected in June) and the complete rollout of economic relief measures (moratorium and guarantees); EUR 119 million additional provisions booked**
    - **updated evaluations of the NPE portfolio subject to statistical assessment (c. 35% of total loan book GBV) with resulting recognition of additional provisions for EUR 74 million**
    - **review of the remaining part of the NPE portfolio, subject to analytical assessment, will be carried out in 2020 based on the analysis of debtors' situations at the time**
- **Net result negative for EUR 244 million, after the recognition of negative non-operating items for approximately EUR 112 million in contributions to banking system funds and provisions for legal risks. As a prudential measure, the gain from the reassessment of DTAs was not booked, given the persisting uncertainty and variability of macroeconomic forecasts.**

[4] Dividends, similar income and gains (losses) on equity investments, net result of trading, assets/liabilities measured at fair value and gains from disposals/repurchases, net profit (loss) from hedging.

Siena, 07 May 2020 – Today the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. reviewed and approved the results as at 31 March 2020.

Group profit and loss results at 31 March 2020

The Group's **total revenues** as at 31 March 2020 stand at **EUR 729 million**, down 9.3% Y/Y mainly due to the fall in net interest income following a decrease in interest-bearing commercial assets and related yields, only partially offset by an increase in net fees and commissions resulting from higher income from asset management. A slight downturn was recorded for other income from banking business, due to a decline in trading/hedging results and a lower contribution from AXA, both of which were negatively affected by tensions in the financial markets caused by the COVID-19 emergency, only partially offset by increased capital gains on the sale of securities and the positive effects recorded on the net result of other financial assets and liabilities measured at fair value. A quarter-on-quarter comparison shows a fall of EUR 128 million largely due to the decrease in other income from banking business, which in 4Q19 had benefitted from the positive effects on assets at fair value, especially from the revaluation of securities recognised as assets resulting from the debt restructuring of Gruppo Sorgenia and Tirreno Power. Net interest income, net fees and commissions and other operating income and expenses are also down Q/Q.

Net interest income as at 31 March 2020 stands at **EUR 327 million**, down 20.0% Y/Y mainly due to the decline in interest-bearing commercial assets and related yields. The aggregate was also affected by i) the disposal of unlikely-to-pay loans during 2019, ii) the completion of the sale of subsidiary BMP Belgio S.A. in June, which entailed the deconsolidation of related lending and funding volumes, and iii) the increased cost of market funding, largely due to the return to the bond-issuing market in the second half of 2019 and first quarter of 2020. The result in 1Q20 is also down Q/Q (-1.9%) primarily due to the lower contribution from commercial lending and the higher cost of market funding following the issue of institutional bonds in January.

Net fees and commissions in the first quarter of 2020, amounting to **EUR 370 million**, record an improvement of 3.1% Y/Y. The trend mainly benefitted from the higher proceeds on asset management, mainly on product placement, recorded during the first two months of the year, subsequently offset by the sharp decline in placements flows which progressively took place in March following the outbreak of the COVID-19 pandemic. Other net fees and commissions also improve, thanks to the lower cost of government guarantees following the reimbursement of Government-Guaranteed Bonds in 1Q20; by contrast, fees and commissions are down on loans, due to a decrease in commissions on intermediated loans, and on services.

The same trend can be noted in the quarter-on-quarter comparison, with a slight decrease being recorded (-0.3%). There was, in fact, an improvement in other net fees and commissions due to the lower cost of government guarantees following the aforesaid reimbursement of Government-Guaranteed Bonds in 1Q20 and an upturn in income from asset management, especially product placements, achieved despite the mentioned repercussions from COVID-19. A decrease on the previous quarter was also recorded for fees and commissions on loans - due to the decrease in commissions on intermediated loans - and fees on services.

Dividends, similar income and profit (loss) on investments amount to **EUR 12 million** and include the contribution from the AXA-MPS joint venture[5]. The item shows a downtrend from both 1Q19 (EUR -4.1 million) and the previous quarter (EUR -3.5 million), having been affected by tensions on the financial markets due to the COVID-19 emergency.

Net profit (loss) from trading, financial assets/liabilities measured at fair value and on gains from disposals/repurchases as at 31 March 2020 amounts to **EUR 30 million**, up Y/Y (+4.3%), but down from 4Q19, which had been impacted by the revaluation of securities recognised as assets resulting from the debt restructuring of Gruppo Sorgenia and Tirreno Power.

An analysis of the main aggregates shows the following:

- **net profit from trading comes to EUR -22 million,** down from both 1Q19 and 4Q19 largely due to the lower contribution of subsidiary MPSCS following the negative performance of the financial markets owing to the COVID-19 emergency;

- **net profit from financial assets and liabilities measured at fair value through profit and loss shows a positive balance of EUR 0.1 million,** up from the previous year (EUR -13 million) but down from 4Q19, which had been significantly impacted by the revaluation of securities recognised as assets resulting from the debt restructuring of Gruppo Sorgenia and Tirreno Power;

- **gains on disposals/repurchases** (excluding customer loans at amortised cost) **show a positive balance of EUR 52 million**, up from both the EUR 6 million of 1Q19 and from the EUR 8 million of 4Q19, thanks to the gains from the sale of securities in 1Q20, particularly Italian government bonds.

The following items also contribute to total revenues:

- **net income from hedging in the amount of EUR -2.8 million**, an upturn from 4Q19 (EUR -5.8 million) but down from 1Q19, when the result was essentially null;

- **other operating expenses/income negative for EUR 6.4 million,** an improvement on the result recorded in 1Q19 (EUR -8.3 million) but worse than 4Q19 (EUR +2.3 million).

As at 31 March 2020, **operating expenses** amount to **EUR 548.5 million,** sliding 3.6% Y/Y. The result in 1Q20 is also down 7.7% Q/Q with savings of approximately EUR 46 million, largely due to other administrative expenses and net value adjustments on tangible and intangible assets. A detailed examination of the individual aggregates shows that:

- **administrative expenses** stand at **EUR 493 million,** down by c. EUR 15 million Y/Y and by EUR 32 million from 4Q19. A closer look at the aggregate shows that:

[5] AXA-MPS is consolidated at net equity in the Group's financial accounts.

- **personnel expenses**, amounting to **EUR 357 million**, are down 3.2% Y/Y, having benefitted from the reduced headcount (particularly as a result of the 750 exits through the Solidarity Fund in 2019 and the deconsolidation of BMP Belgio S.A. in June 2019). The trend was only partially offset by the contractual wage increases/adjustments largely resulting from the renewed National Collective Labour Agreement. However, in the Q/Q comparison, the aggregate is up 1.2% owing largely to these same contractual increases/adjustments;

- **other administrative expenses,** amounting to **EUR 136 million,** are down 2.4% Y/Y as a result of the deconsolidation of BMP Belgio S.A. in June 2019. The aggregate is down 20.8% from 4Q19, which had been impacted by the typical year-end acceleration in spending.

- **Net value adjustments to tangible and intangible assets** as at 31 March 2020 stand at **EUR 56 million,** down 8.9% Y/Y, largely as a result of the lower depreciation of intangible assets. Compared to the previous quarter, the aggregate is down by approximately 20.0% due to the recognition of impairment on properties and write-downs on software licenses in 4Q19.

As a result of the above trends, the Group's **pre-provision profit** amounts to **EUR 181 million** (EUR 235 million as at 31 March 2019), a fall of approximately EUR 82 million compared to the previous quarter.

The **cost of customer loans** recorded by the Group in 1Q20 amounts to **EUR 315 million**, up by EUR 171 million from the same period of the previous year (EUR 144 million). The cost of credit in 1Q20 includes a EUR 193 million increase in adjustments on exposures subject to statistical evaluation linked to the revision of evaluation parameters deriving from the changed macroeconomic scenario that emerged following the spread of the COVID-19 emergency.

Excluding from both 1Q20 and 1Q19 the impact from the changed macroeconomic scenario (c. EUR 193 million in 1Q20 and c. EUR 37 million in 1Q19), the cost of customer loans is, in any case, up Y/Y, largely owing to the lower contribution from loan cures, impacted in March by the lockdown that followed the spread of the pandemic.

Excluding the component relating to the updated scenario, the aggregate has recorded a downturn from 4Q19, largely thanks to decreased default flows.

The ratio of annualised linear quarterly cost of customer loans over total customer loans as at 31 March 2020 reflects a **provisioning rate of 153 bps** (73 bps as at 31 December 2019). The provisioning rate is 83 bps, considering the EUR 193 million increase in adjustments linked to the updated scenario as a one-off effect for the first quarter of 2020 only.

The Group's **net operating result** shows a **negative balance of c. EUR 135 million,** against a positive balance of EUR 91 million recorded in the same period of the previous year.

The following items also contribute to the **result for the period**:

- **Net provisions for risks and charges** amounting to **EUR -40 million,** attributable to provisions for legal risks and, in part, also to claims for compensation relating to loan disposal transactions. As at 31 March 2019, the balance negative for EUR 39 million, largely due to the provisions for commitments undertaken by the Parent Company against settlements related to diamond transactions.

- **Gains on investments** amounting to c. **EUR 0.2 million,** against a profit of EUR 1 million recorded in 1Q19 and a loss of c. EUR 9 million in 4Q19, mainly owing to changes in the value of certain equity investments.

- **Restructuring costs/one-off charges** totalling **EUR 3 million,** mostly include the positive effects from the definition of the price adjustment on the sale of BMP Belgio S.A..

- **Risks and charges related to SRF, DGS and similar schemes,** balance of **EUR -58 million,** consisting of the Group's contribution to the Single Resolution Fund (SRF). 1Q19 (equal to EUR -61 million) included the annual contribution to the Single Resolution Fund (SRF) and the net loss on the exposure towards the IDPF Voluntary Scheme (for the Carige intervention);

- **DTA fees**, totalling **EUR -18 million**. The amount, which was calculated according to the criteria of Law Decree 59/2016 converted into Law no. 119 of 30 June 2016, represents the fees due on 31 March 2020 for DTAs (Deferred Tax Assets) which are convertible into tax credit;

- **gains on disposal of investments** for **EUR 2 million** from the sale of real estate properties. As at 31 March 2019, the aggregate showed a positive balance of EUR 1 million.

As a result of the above trends, the Group's **pre-tax result from continuing operations** amounts to **EUR -246 million**, down from 31 March 2019, which had recorded a result of EUR -23 million.

Taxes on profit (loss) from continuing operations record a positive contribution of **EUR 4 million** (EUR +57 million in 1Q19). Pending the adoption of multi-year projections based on a reliable and up-to-date economic scenario, it was decided to take a conservative approach and not book the income of about EUR 22 million resulting from the reassessment of DTAs from tax losses in the first quarter of the year.

Considering the net effects of PPA (EUR -1 million), **the Group's consolidated loss amounts to EUR 244 million** against a profit of EUR 28 million reported for the same period in 2019.

Group balance sheet aggregates as at 31 March 2020

The Group's **total funding** volumes as at 31 March 2020 amount to **EUR 184.5 billion,** down by EUR 7.8 billion from 31 March 2019 and EUR 11.5 billion vs. 31 December 2019, mainly due to the decline in indirect funding, which was adversely affected by the negative market effect, only partially offset by the rise in direct funding.

Direct funding volumes, which stand at **EUR 95.4 billion,** are up by EUR 2.7 billion vs. the end of March 2019 (by EUR +3.6 billion excluding the deconsolidation of BMP Belgio S.A.), with an increase in current accounts (EUR +4.6 billion) and repos (EUR +1.6 billion). A downtrend was recorded for other forms of funding (EUR -3.3 billion) and bonds (EUR -0.3 billion), mainly impacted by the reimbursement of Government-Guaranteed Bonds, partially offset by the Bank's Funding Plan initiatives (in particular, the issue of senior and subordinated bonds in the second half of 2019 and 1Q20). The aggregate is up by EUR 1.1 billion from the end of December 2019 due to the increase in current accounts (EUR +3.3 billion) and repos (EUR +3.3 billion). Other forms of funding also decrease Q/Q (EUR -2.8 billion), as do bonds (EUR -2.5 billion), largely as a result of the aforesaid impacts of the repayment of Government-Guaranteed Bonds, partially offset by the bond issues carried out in 1Q20.

The Group's direct funding market share[6] stands at 3.75% (January 2020 update), increased from December 2019 (3.70%).

Indirect funding amounts to **EUR 89.1 billion**, down from both 31 March 2019 (EUR -10.5 billion) and from 31 December 2019 (EUR -12.7 billion), discounting a negative market effect which impacted both assets under management and assets under custody. The latter was also impacted by the withdrawal of shares held on deposit with the Parent Company by a large industrial group as part of its organisational/corporate restructuring. Finally, the year-on-year comparison also shows that the aggregate was influenced by the lack of contribution from BMP Belgio S.A..

In detail, **assets under management**, amounting to **EUR 54.4 billion**, dropped by EUR 3.2 billion compared to March 2019, mainly in the funds and asset management segments, while an upturn was recorded for the bancassurance segment. The aggregate is also down compared to 31 December 2019 (EUR -4.9 billion) with a decrease recorded across all segments.

As at 31 March 2020, Group **customer loans** amount to **EUR 82.2 billion,** up by EUR 0.3 billion Y/Y (EUR +1.0 billion net of the deconsolidation of BMP Belgio S.A.), due to the increase in repos (EUR +1.7 billion), mortgages (EUR +0.7 billion) and other forms of lending (EUR +0.1 billion). A decrease was recorded on current accounts (EUR -0.4 billion) and impaired loans, which were reduced by EUR 1.7 billion (having benefitted from the disposal of UTPs and bad loans, particularly in the second half of 2019). The aggregate also records a quarter-on-quarter improvement (EUR +2.1 billion) largely owing to the increase in repos (EUR +1.3 billion) as well as a rise in mortgages (EUR +0.5 billion) and other forms of lending (EUR +0.6 billion). Impaired loans are down (EUR -0.3 billion) having been impacted by the increase in average coverage following higher adjustments linked to the revision of statistical evaluation parameters resulting from the changed macroeconomic scenario arising from the spread of the COVID-19 emergency.

The Group's market share[7] stands at 4.89% (latest available update January 2020), recording a slight decrease from the end of 2019.

[6] Deposits and repos (excluding repos with central counterparties) from resident consumer customers and bonds net of repurchases placed with resident consumer customers as first-instance borrowers.
[7] Loans to resident consumer customers, including non-performing loans and net of repos with central counterparties.

Medium/long term loans recorded new disbursements of EUR 2.3 billion in 1Q20, down from 4Q19 (EUR -0.5 billion) but up vs. 1Q19, despite the sharp slowdown in operations caused by the COVID-19 emergency.

The process of continuously improving the quality of the loan portfolio by increasing creditworthy customers and deleveraging those with a low credit score has led to an increase in stage 1 loans (GBV of EUR 63.8 billion at 31 March 2020, up by EUR 1.7 billion Y/Y). Stage 2 loans are also slightly up Y/Y (GBV of EUR 13.0 billion at 31 March 2020, up by EUR 0.2 billion vs. 31 March 2019), impacted by the worsened macroeconomic forecasts that followed the spread of the COVID-19 emergency and led to the classification at this stage of c. EUR 1.7 billion loans precisely during 1Q20. The improved quality of the portfolio is also witnessed by the steady reduction in default flows, which mainly originate from stage 2 loans.

The Group's **total non-performing customer exposures** as at 31 March 2020 stands at **EUR 11.6 billion**, down from 31 March 2019 (EUR -4.5 billion) thanks to the disposal of UTPs and bad loans, carried out particularly in the second half of 2019. The aggregate is also down compared to the end of December 2019 (EUR -0.3 billion), largely owing to the deconsolidation of tickets already classified as assets held for sale as at 31 December 2019.

In particular, gross bad loan exposures decrease by EUR 2.1 billion Y/Y and by EUR 0.2 billion Q/Q, mainly due to the aforesaid disposals and to recoveries, partly offset by the new inflows for the period. Gross unlikely-to-pay exposures are also down, by EUR 2.4 billion Y/Y and by EUR 0.2 billion Q/Q, largely the result of disposals/reductions, of cure and of the migration to bad loans recorded over the period. Past-due exposures are down from 31 March 2019 but up from 31 December 2019.

As at 31 March 2020, the Group's **net non-performing customer exposures** stand at **EUR 5.8 billion,** down Y/Y (EUR -1.7 billion), mainly due to the aforesaid disposal of UTPs and bad loans, mainly carried out in the second half of 2019. Down also Q/Q (EUR -0.3 billion), largely owing to the deconsolidation of tickets already classified as assets held for sale as at 31 December 2019 and to the increase in average coverage resulting from higher adjustments linked to the revision of statistical evaluation parameters resulting from the changed macroeconomic scenario arising from the outbreak of the COVID-19 emergency. In particular, net bad loan exposures decreased both Y/Y (EUR -0.4 billion) and compared to 31 December 2019 (EUR -0.1 billion). Net unlikely-to-pay exposures are down by EUR -1.2 billion Y/Y and by EUR -0.2 billion Q/Q. Net past due exposures are down from 31 March 2019 and up compared to 31 December 2019.

The ratio of net non-performing exposures to net customer loans as at 31 March 2020 is 7.1%, down from both March 2019 (at 9.2%) and from December 2019 (at 7.6%). A decrease was recorded for the percentage weight of both UTPs (from 3.8% in December 2019 to 3.5% in March 2020) and bad loan exposures (from 3.7% in December 2019 to 3.5% in March 2020). The weight of past due exposures is stable.

As at 31 March 2020, **coverage** of total non-performing customer exposures stands at 49.6%, higher than at 31 December 2019 (48.7%) due also to the increased provisioning on exposures subject to statistical evaluation linked to the revision of statistical parameters resulting from the changed macroeconomic scenario arising from the outbreak of the COVID-19 emergency. Coverage is lower compared to 31 March 2019 (53.3%), particularly on bad loans, which stands at 54.5% (61.3% as at 31 March 2019). This decrease was influenced by the deconsolidation of exposures subject to disposal in the course of 2019 which, in the case of bad loans, mainly consisted in unsecured loans, characterised by higher percentage coverage.

As at 31 March 2020, the Group's **securities assets** amount to **EUR 26.0 billion**, up EUR 1.8 billion from 31 December 2019, mainly due to the increase in financial assets held for trading (EUR +2.4 billion) attributable, in particular, to MPS Capital Services, following increased trading in Italian government bonds. By contrast, a decrease was recorded for financial assets measured at fair value through other comprehensive income (EUR -0.6 billion), largely attributable to the Parent Company, whose sales and maturities were only partially offset by the purchases for the quarter.

The aggregate shows a slight increase on 31 March 2019 (EUR +0.3 billion) due to net purchases and sales of securities (classified under both financial assets measured at fair value through other comprehensive income and loans to customers at amortised cost), only partially offset by increased trading, particularly attributable to subsidiary MPS Capital Services. It should be noted that the market value for securities booked as loans to customers at amortised cost is equal to EUR 9,194.9 million (with implicit capital losses of c. EUR 11 million).

As at 31 March 2020 **financial liabilities held for cash trading** are essentially stable Q/Q but are down by EUR 1.4 billion from 31 March 2019.

As at 31 March 2020, the **net position in derivatives** records a decrease both vs. 31 December 2019 (EUR -0.2 billion) and vs. 31 March 2019 (EUR -0.7 billion).

As at 31 March 2020, the Group's **net interbank position** stands at **EUR 7.7 billion** in funding, down by EUR 4.1 billion vs. 31 March 2019 due to an increase in deposits with the ECB and reduced funding from banks. Net interbank deposits, on the other hand, are up by EUR 2.5 billion from December 2019, largely due to reduced deposits with the ECB.

As at 31 March, the operational liquidity position shows an **unencumbered counterbalancing capacity of c. EUR 21.7 billion**, down by EUR 3.0 billion from 31 December 2019, mainly due to the reimbursement of Government-Guaranteed Bonds in January and March 2020.

As at 31 March 2020, the **Group's shareholders' equity and non-controlling interests** amount to approximately **EUR 7.9 billion,** down by EUR 0.4 billion from 31 December 2019, having been affected by the decline in reserves and by the result for the period.

The aggregate is also down from 31 March 2019 (-12.8%), largely as a result of the loss recorded in the last quarter of 2019.

As for capital ratios, the **common equity tier 1 ratio** at 31 March 2020 is 13.6% (vs. 14.7% at the end of 2019) and the **total capital ratio** is 16.2%**,** vs. 16.7% recorded at the end of December 2019.

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Pursuant to paragraph 2, article 154-bis of the "Consolidated Finance Act", the Financial Reporting Officer, Nicola Massimo Clarelli, declares that the accounting information contained in this press release corresponds to the documentary results, books and accounting records

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This press release will be available at www.gruppomps.it

For further information:

Media Relations
Tel. +39 0577 296634
ufficio.stampa@mps.it

Investor Relations
Tel: +39 0577 299350
investor.relations@mps.it

Income statement and balance sheet reclassification principles

<u>Reclassified Income statement</u>

In order to allow a better reading of the Group's performance results, starting from the current quarter impairment losses/reversals and disposal gains/losses on loans to customers have been reclassified under a single item called **"Cost of customer loans"**. The aggregate therefore includes:

- the portion relating to loans to customers of balance sheet items 130a "Net impairment (losses)/reversals on financial assets measured at amortised cost" and 140 "Modification gains/(losses)", previously included in the reclassified item "Net impairment (losses)/reversals on financial assets measured at amortised cost" (item no longer present);

- the portion relating to loans to customers of balance sheet items 100a "Gains (losses) on disposal/repurchase of financial assets measured at amortised cost" and 110b "Net profit (loss) from other financial assets measured at fair value", previously included in the reclassified item "Net profit (loss) from trading and financial assets/liabilities measured at amortised cost and at fair value through profit and loss";

- balance sheet item 200a "Net provisions for risks and charges – financial guarantees and other commitments" previously included in the reclassified item "Net provisions for risks and charges".

Impairment losses/reversals relating to financial assets represented by securities and loans to banks have been traced back to an item called **"net impairment (losses)/reversals on securities and loans to banks"**. This aggregate therefore includes the portion relating to securities and loans to banks of balance sheet item 130a "Financial assets measured at amortised cost" and item 130b "Net impairment losses(reversals) on financial assets measured at fair value through other comprehensive income".

2019 figures have been restated to ensure continuity in the reporting of the Group's performance results. Please note that the reclassified tables, devised to enable a managerial review of income statement results, have not been audited by Independent Auditors.

Finally, it should be noted that for 2019, the financial data pertaining to the subsidiary BMP Belgio S.A. – which was sold on 14 June 2019 – have been included in the individual income statement items instead of in the balance sheet item "Profit (Loss) from discontinued operations after tax".

The reconciliation criteria adopted for the preparation of the reclassified income statement are as follows:

- Item "**interest income**" was cleared of the negative contribution (EUR -1.5 million) of the purchase price allocation (PPA), referable to past business combinations, which was reclassified to a specific item.

- Item “**dividends, similar income and gains (losses) on investments**” incorporates item 70 “dividends and similar income” and the share of profit for the period contributed by investments in the associate AXA, consolidated at net equity, equal to EUR 11.8 million, included under item 250 “gains (losses) on investments”. The aggregate was furthermore cleared of dividends earned on securities other than equity investments (EUR 0.4 million), reclassified under item “net profit (loss) from trading/valuation of financial assets/liabilities measured at amortised cost and at fair value through profit and loss”.

- Item “**net profit (loss) from trading/valuation and from financial assets/liabilities measured at amortised cost and at fair value through profit and loss**” includes item 80 “net profit (loss) from trading”, item 100 “gains (losses) on disposals/repurchases, net of the contribution of loans to customers (EUR +0.3 million), reclassified under “cost of customer loans” and 110 ““net profit (loss) on financial assets measured at fair value through profit and loss”, net of the contribution of loans to customers (EUR +2.2 million) reclassified under “cost of customer loans”. The item also incorporates dividends earned on securities other than equity investments (EUR 0.4 million).

- Item “**other operating income (expense)**” includes item 230 “Other operating expenses (income)” net of stamp duty and other expenses recovered from customers, which are stated under the reclassified item “other administrative expenses” (EUR 61.9 million) and net of other expense recoveries, which are reclassified under item “net value adjustments to tangible assets” (EUR 5.6 million).

- Item “**personnel expenses**” includes the balance of item 190a “personnel expenses” reduced by EUR 0.8 million, relating primarily to INPS recoveries on provisions for the Solidarity Fund exits, reclassified under item “restructuring costs/one-off charges”.

- Item “**other administrative expenses**” includes the balance of item 190b “other administrative expenses”, reduced by the following cost items:

    - expenses, amounting to EUR 58.3 million, resulting from the EU Deposit Guarantee Schemes Directive – hereinafter DGSD – and Bank Recovery and Resolution Directive – hereinafter BRRD – for the resolution of bank crises, reclassified under “risks and charges associated with SRF, DGS and similar schemes”;

    - fee on DTAs convertible into tax credits, for EUR 17.8 million, reclassified under the item “DTA fees”;

    - extraordinary charges relating to project activities that include those aimed at implementing the commitments undertaken with DG Comp (including the closing of domestic and foreign branches), in the amount of EUR 0.2 million, reclassified under item “restructuring costs/one-off charges”.

  The item also incorporates stamp duty and other expenses recovered from clients (EUR 61.9 million) posted under item 230 “other operating expenses/income”.

- Item "**net value adjustments to tangible and intangible assets**" includes the amounts from items 210 "net adjustments to/recoveries on property, plant and equipment" and 220 "net adjustments to/recoveries on intangible assets", and was cleared of the negative contribution (EUR -0.2 million) referable to the Purchase Price Allocation (PPA), which was reclassified to a specific item, whereas it includes expense recoveries (EUR 5.6 million) posted under item 230 "other operating expenses/income".

- Item "**cost of customer loans"** includes the income statement components relating to loans to customers under item 100a "gains (losses) on disposal/repurchase of financial assets measured at amortised cost" (EUR +0.3 million), 110b "net profit (loss) on financial assets and liabilities measured at fair value" (EUR +2.2 million), 130a "net impairment losses/reversals on financial assets measured at amortised cost" (EUR -319.5 million), 140 "modification gains/(losses) without derecognition" (EUR -1 million) and 200a "net provisions for risks and charges: net provisions for commitments and guarantees issued" (EUR +3.5 million).

- Item "**net value adjustments on securities and bank loans**" includes the portion relating to securities and loans to banks under item 130a "financial assets measured at amortised cost" and item 130b "net impairment losses/reversals on financial assets measured at fair value through other comprehensive income".

- Item **"profit (loss) on equity investments"** incorporates the balance of item 250 "profits (losses) on equity investments" reduced by the portion of the profit on the connected equity investments in AXA, consolidated at net equity, equal to EUR 11.8 million reclassified under "dividends, similar income and gains (losses) on investments".

- Item "**restructuring costs/one-off charges**" includes recoveries of EUR 0.8 million recognised by INPS for the previous headcount reduction/solidarity fund schemes, booked under item 190a "personnel expenses" as well as charges relating to project activities – including those aimed at implementing the commitments undertaken with DG Comp – in the amount of EUR 1.6 million, booked under item 190b "other administrative expenses".

- Item "**risks and charges related to the SRF, DGS and similar schemes**" includes the charges deriving from the EU Directives DGSD and BRRD, equal to EUR 58.3 million, posted under item 190b "other administrative expenses"".

- Item "**DTA fees**" contains the costs relating to the fees on DTAs which are convertible into tax credits, provided for by art. 11 of Law Decree no. 59 of 3 May 2016 converted into Law no. 119 of 30 June 2016, booked under item 190b "Other Administrative Expenses" for EUR 17.8 million.

- Item "**tax expense (recovery) on income**" includes the balance of item 300 "tax (expense)/recovery on income from continuing operations" and is net of the theoretical tax component relating to the Purchase Price Allocation (PPA), which was reclassified to a specific item for an amount of EUR 0.6 million.

- The overall negative effects of **Purchase Price Allocation (PPA)** have been reclassified to the specific item, thereby separating them from the economic items concerned (in particular “net interest income” for EUR -1.5 million and “Net value adjustments on tangible and intangible assets” for EUR -0.2 million, net of a theoretical tax burden of EUR +0.6 million which integrates the item).

Reclassified balance sheet

To allow a better reading of the Group's performance results, starting from 1Q20, the reclassified balance sheet was revised in order to ensure greater consistency of the aggregates with the instruments that constitute them. The main changes concerned:

- The introduction, in the assets side, of a “loans” aggregate, subdivided, according to the counterparty, into "loans to central banks", "loans to banks" and "loans to customers". these items comprise credit instruments, regardless of their accounting allocation among financial assets measured at amortised cost or measured at fair value through profit & loss, or among non-current assets/groups of assets held for sale.

- the introduction, in the assets side, of a “securities assets” aggregate, which includes the more specifically financial instruments, regardless of their accounting allocation among financial assets measured at fair value through profit & loss, measured at fair value through other comprehensive income or measured at amortised cost, or among non-current assets/groups of assets held for sale.

- The introduction, in the liabilities side, of a "securities issued" aggregate, separating it from the previous reclassified item "deposits from customers and securities issued".

2019 figures have been restated to ensure continuity in the reporting of the Group’s performance results. Please note that the reclassified tables, devised to enable a managerial review of balance sheet results, have not been audited by Independent Auditors.

Finally, it should be noted that the balance sheet figures as at 31 December 2019 do not include BMP Belgio S.A. since the disposal of the entire investment was completed in June 2019. Though it was being divested at the time, the subsidiary’s balance sheet results as at 31 March 2019 have been included in the individual balance sheet items.

The reconciliation criteria adopted for the preparation of the reclassified income statement are as follows:

- Asset item “**loans to central banks**” includes the portion relating to transactions with central banks under balance sheet item 40 “financial assets measured at amortised cost”.

- Asset item “**loans to banks**” includes the portion relating to transactions with banks under balance sheet items 40 “financial assets measured at amortised cost” and 20 “financial assets measured at fair value through profit and loss”.

- Asset item "**loans to customers**" includes the portion relating to loans to customers under balance sheet items 20 "financial assets measured at fair value through profit and loss", 30 "financial assets measured at fair value through other comprehensive income", 40 "financial assets measured at amortised cost" and 120 "non-current assets held for sale and discontinued operations".

- Asset item "**securities assets**" includes the portion relating to securities under balance sheet items 20 "financial assets measured at fair value through profit and loss", 30 "financial assets measured at fair value through other comprehensive income", 40 "financial assets measured at amortised cost" and 120 "non-current assets held for sale and discontinuing operations".

- Asset item "**derivative assets**" includes the portion relating to derivatives under items 20 "financial assets measured at fair value through profit and loss" and 50 "hedging derivatives".

- Asset item "**equity investments**" includes balance sheet item 70 "equity investments" and the portion relating to equity investments under item 120 "non-current items held for sale and discontinuing operations".

- Asset item "**tangible and intangible assets**" includes balance sheet items 90 "property, plant and equipment", 100 "intangible assets" and the amounts relating to property, plant and equipment and intangible under item 120 "non-current assets held for sale and discontinuing operations".

- Asset item "**other assets**" includes balance sheet items 60 "change in value of macro-hedged financial assets", 130 "other assets" and the amounts under item 120 "non-current assets held for sale and discontinuing operations" not reclassified under the previous item.

- Liability item "**deposits from customers at amortised cost**" includes balance sheet item 10b "financial liabilities measured at amortised cost – deposits from customers".

- Liability item "**securities issued**" includes balance sheet items 10c "financial liabilities measured at amortised cost – debt securities issued" and 30 "financial liabilities designated at fair value".

- Liability item "**deposits from central banks at amortised cost**" includes the portion of balance sheet item 10a "deposits from banks" relating to transactions with central banks.

- Liability item "**deposits from banks**" includes the portion of balance sheet item 10a "deposits from banks" relating to transactions with banks (excluding central banks).

- Liability item "**financial liabilities held for cash trading**" includes the portion of balance sheet item 20 "financial liabilities held for trading" net of the amounts relating to trading derivatives.

- Liability item "**derivatives**" includes balance sheet item 40 "hedging derivatives" and the portion relating to derivatives under item 20 "financial liabilities held for trading".

- Liability item “**provisions for specific use**” includes balance sheet items 90 “provision for employee severance pay” and 100 “Provisions for risks and charges”.

- Item “**other liabilities**” includes balance sheet items 50 “changes in value of macro-hedged financial liabilities”, 70 “liabilities associated with non-current assets held for sale and discontinued operations” and 80 “other liabilities”.

- Liability item “**group net equity**” includes balance sheet items 120 “valuation reserves”, 130 “redeemable shares”, 150 “reserves”, 170 “capital”, 180 “treasury shares” and 200 “profit (loss) for the period”.

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MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

INCOME STATEMENT AND BALANCE SHEET FIGURES			
MPS GROUP			
INCOME STATEMENT FIGURES (EUR mln)	31 03 2020	31 03 2019	Chg.
Net interest income	327.1	408.9	-20.0%
Net fee and commission income	369.9	358.8	3.1%
Other income from banking business	38.8	44.5	-12.9%
Other operating income	(6.4)	(8.3)	-22.7%
Total Revenues	729.4	804.0	-9.3%
Operating expenses	(548.5)	(569.1)	-3.6%
Cost of customer loans	(314.5)	(143.9)	n.m.
Other value adjustments	(1.1)	(0.1)	n.m.
Net operating income	(134.7)	90.9	n.m.
Net profit (loss) for the period	(243.5)	27.9	n.m.
EARNINGS PER SHARE (EUR)	31 03 2020	31 03 2019	Var.
Basic earnings per share	(0.221)	0.025	n.m.
Diluted earnings per share	(0.221)	0.025	n.m.
BALANCE SHEET FIGURES AND INDICATORS (EUR mln)	31 03 2020	31 12 2019	Var.
Total assets	134,268.7	132,196.0	1.6%
Loans to customers	82,206.1	80,135.0	2.6%
Direct funding	95,367.1	94,217.3	1.2%
Indirect funding	89,139.5	101,791.5	-12.4%
of which: assets under management	54,436.0	59,302.0	-8.2%
of which: assets under custody	34,703.5	42,489.6	-18.3%
Group net equity	7,927.0	8,279.1	-4.3%
OPERATING STRUCTURE	31 03 2020	31 12 2019	Var.
Total headcount - end of period	22,077	22,040	37
Number of branches in Italy	1,421	1,422	(1)

N.B.: Total headcount refers to the effective workforce and therefore does not include resources posted outside the Group's perimeter

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

ALTERNATIVE PERFORMANCE MEASURES			
MPS GROUP			
PROFITABILITY RATIOS (%)	31 03 2020	31 12 2019	Chg.
Cost/Income ratio	75.2	69.7	5.5
R.O.E. (on average equity)	-12.0	-12.0	n.s.
Return on Assets (RoA) ratio	-0.7	-0.8	0.1
ROTE (Return on tangible equity)	-12.0	-12.0	n.s.
KEY CREDIT QUALITY RATIOS (%)	31 03 2020	31 12 2019	Chg.
Net impaired loans to customers/Loans to customers	7.1	7.6	-0.5
Gross NPL ratio	11.1	11.3	-0.2
Rate of change of impaired loans to customers	-1.0	-27.4	26.4
Bad loans to customers/Loans to customers	3.5	3.7	-0.2
Loans to Customers measured at amortised cost - Stage 2/Performing exposures measured at amortised cost	16.4	15.5	0.9
Coverage impaired loans to customers	49.6	48.7	0.9
Coverage bad loans to customers	54.5	53.6	0.9
Cost of customer loans/Customer loans (Provisioning)	1.53	0.73	0.8
Texas Ratio	85.7	85.6	0.1

** At 31 December 2019 the indicator, calculated on net impaired loans/loans to customers, stood at 6.8% (6.4% at 31 March 2020).*

REGULATORY MEASURES			
MPS GROUP			
CAPITAL RATIOS (%)	31 03 2020	31 12 2019	Chg.
Common Equity Tier 1 (CET1) ratio - phase in	13.6	14.7	-1.1
Common Equity Tier 1 (CET1) ratio - fully loaded	11.9	12.7	-0.8
Total Capital ratio - phase in	16.2	16.7	-0.5
Total Capital ratio - fully loaded	14.5	14.7	-0.2
FINANCIAL LEVERAGE INDEX (5)	31 03 2020	31 12 2019	Chg.
Leverage ratio - transitional definition	5.4	6.1	-0.7
Leverage ratio - fully phased	4.7	5.3	-0.6
LIQUIDITY RATIO (%)	31 03 2020	31 12 2019	Chg.
LCR	162.0	152.4	9.6
NSFR	113.2	112.6	0.6
Encumbered asset ratio	39.6	36.0	3.6
Loan to deposit ratio	86.2	85.1	1.1
Counterbalancing capacity	21.7	24.7	-3.0

N.B. In the determination of capital ratios, the "phase-in" (or "transitional") version represents the application of calculation rules according to the regulatory framework in force on the reference date, while the "fully loaded" version incorporates in the calculation the rules as expected when fully operational.

Reclassified Consolidated Income Statement

MONTEPASCHI GROUP	31 03 2020	31 03 2019	Change Abs.	Change %
Net interest income	327.1	408.9	(81.8)	-20.0%
Net fee and commission income	369.9	358.8	11.1	3.1%
Income from banking activities	**697.0**	**767.7**	**(70.7)**	**-9.2%**
Dividends, similar income and gains (losses) on equity investments	11.8	15.9	(4.1)	-26.0%
Net result of trading, assets/liabilities measured at fair value and gains from disposals/repurchases	29.8	28.6	1.2	4.3%
Net profit (loss) from hedging	(2.8)	-	(2.8)	n.m.
Other operating income (expenses)	(6.4)	(8.3)	1.9	-22.7%
Total Revenues	**729.4**	**804.0**	**(74.6)**	**-9.3%**
Administrative expenses:	(493.0)	(508.2)	15.2	-3.0%
a) personnel expenses	(356.7)	(368.6)	11.9	-3.2%
b) other administrative expenses	(136.3)	(139.6)	3.3	-2.4%
Net adjustments to (recoveries on) property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(55.5)	(60.9)	5.4	-8.9%
Operating expenses	**(548.5)**	**(569.1)**	**20.6**	**-3.6%**
Pre-Provision Profit	**180.9**	**234.9**	**(53.9)**	**-23.0%**
Cost of customer loans	**(314.5)**	**(143.9)**	**(170.6)**	**n.m.**
Net impairment (losses)/reversals on securities and loans to banks	**(1.1)**	**(0.1)**	**(1.0)**	**n.m.**
Net operating income	**(134.7)**	**90.9**	**(225.5)**	**n.m.**
Net provisions for risks and charges	*(40.1)*	(39.0)	(1.1)	2.8%
Gains (losses) on investments	0.2	0.9	(0.7)	-77.0%
Restructuring costs / One-off costs	2.6	2.2	0.4	17.1%
Risks and charges related to the SRF, DGS and similar schemes	(58.3)	(60.9)	2.6	-4.3%
DTA Fees	(17.8)	(17.9)	0.1	-0.6%
Gains (losses) on disposal of investments	1.9	0.6	1.3	n.m.
Profit (loss) before tax from continuing operations	**(246.2)**	**(23.3)**	**(222.9)**	**n.m.**
Tax expense (recovery) on income from continuing operations	3.8	56.7	(52.9)	-93.2%
Profit (loss) after tax from continuing operations	**(242.4)**	**33.5**	**(275.8)**	**n.m.**
Net profit (loss) for the period including non-controlling interests	**(242.4)**	**33.5**	**(275.8)**	**n.m.**
Net profit (loss) attributable to non-controlling interests	-	0.2	(0.2)	n.m.
Profit (loss) for the period before PPA	**(242.4)**	**33.3**	**(275.6)**	**n.m.**
PPA (Purchase Price Allocation)	(1.1)	(5.4)	4.2	-78.8%
Net profit (loss) for the period	**(243.5)**	**27.9**	**(271.4)**	**n.m.**

Quarterly trend in reclassified consolidated income statement

Montepaschi Group	2020 1°Q 2020	2019 4°Q 2019	3°Q 2019	2°Q 2019	1°Q 2019
Net interest income	327.1	333.4	354.7	404.3	408.9
Net fee and commission income	369.9	371.1	355.9	363.7	358.8
Income from banking activities	**697.0**	**704.5**	**710.6**	**768.0**	**767.7**
Dividends, similar income and gains (losses) on equity investments	11.8	15.3	36.9	27.5	15.9
Net result of trading, assets/liabilities measured at fair value and gains from disposals/repurchases	29.8	141.1	102.0	50.5	28.6
Net profit (loss) from hedging	(2.8)	(5.8)	1.8	(0.6)	-
Other operating income (expenses)	(6.4)	2.3	(11.2)	(63.0)	(8.3)
Total Revenues	**729.4**	**857.4**	**840.1**	**782.4**	**804.0**
Administrative expenses:	(493.0)	(524.6)	(491.8)	(509.8)	(508.2)
a) personnel expenses	(356.7)	(352.5)	(354.5)	(357.4)	(368.6)
b) other administrative expenses	(136.3)	(172.1)	(137.3)	(152.4)	(139.6)
Net adjustments to (recoveries on) property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(55.5)	(69.4)	(57.3)	(67.6)	(60.9)
Operating expenses	**(548.5)**	**(594.0)**	**(549.1)**	**(577.4)**	**(569.1)**
Pre-Provision Profit	**180.9**	**263.4**	**291.0**	**204.9**	**234.9**
Cost of customer loans	**(314.5)**	**(191.8)**	**(137.1)**	**(109.9)**	**(143.9)**
Net impairment (losses)/reversals on securities and loans to banks	**(1.1)**	**(2.5)**	**(2.2)**	**(0.5)**	**(0.1)**
Net operating income	**(134.7)**	**69.1**	**151.7**	**94.5**	**90.9**
Net provisions for risks and charges	(40.1)	(85.6)	(11.9)	(19.4)	(39.0)
Gains (losses) on investments	0.2	(9.3)	0.5	2.3	0.9
Restructuring costs / One-off costs	2.6	2.2	(5.5)	0.8	2.2
Risks and charges related to the SRF, DGS and similar schemes	(58.3)	(0.2)	(35.8)	(26.5)	(60.9)
DTA Fees	(17.8)	(17.7)	(17.7)	(17.3)	(17.9)
Gains (losses) on disposal of investments	1.9	1.9	0.4	0.1	0.6
Profit (loss) before tax from continuing operations	**(246.2)**	**(39.6)**	**81.7**	**34.6**	**(23.3)**
Tax expense (recovery) on income from continuing operations	3.8	(1,179.0)	13.3	34.4	56.7
Profit (loss) after tax from continuing operations	**(242.4)**	**(1,218.6)**	**94.9**	**69.0**	**33.5**
Net profit (loss) for the period including non-controlling interests	**(242.4)**	**(1,218.6)**	**94.9**	**69.0**	**33.5**
Net profit (loss) attributable to non-controlling interests	-	-	(0.1)	(0.2)	0.2
Profit (loss) for the period before PPA	**(242.4)**	**(1,218.6)**	**95.0**	**69.2**	**33.3**
PPA (Purchase Price Allocation)	(1.1)	(1.3)	(1.3)	(4.0)	(5.4)
Net profit (loss) for the period	**(243.5)**	**(1,219.9)**	**93.8**	**65.2**	**27.9**

Reclassified Balance Sheet				
Assets	**31 03 2020**	**31 12 2019**	**Chg abs.**	**Chg %**
Cash and cash equivalents	611.2	835.1	(223.9)	-26.8%
Loans to central banks	8,109.5	9,405.4	(1,295.9)	-13.8%
Loans to banks	4,938.8	5,542.7	(603.9)	-10.9%
Loans to customers	82,206.1	80,135.0	2,071.1	2.6%
Securities assets	26,006.3	24,185.1	1,821.2	7.5%
Derivatives	3,233.8	3,041.2	192.6	6.3%
Equity investments	892.0	931.0	(39.0)	-4.2%
Tangible and intangible assets	2,870.5	2,909.2	(38.7)	-1.3%
of which:				
a) goodwill	*7.9*	*7.9*	-	0.0%
Tax assets	2,763.6	2,763.0	0.6	0.0%
Other assets	2,636.9	2,448.3	188.6	7.7%
Total assets	**134,268.7**	**132,196.0**	**2,072.7**	**1.6%**

Liabilities	31 03 2020	31 12 2019	Chg abs.	Chg %
Direct funding	95,367.1	94,217.3	*1,149.8*	*1.2%*
a) Deposits from customers	83,680.4	80,063.2	3,617.2	4.5%
b) Securities issued	11,686.7	14,154.1	*(2,467.4)*	*-17.4%*
Deposits from central banks	15,997.9	16,041.5	(43.6)	-0.3%
Deposits from banks	4,752.1	4,136.6	615.5	14.9%
Financial liabilities held for cash trading	2,407.1	2,436.0	(28.9)	-1.2%
Derivatives	3,174.4	2,762.5	*411.9*	*14.9%*
Provisions for specific use				
a) Provisions for staff severance indemnities	166.4	178.7	(12.3)	-6.9%
b) Provisions related to guarantees and other commitments given	155.3	158.8	(3.5)	-2.2%
c) Pensions and other post-retirement benefit obligations	35.2	36.1	(0.9)	-2.5%
d) Other provisions	953.4	1,014.9	(61.5)	-6.1%
Tax liabilities	3.3	3.4	(0.1)	-2.9%
Other liabilities	3,327.8	2,929.3	398.5	13.6%
Group net equity	7,927.0	8,279.1	(352.1)	-4.3%
a) Valuation reserves	(41.5)	66.4	(107.9)	n.m.
d) Reserves	(1,802.9)	(769.2)	(1,033.7)	n.m.
f) Share capital	10,328.6	10,328.6	-	0.0%
g) Treasury shares (-)	(313.7)	(313.7)	-	0.0%
h) Net profit (loss) for the period	(243.5)	(1,033.0)	789.5	-76.4%
Non-controlling interests	1.7	1.8	(0.1)	-5.6%
Total Liabilities and Shareholders' Equity	**134,268.7**	**132,196.0**	**2,072.7**	**1.6%**

Reclassified Balance Sheet - Quarterly Trend

Assets	31 03 2020	31 12 2019	30 09 2019	30 06 2019	31 03 2019
Cash and cash equivalents	611.2	835.1	675.8	650.1	609.1
Loans to central banks	8,109.5	9,405.4	7,275.7	6,932.3	5,772.8
Loans to banks	4,938.8	5,542.7	5,577.2	4,776.8	4,571.0
Loans to customers	82,206.1	80,135.0	81,642.2	80,385.8	81,900.5
Securities assets	26,006.3	24,185.1	24,646.6	24,859.6	25,749.4
Derivatives	3,233.8	3,041.2	3,374.1	3,462.5	3,288.6
Equity investments	892.0	931.0	1,053.4	958.2	901.7
Tangible and intangible assets	2,870.5	2,909.2	2,921.8	2,943.1	2,992.6
of which:					
a) goodwill	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*
Tax assets	2,763.6	2,763.0	3,913.6	4,065.7	4,062.6
Other assets	2,636.9	2,448.3	2,794.8	2,504.8	2,274.0
Total assets	**134,268.7**	**132,196.0**	**133,875.2**	**131,538.9**	**132,122.3**

Liabilities	31 03 2020	31 12 2019	30 09 2019	30 06 2019	31 03 2019
Direct funding	95,367.1	94,217.3	92,246.3	92,215.9	92,686.1
a) Deposits from customers	83,680.4	80,063.2	79,263.3	80,639.8	80,728.1
b) Securities issued	11,686.7	14,154.1	12,983.0	11,576.1	11,958.0
Deposits from central banks	15,997.9	16,041.5	16,561.7	16,566.8	16,694.4
Deposits from banks	4,752.1	4,136.6	4,484.9	4,570.5	5,475.8
Financial liabilities held for cash trading	2,407.1	2,436.0	1,777.7	1,525.5	1,041.3
Derivatives	3,174.4	2,762.5	3,346.6	2,665.7	2,480.9
Provisions for specific use					
a) Provisions for staff severance indemnities	166.4	178.7	184.7	182.8	182.1
b) Provisions related to guarantees and other commitments given	155.3	158.8	205.0	208.1	220.6
c) Pensions and other post-retirement benefit obligations	35.2	36.1	35.9	36.6	37.2
d) Other provisions	953.4	1,014.9	991.6	1,035.0	1,073.7
Tax liabilities	3.3	3.4	3.9	3.8	30.8
Other liabilities	3,327.8	2,929.3	4,448.0	3,189.9	3,108.3
Group net equity	7,927.0	8,279.1	9,587.0	9,336.3	9,088.6
a) Valuation reserves	(41.5)	66.4	153.0	(15.1)	(123.7)
d) Reserves	(1,802.9)	(769.2)	(767.8)	(756.6)	(830.5)
f) Share capital	10,328.6	10,328.6	10,328.6	10,328.6	10,328.6
g) Treasury shares (-)	(313.7)	(313.7)	(313.7)	(313.7)	(313.7)
h) Net profit (loss) for the period	(243.5)	(1,033.0)	186.9	93.1	27.9
Non-controlling interests	1.7	1.8	1.9	2.0	2.4
Total Liabilities and Shareholders' Equity	**134,268.7**	**132,196.0**	**133,875.2**	**131,538.9**	**132,122.3**

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