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BANCA DAL 1472

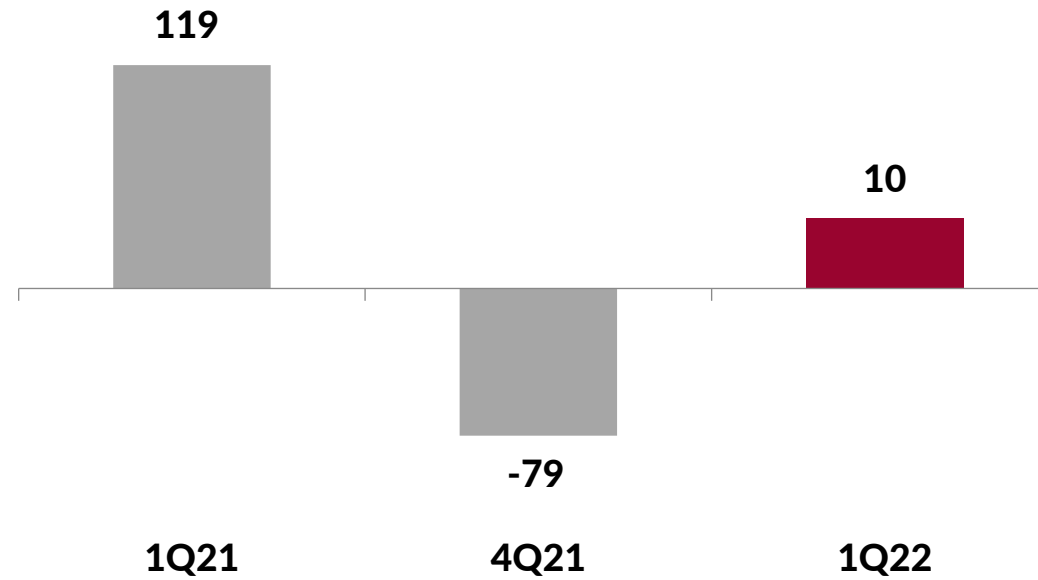
# 1Q22 Financial Results

6 May 2022

- **Positive net profit of EUR 10mln in 1Q22 after loss reported in 4Q21, y/y comparison impacted by 1Q21 higher gains on securities, lower provisions for risks and lower systemic charges**
- **Gross operating profit up by +23.3% q/q thanks to NII and gains on securities, offsetting higher cost base, up also y/y excluding gains on securities in both periods**
- **Net customer loans up 0.9% y/y, supported by growth in the quarter in both retail and corporate**
- **Optimisation of commercial funding with ongoing rate reduction, while maintaining stable retail volumes**
- **Gross NPE ratio fairly stable at 4.8% with NPE coverage improved to 50.8%. CoR at 56bps, reflecting also the current macro-scenario uncertainty**
- **Fully loaded CET1 at 10.8%, +32 bps y/y, lower by 28 bps vs. Dec 21. Phased-in CET1 at 11.6% vs 8.80% SREP requirement**



€/mln

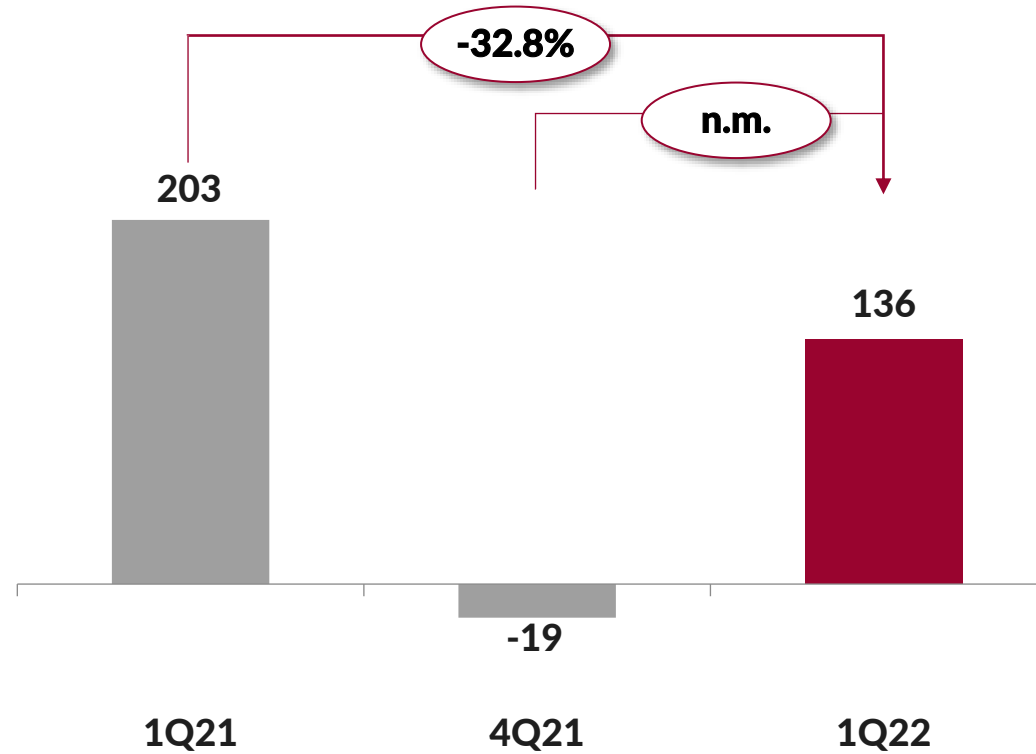


- Positive net profit in 1Q22 after loss reported in 4Q21
- Y/y comparison impacted by 1Q21 higher gains on securities, lower provisions for risks and lower systemic charges



# Net operating profit

€/mln

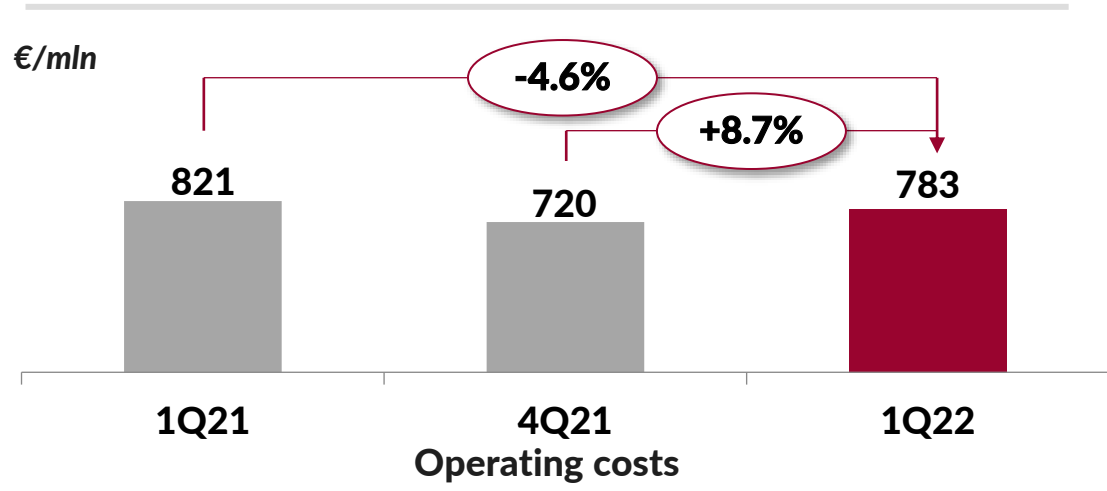


- Net operating profit at EUR 136 mln after negative result in 4Q21
- Y/y performance impacted by lower gains on securities in 1Q22 and lower provisions in 1Q21

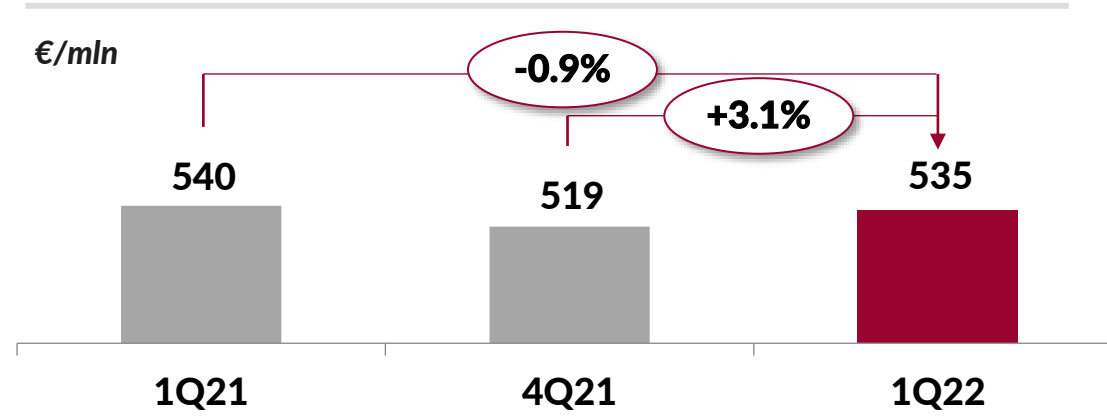


# Gross operating profit

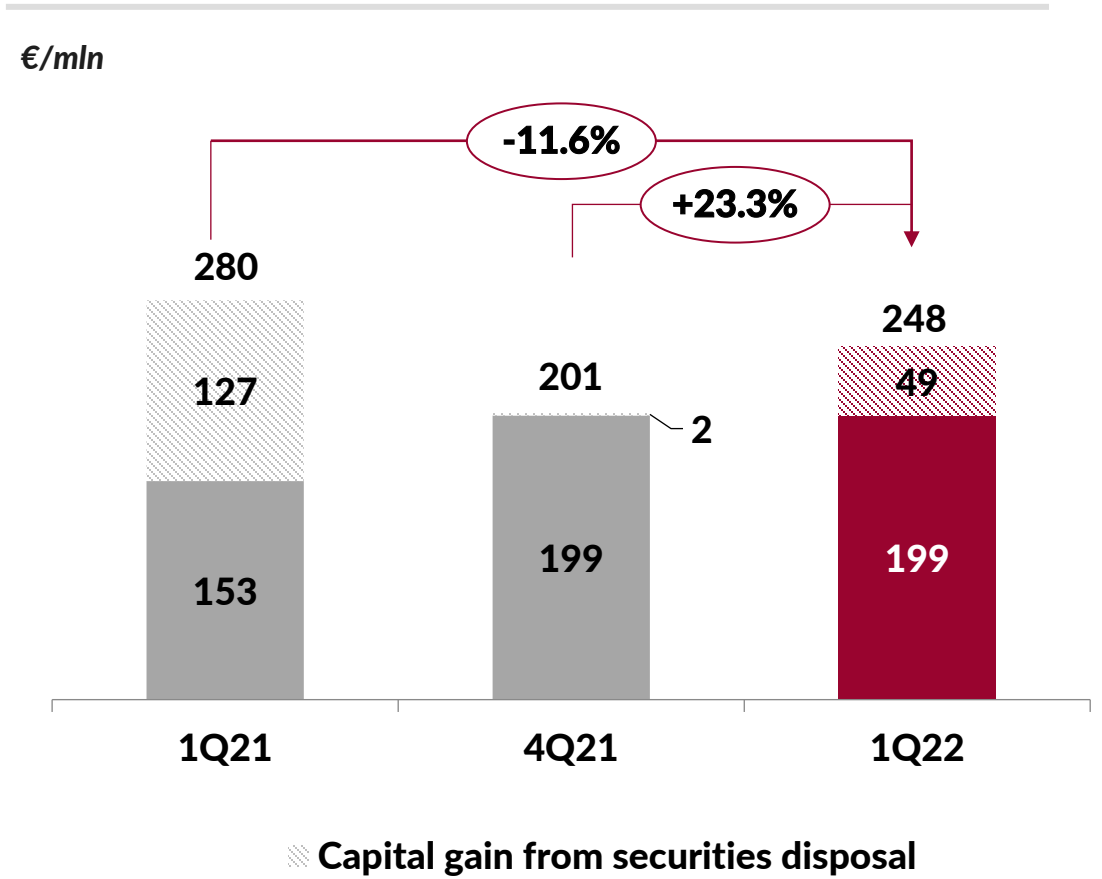
Operating income



Operating costs



Gross operating profit

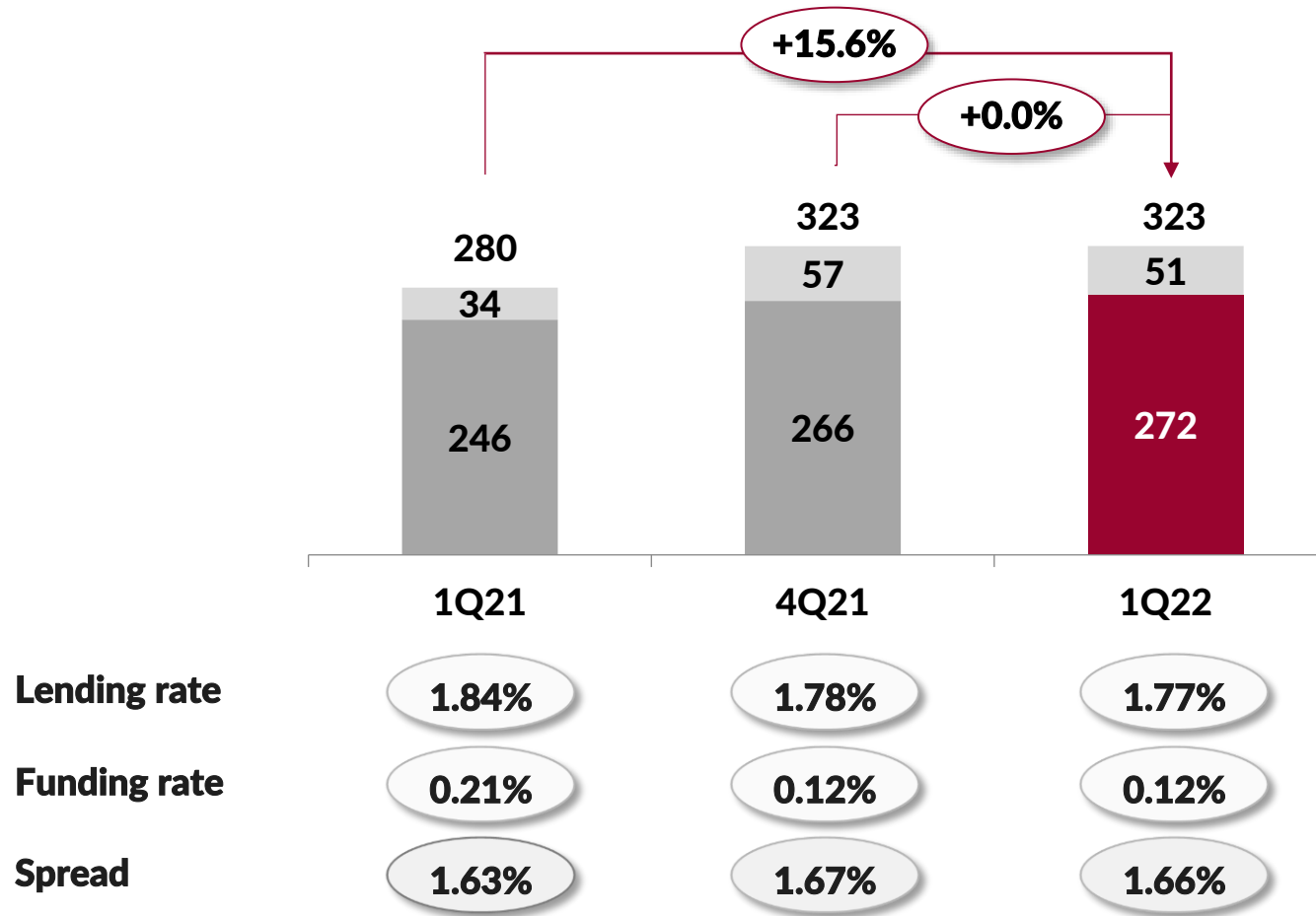


- Gross operating profit up by +23.3% q/q thanks to NII (both TLTRO and commercial) and gains on securities, offsetting also higher cost base
- Y/y gross operating profit lower by -11.6% due to lower gains on securities



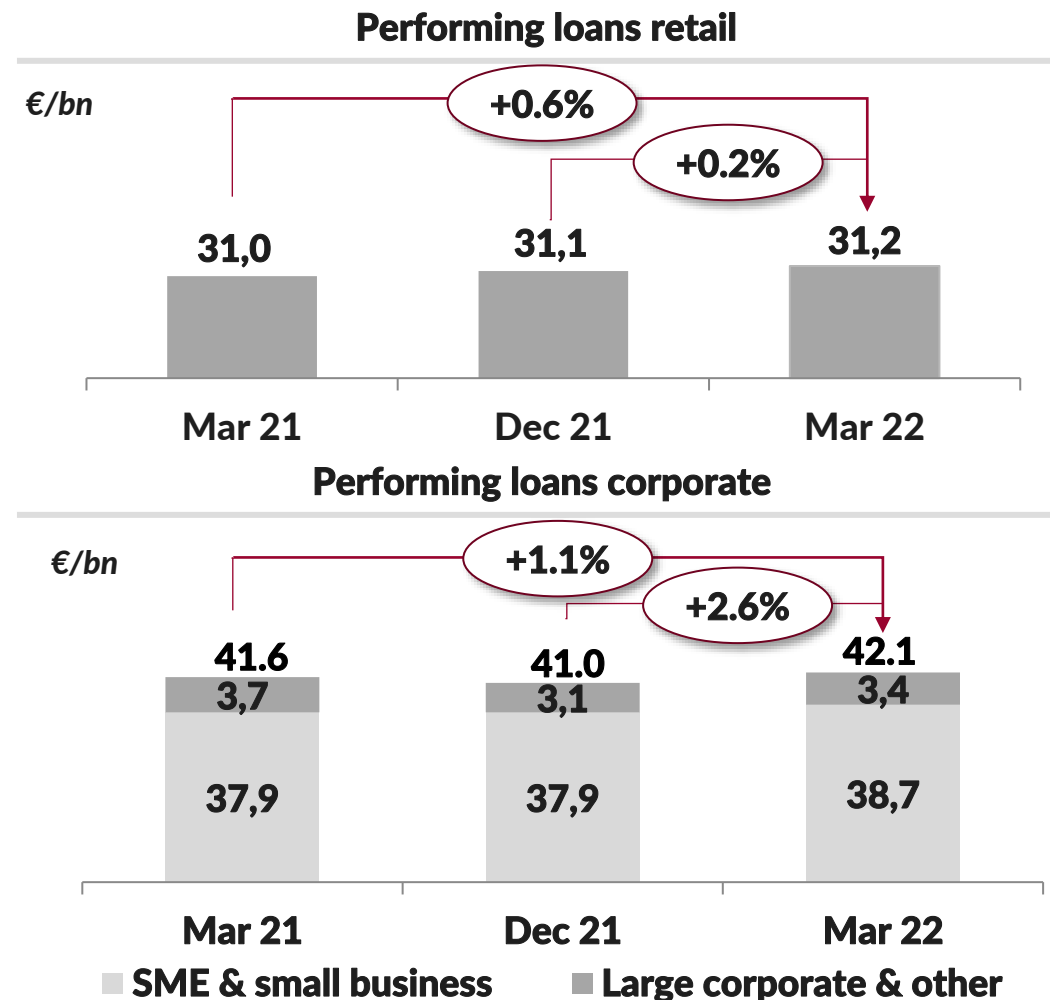
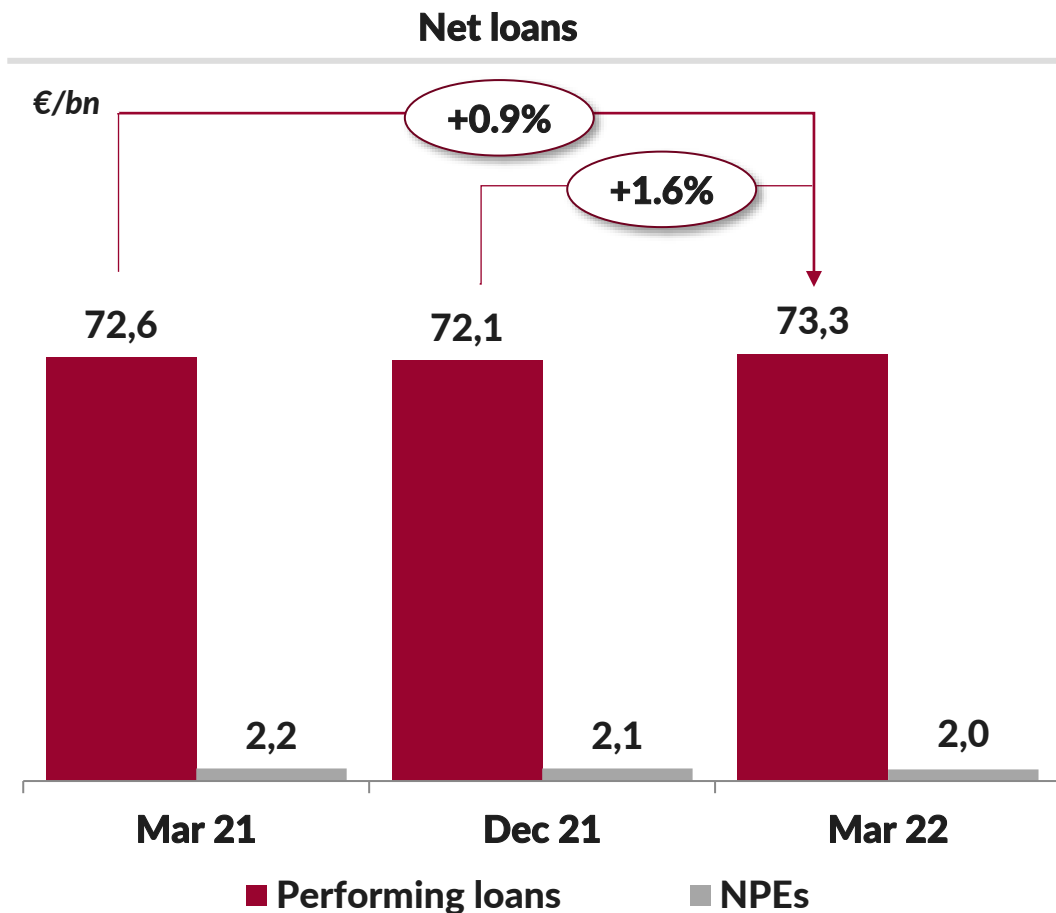
# Net interest income

€/mln



- NII excluding TLTRO up +10.6% y/y, mainly thanks to lower cost of bonds due to maturities, reduction of term deposits and corporate volumes, improving also q/q
- Improved commercial spread y/y (+3bps) thanks to lower funding rate, marginally lower q/q



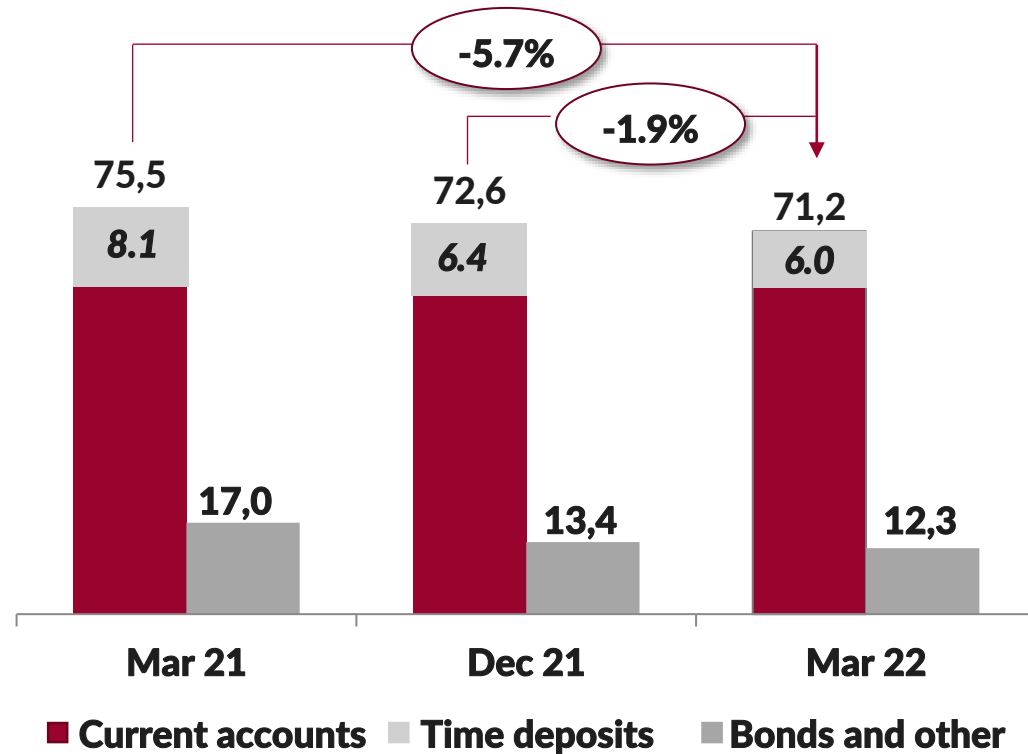


- Performing loans increase by +0.9% y/y driven by both retail (+0.6% y/y) and corporate (+1.1% y/y), mainly in SME supported by 1Q22 dynamics



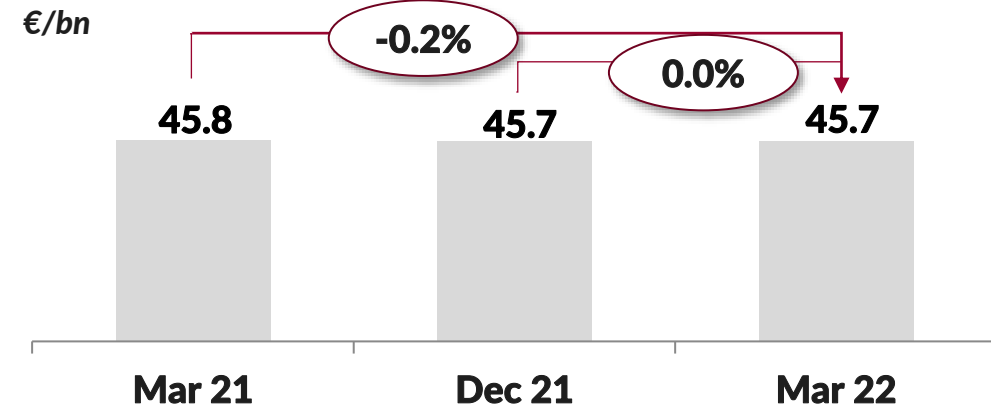
## Direct funding

€/bn



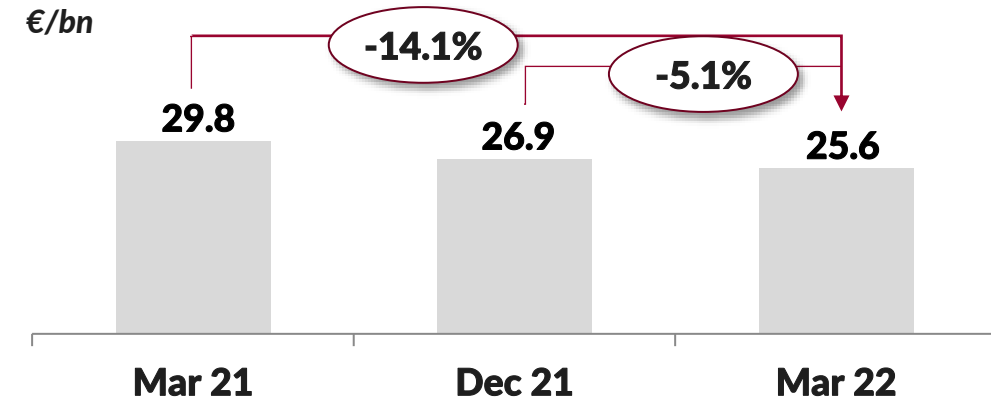
## Retail funding

€/bn



## Corporate funding

€/bn

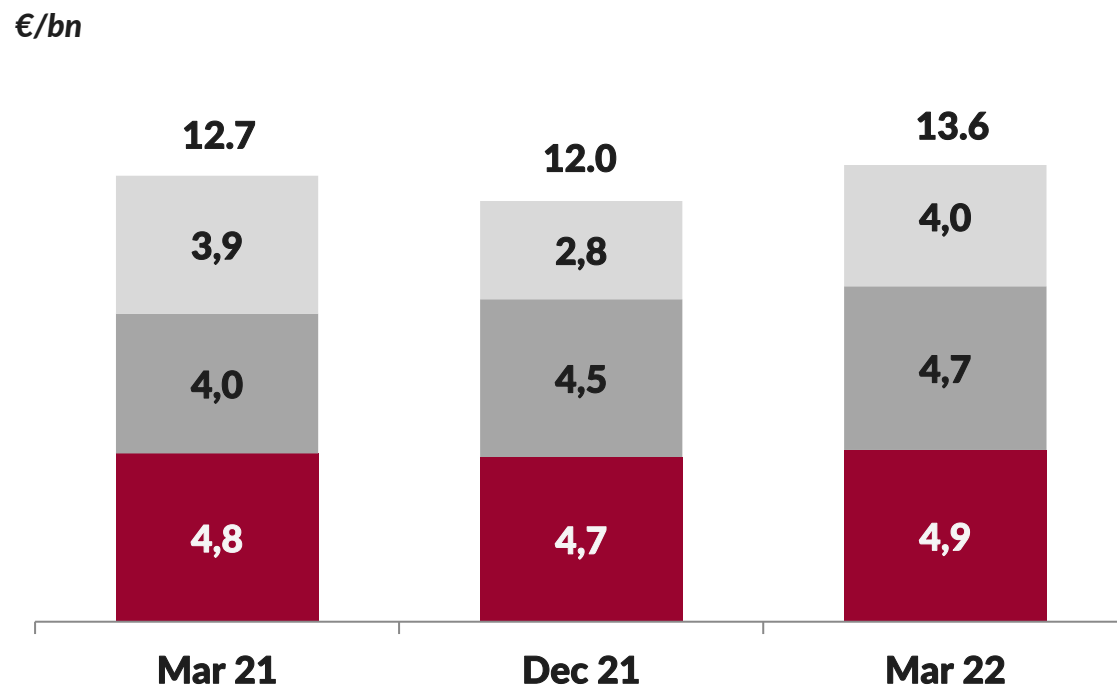


- **Optimisation of commercial funding with ongoing reduction of term deposits, while maintaining stable retail volumes**





### Italian govies portfolio breakdown



- Amortized cost portfolio
- Financial assets FVTOCI
- Financial assets FVTPL

### Italian govies portfolio at FVTOCI

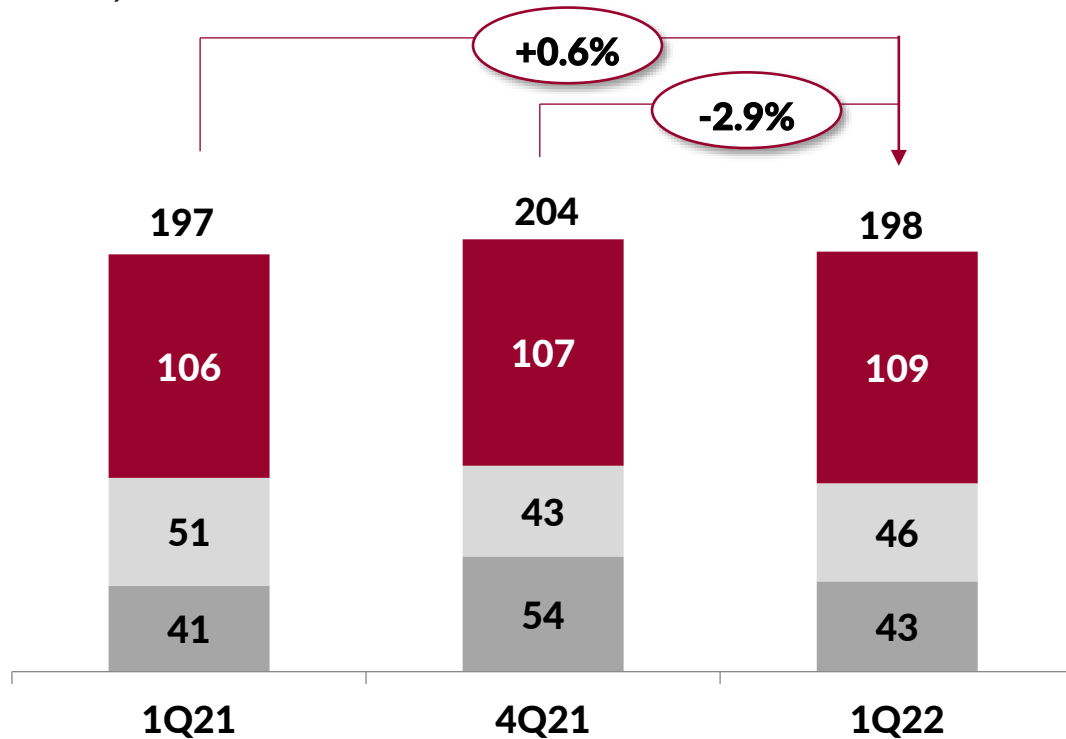
	Mar 21	Dec 21	Mar 22
FVTOCI Duration (years)	~2.3	~2.1	~1.8
FVTOCI Credit spread sensitivity (€/mln)	-1.0	-1.1	-1.1

- Slight increase of banking book portfolio, with stable credit spread sensitivity and lower duration in the FVTOCI component
- FVTPL portfolio driven by MPS Capital Services' market-specialist activity, with maturity of 78% of the portfolio <1 year



## Banking fees

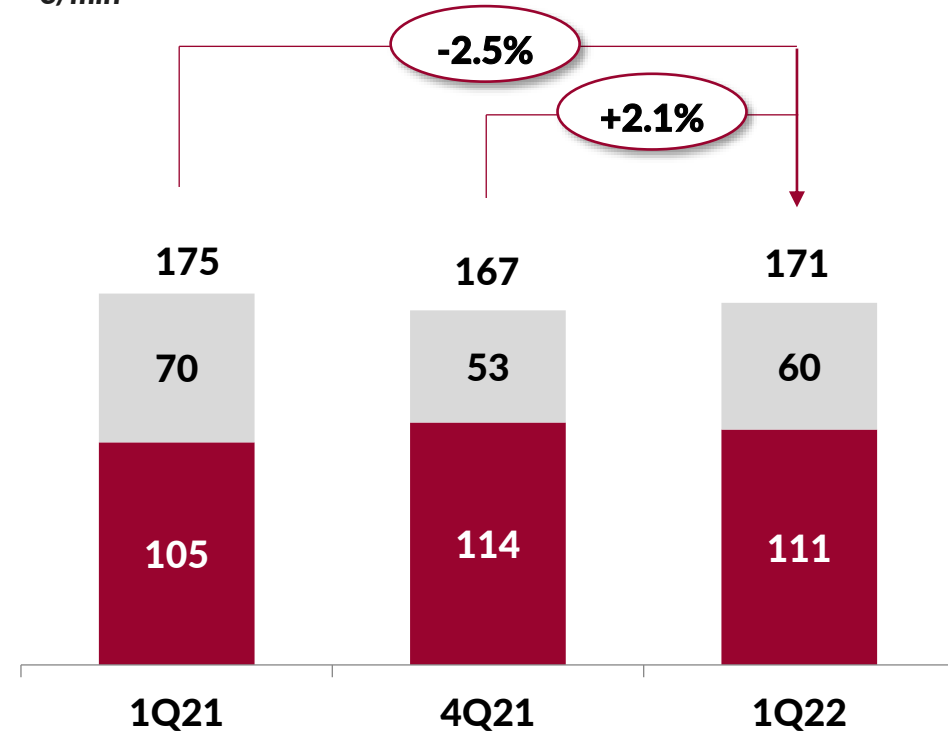
€/mln



■ Payments and cards ■ Current accounts and other ■ Loans

## AuM fees

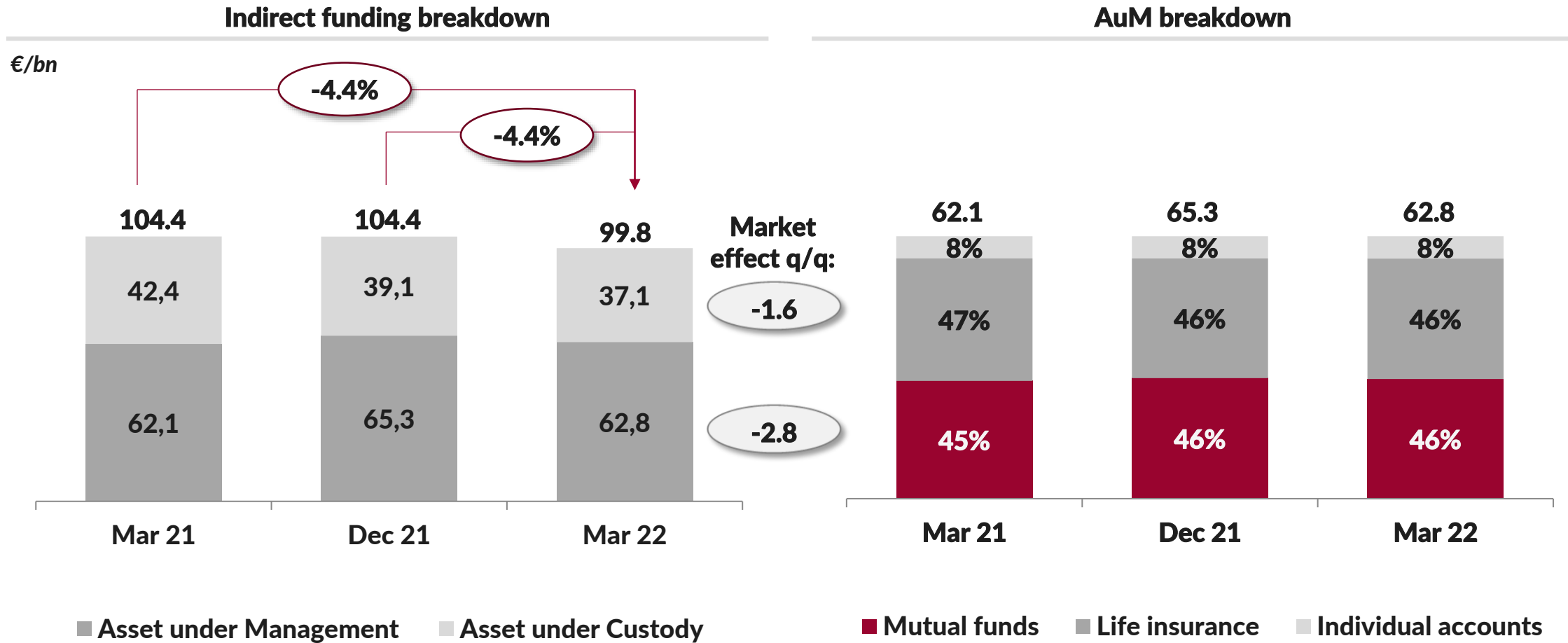
€/mln



■ Management fees ■ Up-front fees

- Banking fees substantially in line with 1Q21, seasonally lower q/q
- AuM almost at the level of last year and previous quarter, although with the different mix

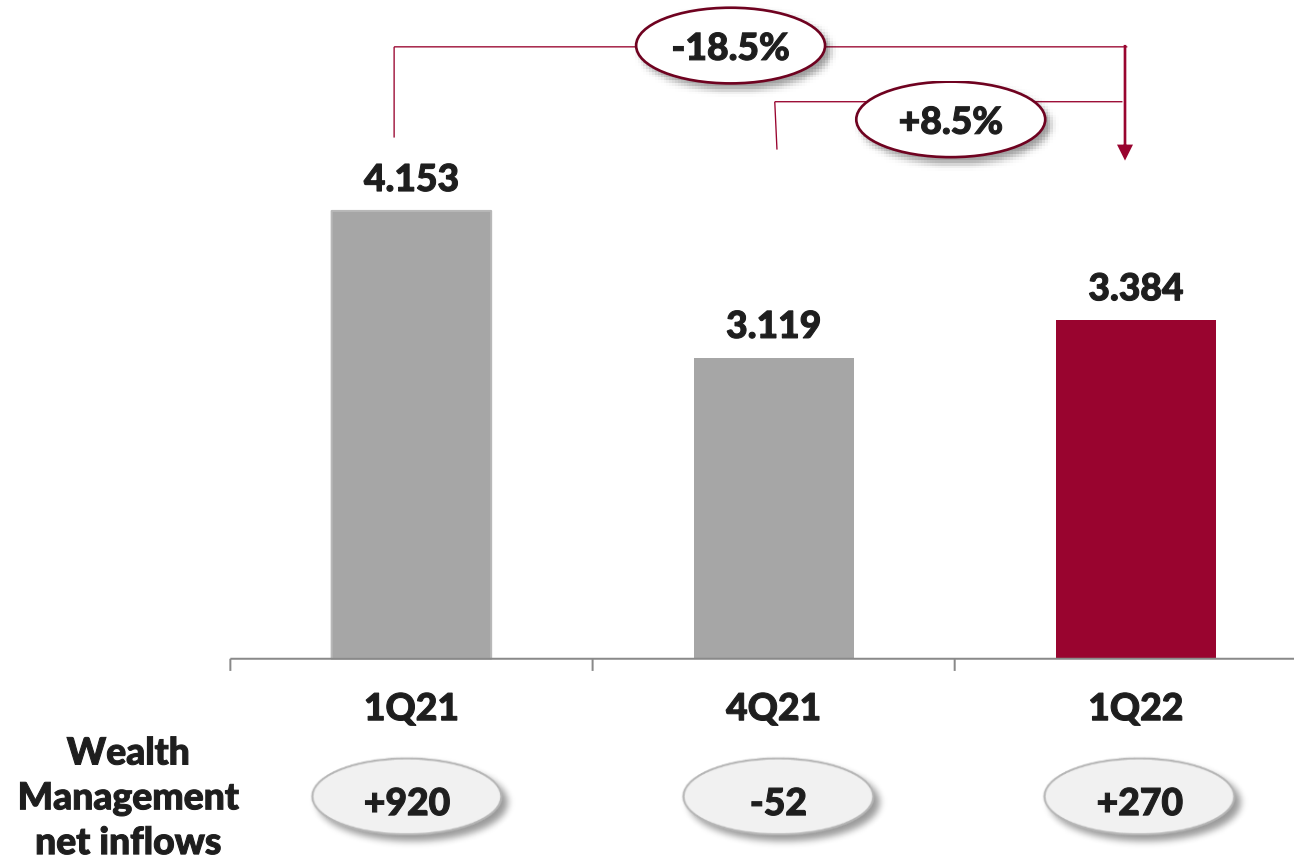




- Decrease of indirect funding both y/y and q/q driven by market valuation effects and some single large financial companies outflows in AuC during 2021



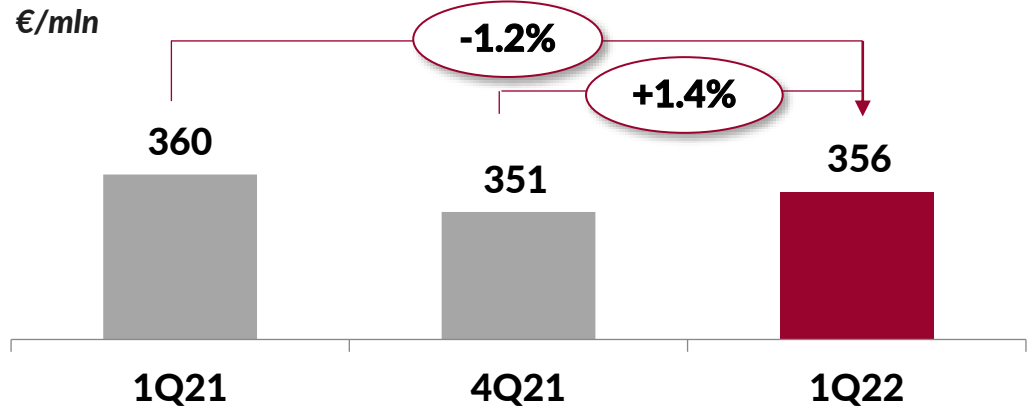
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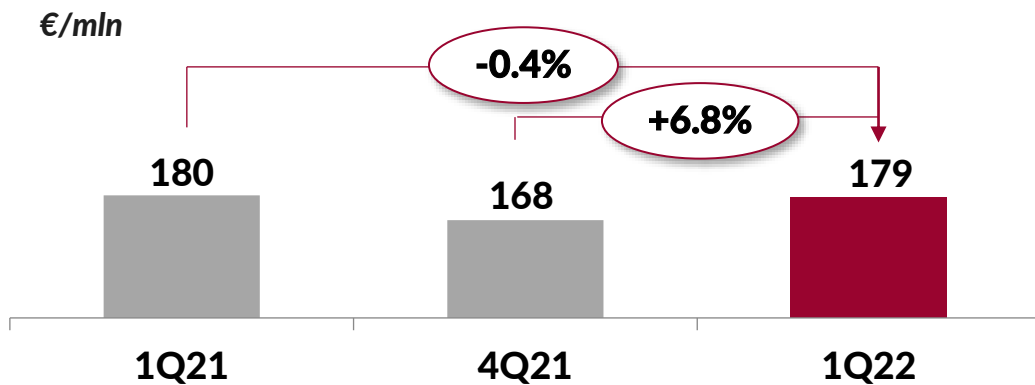
- Wealth management gross and net inflows recovering compared with the last quarter, despite last months unfavourable market conditions



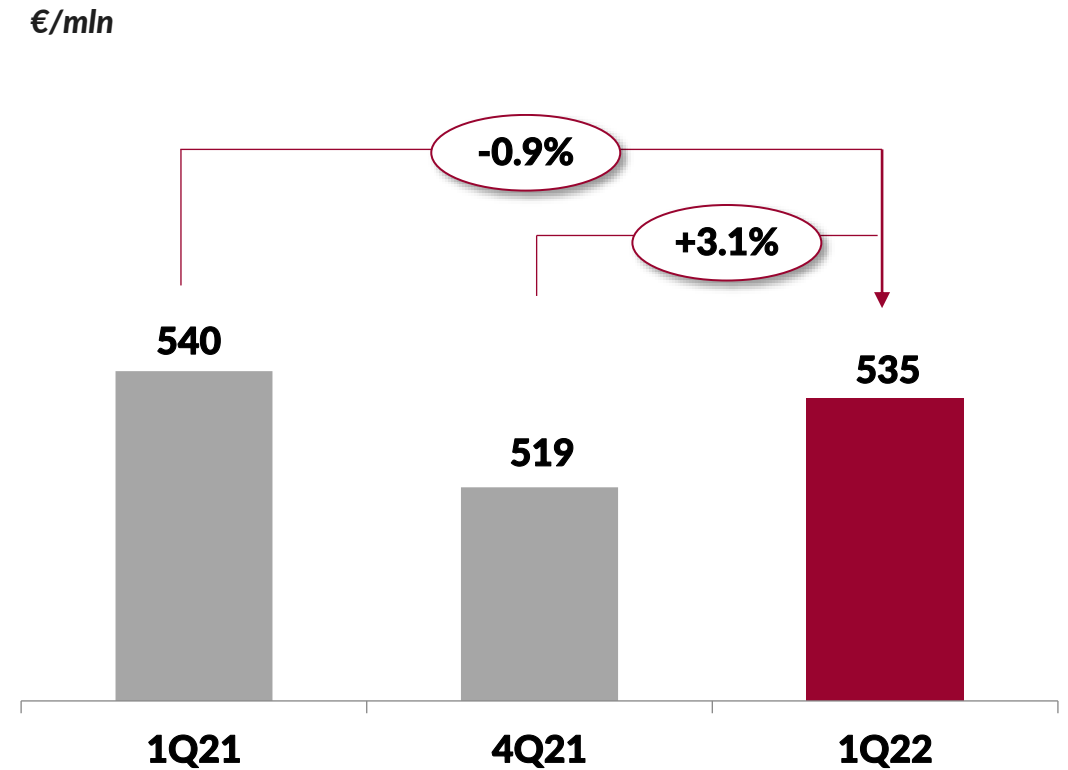
## HR costs



## Non-HR costs

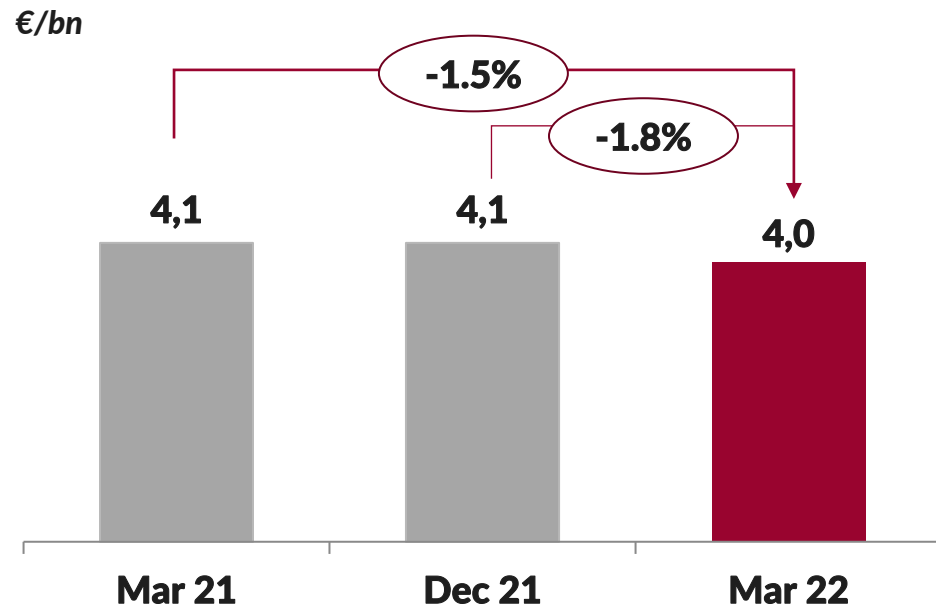


## Operating costs



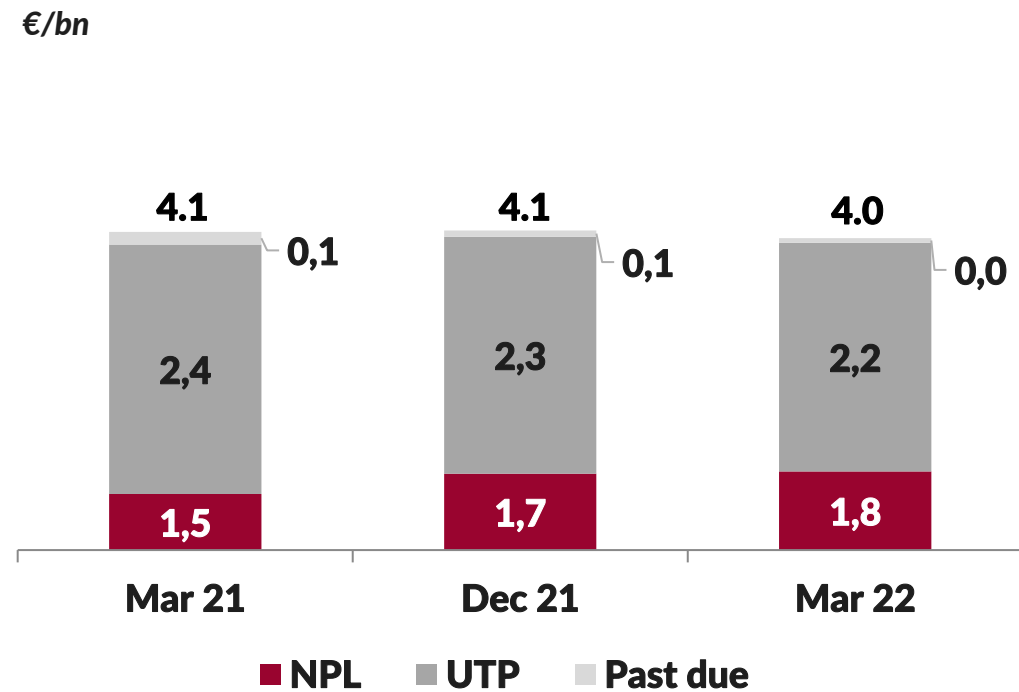
- Total operating costs slightly below the previous year, while higher compared to 4Q21, which was positively impacted by some accruals adjustments, both in HR and Non-HR

## Gross NPE stock



	Mar 21	Dec 21	Mar 22
Gross NPE ratio	4.7%	4.9%	4.8%
	4.4%	4.5%	4.5%
Net NPE ratio	2.5%	2.6%	2.4%
	2.4%	2.4%	2.3%

## Breakdown by category

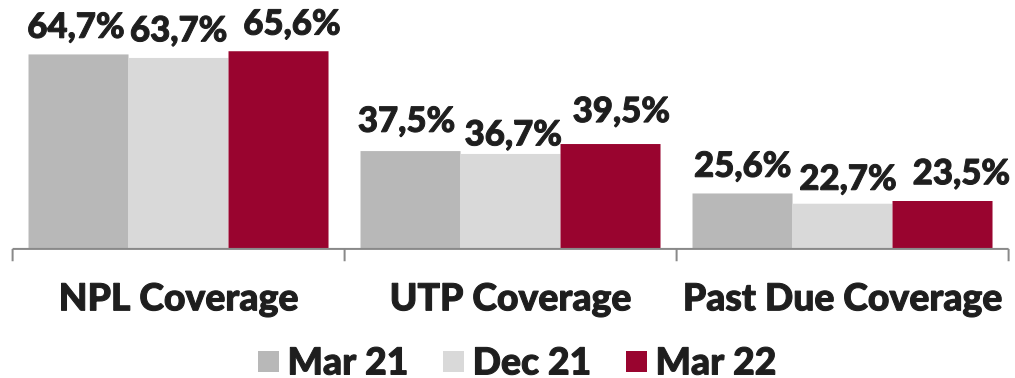


- Gross NPE stock slightly down, both y/y and q/q
- Gross NPE ratio fairly stable at 4.8% while net NPE ratio down to 2.4%

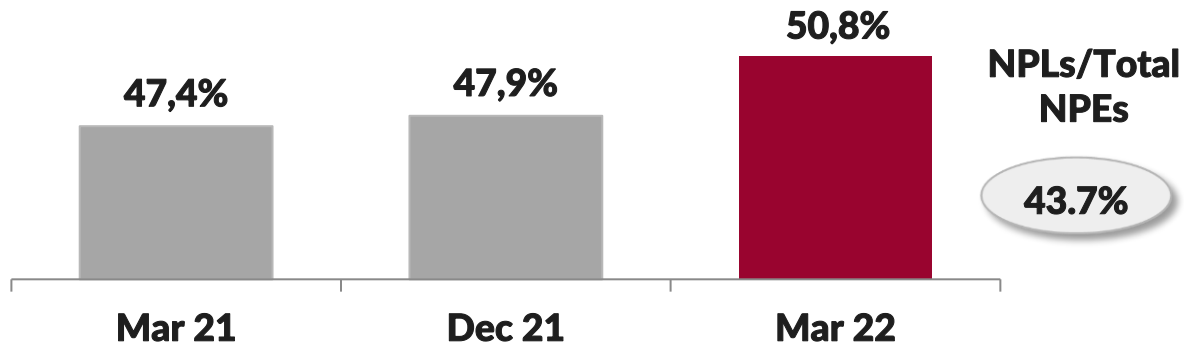


# Coverage and cost of risk

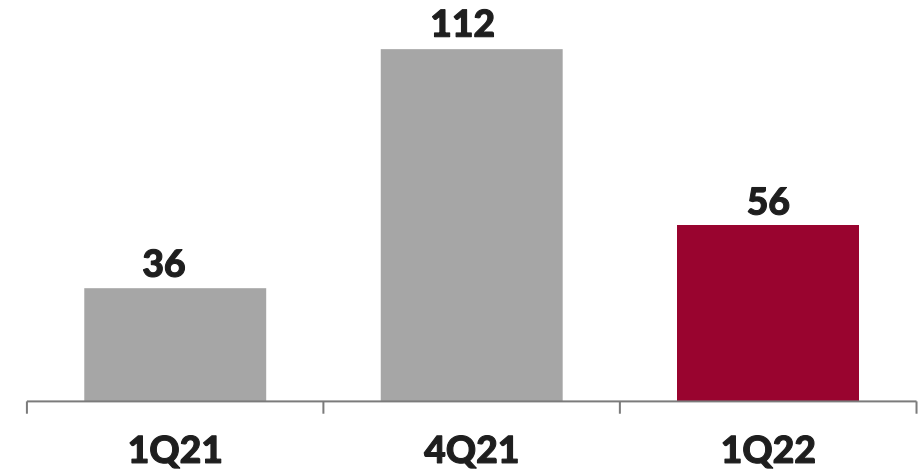
### NPE coverage breakdown



### Total NPE coverage



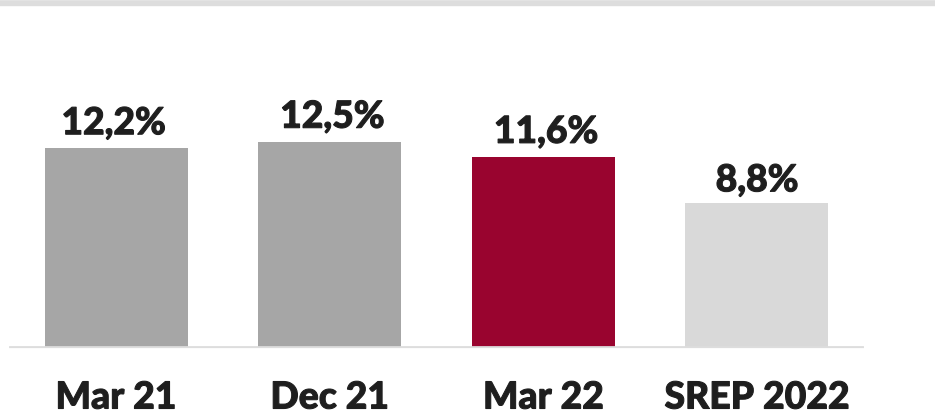
### Cost of risk (bps)



- NPE coverage at 50.8% improving both y/y and q/q on NPLs and UTPs
- CoR at 56bps, reflecting also the current macro-scenario uncertainty
- 1Q21 cost of risk positively impacted by lower provisions for risks while 4Q21 included non recurring charges



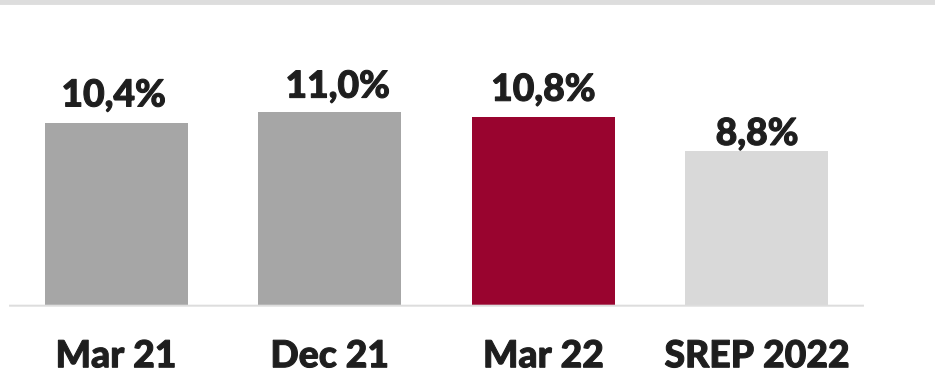
## CET1 ratio phased-in



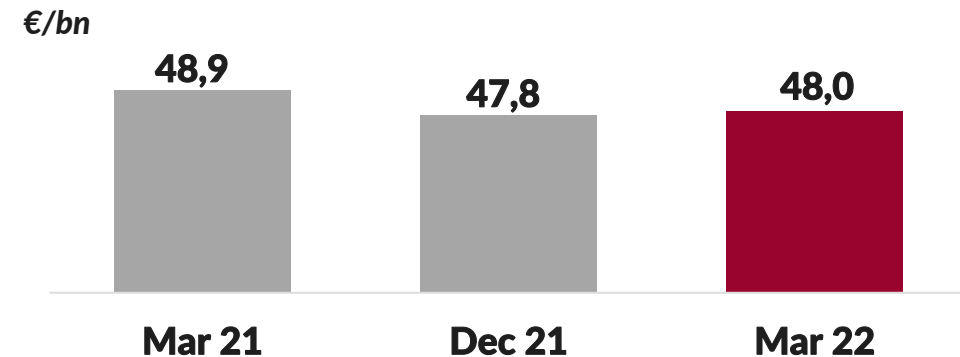
## Regulatory capital ratios phased-in

	Mar 21	Dec 21	Mar 22	SREP
CET1 ratio (%)	12.2%	12.5%	11.6%	8.80%
Tier 1 ratio (%)	12.2%	12.5%	11.6%	10.81%
Total capital ratio (%)	15.9%	16.1%	15.3%	13.50%

## CET1 ratio fully phased



## RWA – phased-in

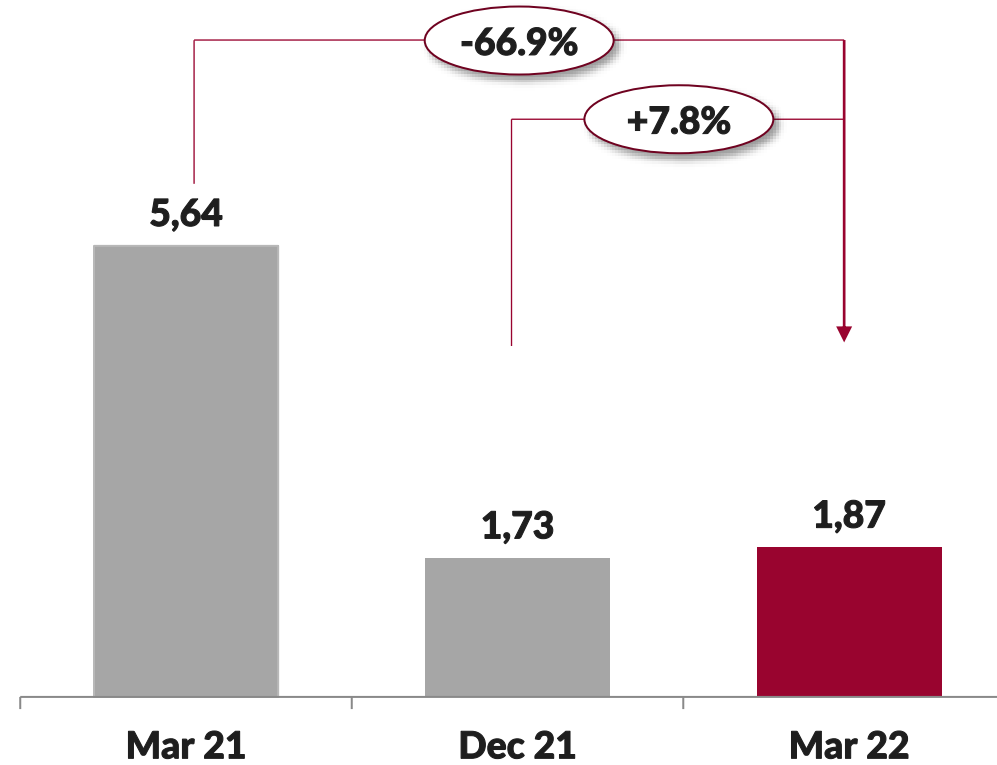


- Fully loaded CET1 at 10.8%, +32 bps y/y, lower by 28 bps vs. Dec 21, mainly due to FVTOCI reserve and marginal RWA increase
- CET1 phased-in down q/q and y/y mainly due to IFRS 9 FTA



# Petitem related to disclosed financial information

€/bn



- **Petitem down 66.9% y/y**
- **Increase vs. Dec 21 mainly due to threatened litigations, conservatively provisioned for**



- **Net profit of EUR 10mln in 1Q22 after loss reported in 4Q21**
- **Positive signals of the commercial resilience reflected in volumes trends and commercial funding optimisation**
- **NPE coverage improved by 283 bps to 50.8%**
- **Fully loaded at 10.8%, higher by 32 bps y/y, and lower compared to Dec 21 by 28bps**
- **The Bank is progressing on the Business Plan review, focusing on clear priorities to support customers, drive operational efficiency, ensure low risk profile and sustainable profitability**
- **The Business Plan will be presented on 23 June 2022**



# Annexes



# Reclassified Income Statement

€ mln	1Q21	2Q21	3Q21	4Q21	1Q22	Change (QoQ%)	Change (YoY%)
Net Interest Income	280	306	313	323	323	+0.0%	+15.6%
Net fees and commission income	372	383	358	371	369	-0.6%	-0.8%
Profit (loss) of equity-accounted investments (AXA)	21	25	20	38	14	-62.7%	-33.8%
<b>Core Revenues</b>	<b>673</b>	<b>713</b>	<b>692</b>	<b>732</b>	<b>706</b>	<b>-3.5%</b>	<b>+4.9%</b>
Financial revenues	159	29	20	-1	80	n.m.	-49.3%
Other operating net income	-11	-2	-13	-11	-3	-69.8%	-69.7%
<b>Operating Income</b>	<b>821</b>	<b>741</b>	<b>698</b>	<b>720</b>	<b>783</b>	<b>+8.7%</b>	<b>-4.6%</b>
Personnel expenses	-360	-359	-358	-351	-356	+1.4%	-1.2%
Other administrative expenses	-133	-133	-112	-120	-136	+13.0%	+2.3%
Depreciations/amortisations and net impairment losses on PPE	-47	-41	-44	-48	-44	-8.8%	-8.1%
<b>Operating Costs</b>	<b>-540</b>	<b>-533</b>	<b>-514</b>	<b>-519</b>	<b>-535</b>	<b>+3.1%</b>	<b>-0.9%</b>
<b>Gross operating profit</b>	<b>280</b>	<b>208</b>	<b>185</b>	<b>201</b>	<b>248</b>	<b>+23.3%</b>	<b>-11.6%</b>
Net impairment losses for credit risk	-74	-89	135	-222	-111	-50.0%	+50.5%
Net impairment losses for other financial assets	-4	5	1	3	0	n.m.	-89.2%
<b>Net operating profit</b>	<b>203</b>	<b>124</b>	<b>321</b>	<b>-19</b>	<b>136</b>	<b>n.m.</b>	<b>-32.8%</b>
Net gains/losses on equity investments, PPE and intangible assets at FV, and disposal of investments	-14	0	2	-15	2	n.m.	n.m.
Systemic funds contribution	-68	-22	-69	-10	-89	n.m.	+30.8%
DTA Fee	-16	-16	-16	-16	-16	-0.4%	+0.3%
Net accruals to provisions for risks and charges	9	-51	-24	-33	-28	-13.7%	n.m.
Restructuring costs / one-off costs	0	-4	-4	1	0	n.m.	+92.8%
<b>Pre-tax profit (loss)</b>	<b>114</b>	<b>31</b>	<b>211</b>	<b>-92</b>	<b>5</b>	<b>n.m.</b>	<b>-95.6%</b>
Income taxes	6	53	-24	14	6	-61.9%	-10.0%
<b>Post-tax profit (loss)</b>	<b>120</b>	<b>84</b>	<b>187</b>	<b>-78</b>	<b>10</b>	<b>n.m.</b>	<b>-91.3%</b>
Impairment, PPA & others	-1	-1	-1	-1	-1	-1.1%	-8.6%
<b>Profit (loss) for the period</b>	<b>119</b>	<b>83</b>	<b>186</b>	<b>-79</b>	<b>10</b>	<b>n.m.</b>	<b>-91.9%</b>



## Total Assets (€/mln)

	Mar-21	Dec-21	Mar-22	QoQ%	YoY%
Loans to Central banks	26,117	20,770	15,393	-25.9%	-41.1%
Loans to banks	2,975	3,493	2,425	-30.6%	-18.5%
Loans to customers	82,259	79,380	79,260	-0.2%	-3.6%
Securities assets	22,562	22,127	23,382	5.7%	3.6%
Tangible and intangible assets	2,785	2,744	2,719	-0.9%	-2.4%
Other assets	9,961	9,355	8,831	-5.6%	-11.3%
<b>Total Assets</b>	<b>146,659</b>	<b>137,869</b>	<b>132,009</b>	<b>-4.3%</b>	<b>-10.0%</b>

## Total Liabilities (€/mln)

	Mar-21	Dec-21	Mar-22	QoQ%	YoY%
Deposits from customers	87,124	79,860	74,992	-6.1%	-13.9%
Securities issued	11,930	10,441	9,436	-9.6%	-20.9%
Deposits from central banks	26,373	29,155	29,081	-0.3%	10.3%
Deposits from banks	3,816	2,125	1,764	-17.0%	-53.8%
Other liabilities	11,409	10,114	10,729	6.1%	-6.0%
Group net equity	6,005	6,173	6,006	-2.7%	0.0%
Non-controlling interests	1	1	1	0.0%	-7.1%
<b>Total Liabilities</b>	<b>146,659</b>	<b>137,869</b>	<b>132,009</b>	<b>-4.3%</b>	<b>-10.0%</b>



## Total Lending (€/mln)

	Mar-21	Dec-21	Mar-22	QoQ%	YoY%
Current accounts	2,935	2,696	3,085	14.4%	5.1%
Medium-long term loans	56,751	56,268	56,418	0.3%	-0.6%
Other forms of lending	12,925	13,152	13,763	4.6%	6.5%
Reverse repurchase agreements	7,498	5,126	4,009	-21.8%	-46.5%
Impaired loans	2,150	2,138	1,984	-7.2%	-7.7%
<b>Total</b>	<b>82,259</b>	<b>79,380</b>	<b>79,260</b>	<b>-0.2%</b>	<b>-3.6%</b>

## Direct Funding (€/mln)

	Mar-21	Dec-21	Mar-22	QoQ%	YoY%
Current accounts	67,459	66,159	65,186	-1.5%	-3.4%
Time deposits	8,075	6,438	6,040	-6.2%	-25.2%
Repos	6,519	4,299	904	-79.0%	-86.1%
Bonds	11,930	10,441	9,436	-9.6%	-20.9%
Other forms of direct funding	5,071	2,963	2,862	-3.4%	-43.6%
<b>Total</b>	<b>99,054</b>	<b>90,300</b>	<b>84,428</b>	<b>-6.5%</b>	<b>-14.8%</b>



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

