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MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

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BOARD APPROVES CONSOLIDATED RESULTS AS AT 30 JUNE 2022

FIRST IMPORTANT INITIATIVES OF THE INDUSTRIAL PLAN 2022-2026 ALREADY IMPLEMENTED:

- **TRADE UNION AGREEMENT ON VOLUNTARY EXITS THROUGH SOLIDARITY FUND SIGNED FOR 3500 PEOPLE**
- **DISPOSAL OF AN NPE PORTFOLIO AMOUNTING TO EUR 0.9 BILLION (GBV)**
- **BANK SYNDICATE FOR 2.5 BILLION CAPITAL INCREASE EXPANDED AND SHAREHOLDERS' MEETING CALLED (15 SEPTEMBER 2022) FOR GO-AHEAD TO TRANSACTION**

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NET PROFIT OF EUR 27 MILLION OF WHICH EUR 18 MILLION IN THE SECOND QUARTER

GROSS OPERATING PROFIT DOUBLE DIGIT INCREASE AT EUR 454 MILLION (UP 12.6% Y/Y EXCLUDING DISPOSAL OF SECURITIES CONTRIBUTION)

POSITIVE EVOLUTION OF THE NET INTEREST INCOME, INCREASED BY 12.8% Y/Y AND 4.3% Q/Q

Y/Y NET PROFIT COMPARISON IS IMPACTED BY HIGHER CONTRIBUTION FROM DISPOSAL OF SECURITIES AND FROM DTA VALUATION IN THE FIRST HALF 2021, AS WELL AS BY IMPROVED NPE COVERAGE IN THE FIRST TWO QUARTERS OF 2022

BANKING FEES IN LINE WITH 1H 2021 AND ALSO FEES GENERATED BY THE ASSET MANAGEMENT AND BANCASSURANCE STOCK, WHILE UPFRONT FEES ARE AFFECTED BY HIGH VOLATILITY IN THE FINANCIAL MARKETS

NET PERFORMING CUSTOMER LOANS INCREASE 1% Y/Y AND OPTIMISATION OF COMMERCIAL FUNDING CONFIRMED IN 2Q22 WITH COST OF FUNDING REDUCTION AND IMPROVING SPREAD

OPERATING COSTS DOWN 0.4% BOTH Y/Y AND Q/Q, THANKS IN PARTICULAR TO EFFECTIVE ADMINISTRATIVE COST REDUCTION ACTIONS

GROSS NPEs PRO-FORMA TAKING INTO ACCOUNT THE RECENTLY SIGNED PORTFOLIO DISPOSAL TRANSACTION, AMOUNTING TO EUR 3.2 BILLION DOWN 25% Y/Y

- **GROSS NPE RATIO PROFORMA AT 3.9% (- 100 BP VS 30 JUNE 2021)**
- **NPE COVERAGE PROFORMA IMPROVED TO 45,6%, IN LINE WITH 1H 2021**

COST OF CREDIT AT 57 BPS IN 1H22, WHICH REFLECTS ALSO THE SALE OF THE NPE PORTFOLIO MENTIONED ABOVE

FULLY LOADED CET1 AT 10.8%, INCREASING 18 BPs Y/Y AND UNCHANGED IN THE QUARTER; PHASED-IN CET1 AT 11.7% (VS. SREP OF 8.8%)

SOLID LIQUIDITY POSITION WITH LCR AT 180% AND NSFR AT 137%

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Siena, 5 August 2022 – The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. (the "Bank"), which concluded yesterday evening under the chairmanship of Patrizia Grieco, has reviewed and approved the consolidated results as at 30 June 2022.

Group profit and loss results as at 30 June 2022

The Group's **total revenues** as at 30 June 2022 stand at **EUR 1,522 million**, down 2.5% Y/Y, mainly due to the decrease in other income from banking business, which was affected by lower profits from the sale of securities, lower profits from trading and a lower contribution from equity investments held in insurance associates AXA. Excluding the lower contribution from the sale of securities, revenues grew 2.8% compared to the first half of 2021. Income from banking activities also registers a year-on-year increase thanks to the improvement in net interest income, which more than offset the decrease in net fees and commissions.

Income from banking activities in 2Q22 is again up Q/Q (+0.6%) owing to the increase in net interest income (+4.3%), only partially offset by the decrease in net fees and commissions (-2.6%), while revenues are down 5.6% from the previous quarter, mainly due to lower profits from the sale of securities, excluding which revenues would register an increase of 0.6%. Other trends include a decrease in trading income, only partially offset by the capital gains registered on UCITS, and a lower contribution from equity investments held in insurance associates AXA.

Net interest income as at 30 June 2022 stands at **EUR 660 million**, up 12.8% Y/Y. The increase is mainly driven by the (i) the higher contribution of the commercial segment, thanks to the lower cost of funding, which more than offset the lower interest on lending; (ii) positive effects of access to the TLTRO 3 auctions; (iii) lower cost of deposits with central banks following a reduction in volumes, and (iv) a lower cost of wholesale funding, which benefitted from the maturity of certain bonds. It should be noted that the positive effects of access to TLTRO 3 auctions referring to the first half of 2022 amount to EUR 145 million (EUR 128 million in the first half of 2021) and the cost of deposits with central banks amounts to EUR 48 million (EUR 52 million in the first half of 2021).

Net interest income in 2Q22 is up from the previous quarter (+4.3%) mainly thanks to the higher contribution from lending, which benefitted from increased volumes and higher rates compared to the previous quarter, and the lower cost of funding with a different mix towards less expensive components.

Net fees and commissions as at 30 June 2022, amounting to **EUR 728 million**, are down Y/Y due to high market volatility, which led to a decline in income from wealth management, mainly as a result of lower commissions on product placements, whereas commissions on stock are stable. Commissions from traditional banking services were also stable over 1 half 2021.

The 2Q22 result is down in the quarter-on-quarter comparison mainly due to the reduction in commissions from wealth management as a result of the aforementioned market volatility that affected the entire sector. Fees and commissions from traditional banking services are stable in the quarter-on-quarter comparison.

Of the Group's fee and commission income from the commercial segments, 42.0% is from commissions from products (management, placement and administration), 23.6% from loans (granting and utilisation) and 34.3% from services (account management, payments, etc.).

Dividends, similar income and profit (loss) on investments amount to **EUR 25 million** and are down from 30 June 2021 (EUR -30 million) as a result of the lower income from equity investments held in insurance associates AXA[1]. The 2Q22 result is down EUR 3 million from the previous quarter, again due to the lower income from equity investments held in insurance associates AXA [2], despite the dividend received on the stake in Bank of Italy in the amount of EUR 9 million.

Net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases as at 30 June 2022 amounts to **EUR 83 million**, down EUR 94 million from the figures recorded in the same period of the previous year and with the 2Q22 result falling EUR 69 million compared to the previous quarter, mainly as a result of the lower gains from the sale of securities.

The following items also contribute to **revenues**:

- **Net income from hedging, in the amount of EUR +8 million**, up from 1H21 (at EUR +2 million) and with the 2Q22 result down compared to the previous quarter (EUR -1.4 million).

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

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

- **Other operating expenses/income with a positive balance of EUR 18 million,** an improvement on the result recorded in 1H21 (EUR -13 million) and with 2Q22 registering an upturn from the previous quarter (at EUR -3 million).

As at 30 June 2022, **operating expenses** amount to **EUR 1,068 million**, down from 1H21 (-0.4%) and with 2Q22 recording a reduction compared to the previous quarter (-0.4%). An analysis of the individual aggregates shows that:

  - **Personnel expenses**, amounting to **EUR 713 million**, are down 0.9% Y/Y, having benefitted from the downward headcount trend. The 2Q22 result is slightly up from the previous quarter (+0.3%).

  - **Non-HR costs,** amounting to **EUR 356 million**, are slightly up compared to the previous year (+0.4%). The 2Q22 result, on the other hand, is down against the previous quarter (-1.8%) also due to the effective cost-cutting measures.

As a result of the above trends, the Group's **net operating profit** amounts to **EUR 454 million** (+12.6% over 1 half 2021, excluding profits from the sale of securities) with the 2Q22 result up 3.4% net of the profits from the sale of securities.

Loan loss provisions booked by the Group as at 30 June 2022 amounts to EUR 225 million, up from the EUR 163 million registered in the same period of the previous year, also factoring in the NPE disposal transaction just finalized.

The cost of customer loans in 2Q22, which stands at EUR 114 million, is up EUR 2 million against the previous quarter, mainly due to the aforementioned provisions.

In 1H22, the ratio between the cost of customer loans and the sum of customer loans plus the value of securities from disposals/securitisations of NPLs reflects a **cost of risk of 57 bps** (58 bps in 2Q22 and 31 bps in 12 months 2021).

The Group's **net operating result** as at 30 June 2022 shows a **positive balance of approximately EUR 230 million** against a positive balance of EUR 327 million recorded in the same period of the previous year, which included the higher profits from the sale of securities. The aggregate in 2Q22, equal to EUR 94 million, is down against the positive balance of EUR 136 million recorded in the previous quarter.

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

- **Net provisions for risks and charges** in the amount of EUR **-78 million,** mainly due to legal risks

  In this respect, the extrajudicial claims increased in the second quarter by EUR 1 billion due to claims promoted by a consulting company on behalf of institutional investors in connection with the known events about financial disclosure. Such positions are clearly dis-homogeneous under different profiles, not properly determined and generic. At the beginning of August another claim of similar nature was delivered by the same consulting company. Also on the basis of the Bank's legal advisors, it is not possible to make any estimate of the alleged damage. Nonetheless, the Bank has booked provisions.

- **Other gains (losses) on investments** amounting to **EUR +1 million**, against a loss of EUR 0.2 million registered in the same period of the previous year with a negative contribution in 2Q22 of EUR 0.7million compared to EUR +2 million registered in the previous quarter.

- **Restructuring costs/one-off charges** totalling **EUR -3 million**, an improvement on the EUR -4 million recorded in 1H21. The 2Q22 result stands at EUR -3 million, against EUR -0.2 million in 1Q22.

- **Risks and charges related to SRF, DGS and similar schemes,** totalling **EUR -89 million,** consisting of the Group's contribution to the Single Resolution Fund (SRF) recognised in 1Q22, compared to the EUR -90 million registered in the same period of the previous year.

- **DTA fees**, totalling **EUR -31 million**, remain largely unchanged compared to 1H21. The amount, calculated according to the criteria of Law Decree 59/2016 converted into Law no. 119 of 30 June 2016, consists of the fees due as at 30 June 2022 for DTAs (*Deferred Tax Assets*) which are convertible into tax credit.

- **Net gains (losses) from measurement at fair value of tangible and intangible assets,** in the amount of **EUR -11 million** as at 30 June 2022, all registered in the second quarter. The aggregate showed a negative balance of EUR 28 million as at 30 June 2021.

- **Gains (losses) on disposal of investments** for **EUR** +**0.8 million.** The aggregate showed a positive balance of EUR 14 million as at 30 June 2021 following the disposal of real estate.

As a result of the above trends, the Group's **pre-tax profit for the period** amounts to **EUR 20 million** vs. a positive balance of EUR 145 million registered as at 30 June 2021. The 2Q22 result stands at EUR 16 million against EUR 5 million registered for 1Q22.

Taxes on profit (loss) from continuing operations record a positive contribution of **EUR 8 million** (EUR 59 million in 1H21), mainly due to the valuation of DTAs.

It should be noted that, in the valuation of DTAs, the estimated taxable income for future financial was determined on the basis of the income projections used for the 2021 Consolidated Financial Statements and the Consolidated Interim Report as at 31 March 2022, with the exception of the expected result for 2022, which was updated as a result of the 1H performance. The income projections included in the new 2022-2026 Strategic Plan, approved by the Board of Directors on 22 June, were not taken into account in this case either, pending the conclusion of ECB authorization process and the implementation of the capital increase.

Considering the net effects of PPA (EUR -1.5 million), **the Parent Company's profit for the period amounts to EUR 27 million** against a profit of EUR 202 million reported for 1H21. Profit for 2Q22 (EUR +18 million) registers an increase against the previous quarter (EUR +10 million). Year on year net profit comparison is impacted by higher contribution from disposal of securities and from DTA valuation in the first half 2021, as well as by improved NPE coverage in the first two quarters of 2022.

Group balance sheet aggregates as at 30 June 2022

Direct funding volumes as at 30 June 2022 stand at **EUR 84.3 billion** and are in line with end-March 2022 due to the combined effect of the increase in current accounts (EUR +0.7 billion), offset by a decline in time deposits (EUR -0.4 billion) and other forms of funding (EUR -0.3 billion), in line with the Group's funding strategy.

The Group's direct funding market share[3] stands at 3.51% (updated to April 2022), up from December 2021 (at 3.47%).

Indirect funding amounts to **EUR 93.1 billion**, down EUR 6.8 billion from 31 March 2022 due to the reduction in assets under management and assets under custody, having both been impacted by the negative market effect.

As at 30 June 2022, Group **customer loans** amount to **EUR 78.6 billion**, while performing loans to customers (net of repos) registered an increase of 1% compared to 30 June 2021.

The Group's market share[4] stands at 4.46% (updated to April 2022), down 9 bps from the end of 2021.

The Group's total non-performing customer exposures as at 30 June 2022 stand at **EUR 4.1 billion** in terms of gross exposure, slightly up against 31 March 2022 (equal to EUR 4.0 billion). Such amount decreases to EUR 3.2 billion, down 25% year on year, reflecting the NPE disposal transaction that has been just finalized, with the NPE ratio equal to 3.9% proforma, down 100 bp compared to 30 June 2021.

As at 30 June 2022, the Group's **net non-performing customer exposures** stand at **EUR 2.0 billion,** remaining essentially steady against 31 March 2022 (at EUR 2.0 billion).

As at 30 June 2022, **coverage of non-performing loans** stands at 51.8%, higher compared to 31 March 2022, when it stood at 50.8%. The coverage ratio proforma for the NPE disposal transaction that has been just finalized is equal to 45.6%, in line with 1H 2021.

As at 30 June 2022, the Group's **securities assets** amount to **EUR 22.3 billion**, down compared to 31 March 2022 (EUR -1.1 billion) due to the decrease in financial assets measured at FV through other comprehensive income, and in financial assets measured at amortised cost.

In particular, the amount of Italian govies held was equal to EUR 13.2 billion, down compared to 31 March 2022, with further reduction of duration and credit spread sensitivity.

As at 30 June 2022, the operational liquidity position shows an **unencumbered counterbalancing capacity of approximately EUR 26.7 billion**, up from 31 March 2022 (EUR 25.0 billion) largely owing to the commercial imbalance.

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[3] 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.

[4] Loans to resident consumer customers, including non-performing loans and net of repos with central counterparties.

The item **other assets** includes tax credits relating to the “Relaunch” Decree Law, which introduced tax incentives for specific energy efficiency improvements, anti-seismic works, the installation of photovoltaic systems as well as electric vehicle charging infrastructures in buildings (known as Superbonus).

As at 30 June 2022, the **Group’s shareholders’ equity and non-controlling interests** amount to **approximately EUR 5.8 billion,** down EUR 169 million from 31 March 2022, due to the decrease in valuation reserves only partially offset by the 2Q22 result.

As regards capital ratios, the **Common Equity Tier 1 ratio** stands at **11.7%** as at 30 June 2022 (vs. 11.6% as at 31 March 2022 and 12.5% at the end of 2021) and the **Total Capital Ratio** is **15.4%** (vs. 15.3% as at 31 March 2022 and 16.1% at the end of 2021).

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<u>Information provided at the request of Consob pursuant to Article 114, paragraph 5 of Legislative Decree No. 58/98</u>

As in the previous quarters, no shortfall of capital occurred against overall capital requirements as at 30 June 2022. In 12 months from the reporting date, i.e., 30 June 2023, assuming the scheduled capital reduction due to IFRS9 phase-in and the full implementation of inflation effects on RWAs linked to the alignment of internal credit risk models with EBA Guidelines, a shortfall of EUR 500 million could emerge on the Tier 1 aggregate. On the other hand, as at 31 December 2022, i.e. before the IFRS9 phase-in effect, the shortfall could be approximately EUR 50 million.

The projected capital position is estimated assuming confirmation of the current business/operating model, excluding the capital strengthening transaction and related initiatives (e.g. staff exits).

In order to address the potential capital shortfalls, which also emerged in the adverse scenario of the EBA 2021 stress tests, a EUR 2.5bn capital strengthening transaction through a capital increase has been planned and will be offered with pre-emption rights to shareholders, at market conditions; this transaction is the basis of the 2022-2026 Business Plan approved by the Board of Directors on 22 June.

The need for capital strengthening is significant and thus determines a potential uncertainty on the use of the going concern assumption. This uncertainty is mitigated by the full support that the controlling shareholder has repeatedly provided and again confirmed within the context of this transaction, as better described below.

The transaction, in the form of a capital increase, will be presented to the Shareholders' Meeting called for 15 September. The Shareholders' Meeting can only be held following the successful completion of the authorisation process currently underway with the ECB. As regards DG Comp's assessments, on 2 August, MEF informed that the Authority approved the revision of the 'Commitments' that had been undertaken by the Italian Republic in order to enable the precautionary recapitalisation of the Bank in 2017, in compliance with EU and Italian regulations and that the revised Commitments are consistent with the 2022-2026 Business Plan targets.

Regarding the execution of the transaction, as already mentioned, the MEF confirmed its readiness to "*support the capital strengthening measures the Bank will undertake in the framework of the 2022-2026 Strategic Plan (...), for its relevant share at market conditions, and in accordance with the requirements that may be established by the supervisory and control authorities*". In addition, the Bank has signed a pre-underwriting agreement for the Capital Increase concerning the commitment - subject to conditions in line with the market practice for similar transactions, including, the institutional investors' positive feedback on the proposed capital increase and agreement on its final terms and conditions - to enter into an underwriting agreement for the newly-issued ordinary shares that may remain unsubscribed at the end of the unsubscribed rights offering pursuant to Article 2441, paragraph 3, of the Italian Civil Code.

The Bank continues to provide all the necessary clarifications requested by the ECB as part of the relevant preliminary activity, and it is believed that the ECB will conclude the approval process in the coming weeks, and, in any case, before 15 September, the date on which the Shareholders' Meeting is scheduled.

Given the above, it cannot be excluded that, in principle, unforeseeable circumstances and elements may occur that could affect the authorisation process as well as the Parent Company's capital strengthening process.

However, taking into account the talks held with the Authorities so far, the Bank believes that the potential capital shortfall can be overcome with the execution of the proposed capital strengthening transaction, subject to completion of the authorisation process described above.

This information, at the request of CONSOB, is disclosed on a monthly basis and in conjunction with the release of the periodic financial information required by the applicable regulations.

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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

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Income statement and balance sheet reclassification principles

Provided below are the balance sheet and income statement accounts reclassified on the basis of operating criteria, in order to provide information on the Group's general performance based on P&L-financial data that can be rapidly and easily determined.

Information is provided below on the aggregations and main reclassifications systematically made with respect to the financial statements, as provided for by Circular no. 262/05, in compliance with the requirements of Consob communication no. 6064293 of 28 July 2006.

It should be noted that the limited audit of the 2022 half-year financial report by the independent auditors has not yet been completed.

Reclassified income statement

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 -1.8 million) of the Purchase Price Allocation (PPA), referable to past business combinations, which was reclassified to a specific item.

- Item "**net fees and commissions**" includes item 40 "fee and commission income" and 50 "fee and commission expense".

- 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 11.4 million, included under item 250 "gains (losses) on investments". The aggregate was furthermore cleared of dividends earned on securities other than equity investments (EUR 4.3 million), reclassified under "Net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases".

- Item "**net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases**" includes item 80 "net profit (loss) from trading", item 100 "gains (losses) on disposals/repurchases, net of the contribution of loans to customers (EUR +1.5 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 +5.7 million) and securities from the disposals/securitisations of NPLs[5] (EUR -1.1 million), reclassified under "cost of customer loans". The item also includes dividends earned on securities other than equity investments (EUR +4.3 million).

[5] Starting from December 2021, the economic effects relating to securities from multi-originator disposals of NPL portfolios involving the sale to (i) a mutual fund with allocation of the relative amounts to the selling intermediaries, or to (ii) a securitisation vehicle pursuant to Law 130/99 with simultaneous subscription of ABS securities by the selling banks, and booked under item 110 "net profit (loss) on other financial assets and liabilities measured at fair value through profit and loss", have been reclassified under the item "cost of customer loans".

- Item "**net income from hedging**" includes item 90 "net income from hedging".

- 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 109.2 million) and net of the rental income component, which is reclassified under item "net value adjustments to property, plant and equipment and intangible assets" (EUR 5.6 million).

- Item "**personnel expenses**" includes the balance of item 190a "personnel expenses" reduced by EUR -2.4 million, 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 88.7 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 31.4 million, reclassified under the item "DTA fees";

  - charges of EUR 0.6 million, relating to activities aimed at implementing the commitments undertaken with DG Comp, reclassified under item "restructuring costs/one-off charges".

The item also incorporates stamp duty and other expenses recovered from clients (EUR 109.2 million) posted under item 230 "other operating expenses/income".

- Item "**net value adjustments to property, plant and equipment 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 (of EUR -0.4 million) referable to the Purchase Price Allocation (PPA), which was reclassified to a specific item, while it includes rental income (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 +1.5 million), 110b "net profit (loss) on financial assets and liabilities measured at fair value" (EUR +5.7 million), 130a "net value losses/reversals for credit risk on financial assets measured at amortised cost" (EUR -225.5 million), 140 "modification gains/(losses) without derecognition" (EUR -1.1 million) and 200a "net provisions for risks and charges for commitments and guarantees issued" (EUR -6.6 million). The item also includes the P&L components relating to securities from disposal/securitisations of NPLs recognised under 110b "net profit (loss) on other assets financial assets measured at fair value" (EUR -1.1 million).

- Item "**net value adjustments on impairment of securities and bank loans**" includes the portion relating to securities (EUR -0.7 million) and loans to banks (EUR +2.5 million) under item

130a “net losses/reversals for credit risk on financial assets measured at amortised cost” and item 130b “net losses/reversals for credit risk on financial assets measured at fair value through other comprehensive income” (EUR -0.1 million).

- Item “**other net provisions for risks and charges**” includes item 200 “net provisions for risks and charges” reduced by the component relating to loans to customers in item 200a “net provisions for risks and charges on commitments and guarantees issued” (EUR -6.6 million), which has been reclassified to the specific item “cost of customer loans”.

- 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 11.4 million reclassified under “dividends, similar income and gains (losses) on investments”.

- Item “**restructuring costs/one-off charges**” includes the following amounts:

  - positive components of EUR 2.4 million, posted under item 190a “personnel expenses”;

  - charges of EUR 0.6 million, relating to project activities, including those aimed at implementing the commitments undertaken with DG Comp, posted 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’s Deposit Guarantee Schemes Directive (DGSD) and Bank Recovery and Resolution Directive (BRRD), equal to EUR 88.7 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 31.4 million.

- Item “**net gains (losses) on property, plant and equipment and intangible assets measured at fair value**” includes the balance of item 260 “net gains (losses) on property, plant and equipment and intangible assets measured at fair value”.

- Item “**gains (losses) from disposal of investments**” includes the balance of item 280 “Gains (losses) from disposal of investments”.

- 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), reclassified to a specific item in the amount of EUR 0.7 million.

The overall negative effects of **Purchase Price Allocation (PPA)** have been reclassified to the specific item, thereby separating them from the P&L items concerned (in particular “net interest income” for EUR -1.8 million and “net value adjustments to property, plant and equipment” for EUR -0.4 million, net of a theoretical tax burden of EUR +0.7 million which integrates the item).

Reclassified balance sheet

The reconciliation criteria adopted for the preparation of the reclassified balance sheet 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" and 120 "non-current assets held for sale and discontinued operations;
- 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", 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 discontinued operations";
- Asset item "**derivatives**" 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 discontinued 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 discontinued 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 discontinued operations" not reclassified under the previous items;
- Liability item "**deposits from customers**" includes balance sheet item 10b "financial liabilities measured at amortised cost – deposits from customers" and the component relating to customer securities of item 10c "financial liabilities measured at amortised cost – debt securities issued";
- Liability item "**securities issued**" includes balance sheet items 10c "financial liabilities measured at amortised cost – debt securities issued", cleared of the component relating to customer securities, and 30 "Financial liabilities designated at fair value";

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

- Liability item "**deposits from banks**" includes the portion of balance sheet item 10a "financial liabilities valued at amortised cost – 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".

INCOME STATEMENT AND BALANCE SHEET FIGURES			
MONTEPASCHI GROUP			
INCOME STATEMENT FIGURES (EUR mln)	30 06 2022	30 06 2021	Chg.
Net interest income	660.0	585.2	12.8%
Net fee and commission income	728.2	754.5	-3.5%
Other income from banking business	115.4	234.0	-50.7%
Other operating income and expenses	18.3	(12.5)	n.m.
Total Revenues	1,522.0	1,561.2	-2.5%
Operating expenses	(1,068.4)	(1,073.2)	-0.4%
Cost of customer credit	(224.9)	(162.8)	38.1%
Other value adjustments	1.7	1.7	0.0%
Net operating income (loss)	230.4	326.9	-29.5%
Non-operating items	(209.9)	(181.7)	15.5%
Parent company's net profit (loss) for the period	27.2	202.1	-86.5%
EARNINGS PER SHARE (EUR)	30 06 2022	30 06 2021	Chg.
Basic earnings per share	0.027	0.208	-86.9%
Diluted earnings per share	0.027	0.208	-86.9%
BALANCE SHEET FIGURES AND INDICATORS (EUR mln)	30 06 2022	31 12 2021	Chg.
Total assets	131,377.9	137,868.6	-4.7%
Loans to customers	78,621.7	79,380.3	-1.0%
Direct funding	84,305.1	90,300.3	-6.6%
Indirect funding	93,069.9	104,429.7	-10.9%
of which: assets under management	58,880.4	65,285.5	-9.8%
of which: assets under custody	34,189.6	39,144.2	-12.7%
Group net equity	5,836.7	6,172.7	-5.4%
OPERATING STRUCTURE	30 06 2022	31 12 2021	Chg.
Total headcount - end of period	21,079	21,244	(165)
Number of branches in Italy	1,368	1,368	n.m.

ALTERNATIVE PERFORMANCE MEASURES			
MONTEPASCHI GROUP			
PROFITABILITY RATIOS (%)	**30 06 2022**	**31 12 2021**	**Chg.**
Cost/Income ratio	70.2	70.7	-0.5
ROE (on average equity)	0.9	5.2	-4.3
ROA	0.0	0.2	-0.2
ROTE	0.9	5.3	-4.4
CREDIT QUALITY RATIOS (%)	**30 06 2022**	**31 12 2021**	**Chg.**
Net non performing loans to customers / Loans to Customers (Net NPL	2.2	2.6	-0.4
Gross NPL ratio	3.2	3.8	-0.6
Rate of change of non-performing loans to customers	(22.6)	2.5	-25.1
Bad loans to custormers/ Loans to Customers	0.7	0.8	-0.1
Loans to customers measured at amortised cost - Stage 2/Performing loans to customers measured at amortised cost	14.9	16.0	-1.1
Coverage of non-performing loans to customers	51.8	47.9	3.9
Coverage of bad loans to customers	68.7	63.7	5.0
Cost of customers credit/Customers loans (Provisioning)	0.57	0.31	0.26
Texas Ratio	44.6	51.6	-7.0

Cost/Income ratio: ratio between operating expenses (administrative expenses and net value adjustments to property, plant and equipment and intangible assets) and total revenues (for the composition of this aggregate, see the reclassified income statement).

Return On Equity (ROE): ratio between annualised net profit (loss) for the period and the average between the Group shareholders' equity (including profit and valuation reserves) at end of period and the Group shareholders' equity at the end of the previous year.

Return On Assets (ROA): ratio between annualised net profit (loss) for the period and total assets at the end of the period.

Return On Tangible Equity (ROTE): ratio between annualised net profit (loss) for the period and the average between the tangible shareholders' equity[6] at the end of the period and that of the end of the previous year.

Net NPE Ratio: ratio of net non-performing exposures to customers to total net exposures to customers, both net of assets held for sale (excluding government securities).[7]

Gross NPL Ratio: gross weight of non-performing loans calculated, as per EBA guidelines[8], as the ratio between gross non-performing loans to customers and banks, net of assets held for sale, and total gross loans to customers and banks, net of assets held for sale.

Rate of change of impaired loans to customers: represents the annual growth rate of gross non-performing loans to customers based on the difference between annual stocks.

Coverage of impaired loans to customers and coverage of bad loans to customers: the coverage ratio on impaired and bad loans to customers is calculated as the ratio between the relative loan loss provisions and the corresponding gross exposures.

Provisioning: ratio between the cost of customer loans and the sum of loans to customers to the sum of customer loans and the value of securities from disposals/securitisations of NPLs.

Texas Ratio: ratio between gross impaired loans to customers and the sum, in the denominator, of the related loan loss provisions and of the tangible shareholders' equity

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[6] Book value of the Group's shareholders' equity, inclusive of the profit (loss) for the period, cleared of goodwill and other intangible assets.

[7] As of 31 March 2022, this ratio is used in place of the previous ratio of net non-performing loans to customers to total net loans to customers in order to provide an indicator that is representative of all exposures and not only loans with a higher risk of impairment. The value as at 31 December 2021 has been restated to allow for a like-for-like comparison.

[8] EBA GL/2018/10.

REGULATORY MEASURES			
MONTEPASCHI GROUP			
CAPITAL RATIOS (%)	30 06 2022	31 12 2021	Chg.
Common Equity Tier 1 (CET1) ratio - phase in	11.7	12.5	-0.8
Common Equity Tier 1 (CET1) ratio - fully loaded	10.8	11.0	-0.2
Total Capital ratio - phase in	15.4	16.1	-0.7
Total Capital ratio - fully loaded	14.5	14.6	-0.1
FINANCIAL LEVERAGE INDEX (%)	30 06 2022	31 12 2021	Chg.
Leverage ratio - transitional definition	3.9	4.7	-0.8
Leverage ratio - fully phased	3.7	4.2	-0.5
LIQUIDITY RATIO (%)	30 06 2022	31 12 2021	Chg.
LCR	179.9	172.7	7.2
NSFR	137.0	129.6	7.4
Encumbered asset ratio	37.6	40.7	-3.1
Loan to deposit ratio	93.3	87.9	5.4
Spot counterbalancing capacity (bn of Eur)	26.7	25.4	1.3

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 at the reporting date, while the “fully loaded” version incorporates in the calculation the rules as expected when fully operational.
Common equity Tier 1 (CET1) ratio: ratio between core capital[9] and total risk-weighted assets (RWAs)[10].
Total Capital ratio: ratio between own funds and total RWAs.
Leverage ratio: indicator calculated as the ratio between Tier 1 capital[11] and total assets, introduced by Basel regulations with the objective of containing the increase in leverage in the banking sector and strengthening risk-based requirements through a different measure based on financial statement aggregates.
Liquidity Coverage Ratio (LCR): short-term liquidity indicator corresponding to the ratio between the amount of high-quality liquid assets and the total net cash outflows in the subsequent 30 calendar days.
Net Stable Funding Ratio (NSFR): structural 12-month liquidity indicator corresponding to the ratio between the available stable funding amount and the required stable funding amount.
Encumbered asset ratio: ratio between the book value of encumbered assets and collateral and total assets and collateral (XVII, section 1.6, point 9, of Regulation (EU) 79/2015).
Loan to deposit ratio: ratio between net loans to customers and direct funding (deposits from customers and securities issued).

Unencumbered counterbalancing capacity: sum of items that are certain and free from any commitment that the Group can use to meet its liquidity requirements, consisting of financial and commercial assets eligible for refinancing operations with the ECB and assets granted on the collateralised interbank market and not used, to which a haircut, published on a daily basis by the ECB, is prudentially applied

[9] Defined by art. 4 of Regulation (EU) no. 575/2013 (Capital Requirements Regulation, CRR). It consists of the eligible elements and capital instruments, net of the envisaged adjustments and deductions.
[10] Risk-weighted assets: the result of the application of certain risk weights to exposures, determined according to supervisory rules.
[11] Sum of Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital of the entity, as defined by art. 25 of Regulation (EU) no. 575/2013.

Reclassified Consolidated Income Statement				
MONTEPASCHI GROUP	30 06 2022	30 06 2021	Change	
			Abs.	%
Net interest income	660.0	585.2	74.8	12.8%
Net fee and commission income	728.2	754.5	(26.3)	-3.5%
Income from banking activities	**1,388.2**	**1,339.7**	**48.5**	**3.6%**
Dividends, similar income and gains (losses) on investments	25.2	55.4	(30.2)	-54.5%
Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases	82.4	176.7	(94.3)	-53.4%
Net profit (loss) from hedging	7.8	1.9	5.9	n.m.
Other operating income (expenses)	18.3	(12.5)	30.8	n.m.
Total Revenues	**1,522.0**	**1,561.2**	**(39.3)**	**-2.5%**
Administrative expenses:	(980.5)	(984.8)	4.3	-0.4%
a) personnel expenses	(712.7)	(718.8)	6.1	-0.9%
b) other administrative expenses	(267.9)	(266.0)	(1.9)	0.7%
Net value adjustments to property, plant and equipment and intangible assets	(87.9)	(88.5)	0.6	-0.6%
Operating expenses	**(1,068.4)**	**(1,073.2)**	**4.8**	**-0.4%**
Pre-Provision Operating Profit	**453.6**	**488.0**	**(34.4)**	**-7.1%**
Cost of customer credit	**(224.9)**	**(162.8)**	**(62.1)**	**38.1%**
Net impairment (losses)/reversals on securities and loans to banks	**1.7**	**1.7**	**-**	**0.0%**
Net operating income	**230.4**	**326.9**	**(96.5)**	**-29.5%**
Net provisions for risks and charges	(78.0)	(42.3)	(35.7)	84.4%
Other gains (losses) on equity investments	1.3	(0.2)	1.5	n.m.
Restructuring costs / One-off costs	(3.1)	(4.2)	1.1	-27.2%
Risks and charges associated to the SRF, DGS and similar schemes	(88.7)	(89.6)	0.9	-1.0%
DTA Fee	(31.4)	(31.6)	0.2	-0.6%
Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(10.8)	(28.2)	17.4	(0.6)
Gains (losses) on disposal of investments	0.8	14.4	(13.6)	-94.4%
Profit (Loss) for the period before tax	**20.5**	**145.1**	**(124.7)**	**-85.9%**
Tax (expense)/recovery on income from continuing operations	8.2	58.7	(50.5)	-86.1%
Profit (Loss) after tax	**28.6**	**203.8**	**(175.2)**	**-86.0%**
Net profit (loss) for the period including non-controlling interests	**28.6**	**203.8**	**(175.2)**	**-86.0%**
Net profit (loss) attributable to non-controlling interests	(0.1)	(0.1)	-	n.m.
Parent Company's Profit (loss) for the period before PPA	**28.7**	**203.9**	**(175.2)**	**-85.9%**
PPA (Purchase Price Allocation)	(1.5)	(1.8)	0.3	-17.2%
Parent company's net profit (loss) for the period	**27.2**	**202.1**	**(174.9)**	**-86.5%**

Quarterly trend in reclassified consolidated income statement						
MONTEPASCHI GROUP	2022		2021			
	2°Q 2022	1°Q 2022	4°Q 2021	3°Q 2021	2°Q 2021	1°Q 2021
Net interest income	336.9	323.1	323.0	313.3	305.6	279.6
Net fee and commission income	359.3	368.9	371.2	358.3	382.5	372.0
Income from banking activities	**696.2**	**692.0**	**694.2**	**671.6**	**688.1**	**651.6**
Dividends, similar income and gains (losses) on investments	11.1	14.1	37.7	20.3	34.2	21.2
Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases	6.9	75.6	(5.9)	14.0	19.7	157.0
Net profit (loss) from hedging	3.2	4.6	4.9	5.8	0.3	1.6
Other operating income (expenses)	21.6	(3.2)	(10.8)	(13.4)	(1.8)	(10.7)
Total Revenues	**738.9**	**783.1**	**720.2**	**698.3**	**740.5**	**820.7**
Administrative expenses:	(488.8)	(491.7)	(471.3)	(470.0)	(491.9)	(492.9)
a) personnel expenses	(356.8)	(355.9)	(351.1)	(358.1)	(358.7)	(360.1)
b) other administrative expenses	(132.0)	(135.8)	(120.2)	(111.9)	(133.3)	(132.7)
Net value adjustments to property, plant and equipment and intangible assets	(44.3)	(43.6)	(47.8)	(43.6)	(41.0)	(47.5)
Operating expenses	**(533.1)**	**(535.3)**	**(519.1)**	**(513.6)**	**(532.9)**	**(540.4)**
Pre-Provision Operating Profit	**205.8**	**247.7**	**201.1**	**184.7**	**207.7**	**280.4**
Cost of customer credit	**(113.7)**	**(111.3)**	**(222.3)**	**135.1**	**(88.9)**	**(73.9)**
Net impairment (losses)/reversals on securities and loans to banks	**2.1**	**(0.4)**	**2.5**	**1.2**	**5.4**	**(3.7)**
Net operating income	**94.3**	**136.1**	**(18.7)**	**321.0**	**124.1**	**202.7**
Net provisions for risks and charges	(49.6)	(28.4)	(32.9)	(23.8)	(50.8)	8.5
Other gains (losses) on equity investments	(0.7)	2.0	(0.0)	2.4	2.6	(2.8)
Restructuring costs / One-off costs	(2.9)	(0.2)	0.8	(3.9)	(4.1)	(0.1)
Risks and charges associated to the SRF, DGS and similar schemes	-	(88.7)	(10.3)	(69.4)	(21.8)	(67.8)
DTA Fee	(15.7)	(15.8)	(15.8)	(15.8)	(15.9)	(15.7)
Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(10.8)	-	(15.3)	-	(0.4)	(27.8)
Gains (losses) on disposal of investments	0.9	(0.1)	-	-	(2.6)	17.0
Profit (Loss) for the period before tax	**15.5**	**5.0**	**(92.3)**	**210.5**	**31.1**	**114.0**
Tax (expense)/recovery on income from continuing operations	2.6	5.5	14.5	(23.7)	52.6	6.1
Profit (Loss) after tax	**18.1**	**10.5**	**(77.8)**	**186.8**	**83.7**	**120.1**
Net profit (loss) for the period including non-controlling interests	**18.1**	**10.5**	**(77.8)**	**186.8**	**83.7**	**120.1**
Net profit (loss) attributable to non-controlling interests	(0.1)	-	(0.1)	-	-	(0.1)
Parent Company's Profit (loss) for the period before PPA	**18.2**	**10.5**	**(77.7)**	**186.8**	**83.7**	**120.2**
PPA (Purchase Price Allocation)	(0.7)	(0.8)	(0.9)	(0.8)	(0.9)	(0.9)
Parent company's net profit (loss) for the period	**17.5**	**9.7**	**(78.6)**	**186.0**	**82.8**	**119.3**

Reclassified Balance Sheet				
Assets	30 06 2022	31 12 2021	Chg	
			abs.	%
Cash and cash equivalents	1,518.8	1,741.8	(223.0)	-12.8%
Loans to central banks	17,626.5	20,769.7	(3,143.2)	-15.1%
Loans to banks	1,432.1	3,493.3	(2,061.2)	-59.0%
Loans to customers	78,621.7	79,380.3	(758.6)	-1.0%
Securities assets	22,312.7	22,127.1	185.6	0.8%
Derivatives	3,029.2	2,431.6	597.6	24.6%
Equity investments	756.5	1,095.4	(338.9)	-30.9%
Property, plant and equipment/Intangible assets	2,666.1	2,743.5	(77.4)	-2.8%
of which:				
a) goodwill	*7.9*	*7.9*	-	0.0%
Tax assets	1,769.3	1,774.0	(4.7)	-0.3%
Other assets	1,645.0	2,311.9	(666.9)	-28.8%
Total assets	**131,377.9**	**137,868.6**	**(6,490.7)**	**-4.7%**

Liabilities	30 06 2022	31/12/21	Chg	
			abs.	%
Direct funding	84,305.1	90,300.3	(5,995.2)	*-6.6%*
a) Due to customers	74,940.9	79,859.5	(4,918.6)	-6.2%
b) Securities issued	9,364.2	10,440.8	(1,076.6)	*-10.3%*
Due to central banks	28,947.6	29,154.8	(207.2)	-0.7%
Due to banks	1,694.6	2,125.1	(430.5)	-20.3%
On-balance-sheet financial liabilities held for trading	2,658.7	3,104.1	(445.4)	-14.3%
Derivatives	1,727.5	2,686.1	(958.6)	*-35.7%*
Provisions for specific use	1,822.2	1,814.0	8.2	0.5%
a) Provision for staff severance indemnities	142.5	159.3	(16.8)	-10.5%
b) Provision related to guarantees and other commitments given	148.8	144.0	4.8	3.3%
c) Pension and other post-retirement benefit obligations	24.9	29.7	(4.8)	-16.2%
d) Other provisions	1,506.0	1,481.0	25.0	1.7%
Tax liabilities	6.0	7.1	(1.1)	-15.5%
Other liabilities	4,378.1	2,503.1	1,875.0	74.9%
Group net equity	5,836.7	6,172.7	(336.0)	-5.4%
a) Valuation reserves	(55.3)	306.8	(362.1)	n.m.
d) Reserves	(3,330.2)	(3,638.6)	308.4	-8.5%
f) Share capital	9,195.0	9,195.0	-	-
h) Net profit (loss) for the period	27.2	309.5	(282.3)	-91.2%
Non-controlling interests	1.4	1.3	0.1	7.7%
Total Liabilities and Shareholders' Equity	**131,377.9**	**137,868.6**	**(6,490.7)**	**-4.7%**

Reclassified Balance Sheet - Quarterly Trend

Assets	30/06/22	31 03 2022	31 12 2021	30 09 2021	30 06 2021	31 03 2021
Cash and cash equivalents	1,518.8	1,791.0	1,741.8	2,121.6	1,745.3	1,853.4
Loans to central banks	17,626.5	15,392.8	20,769.7	20,940.8	25,570.5	26,116.8
Loans to banks	1,432.1	2,424.9	3,493.3	3,344.0	3,133.9	2,975.3
Loans to customers	78,621.7	79,259.7	79,380.3	81,199.8	81,355.8	82,259.0
Securities assets	22,312.7	23,382.2	22,127.1	24,961.0	23,121.9	22,562.0
Derivatives	3,029.2	2,352.6	2,431.6	2,591.8	2,689.5	2,757.5
Equity investments	756.5	985.2	1,095.4	1,041.8	1,027.7	1,069.2
Property, plant and equipment/Intangible assets	2,666.1	2,718.5	2,743.5	2,757.9	2,760.0	2,784.5
of which:						
a) goodwill	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*
Tax assets	1,769.3	1,798.0	1,774.0	1,758.7	1,800.4	1,919.8
Other assets	1,645.0	1,904.2	2,311.9	2,400.5	2,544.7	2,361.3
Total assets	**131,377.9**	**132,009.1**	**137,868.6**	**143,117.9**	**145,749.7**	**146,658.8**

Liabilities	30/06/22	31 03 2022	31 12 2021	30 09 2021	30 06 2021	31 03 2021
Direct funding	84,305.1	84,428.2	90,300.3	92,901.5	94,036.5	99,053.6
a) Due to customers	74,940.9	74,992.2	79,859.5	82,389.2	83,315.3	87,124.1
b) Securities issued	9,364.2	9,436.0	10,440.8	10,512.3	10,721.2	11,929.5
Due to central banks	28,947.6	29,081.1	29,154.8	29,230.2	29,305.6	26,373.1
Due to banks	1,694.6	1,763.6	2,125.1	3,019.5	3,854.3	3,816.4
On-balance-sheet financial liabilities held for trading	2,658.7	3,174.4	3,104.1	3,325.0	3,819.3	3,179.5
Derivatives	1,727.5	2,081.9	2,686.1	2,819.1	2,730.1	2,759.0
Provisions for specific use	1,822.2	1,820.6	1,814.0	1,969.0	2,017.1	2,011.3
a) Provision for staff severance indemnities	142.5	157.8	159.3	162.2	163.3	164.2
b) Provision related to guarantees and other	148.8	147.8	144.0	121.5	144.6	147.1
c) Pension and other post-retirement benefit	24.9	29.0	29.7	30.7	31.4	32.3
d) Other provisions	1,506.0	1,486.0	1,481.0	1,654.6	1,677.8	1,667.7
Tax liabilities	6.0	6.5	7.1	8.0	8.0	8.1
Other liabilities	4,378.1	3,645.4	2,503.1	3,593.5	3,912.1	3,451.0
Group net equity	5,836.7	6,006.1	6,172.7	6,250.7	6,065.3	6,005.4
a) Valuation reserves	(55.3)	131.6	306.8	302.3	324.7	367.6
d) Reserves	(3,330.2)	(3,330.2)	(3,638.6)	(3,630.7)	(3,521.0)	(3,415.8)
f) Share capital	9,195.0	9,195.0	9,195.0	9,195.0	9,195.0	9,195.0
g) Treasury shares (-)	-	-	-	(4.0)	(135.5)	(260.7)
h) Net profit (loss) for the period	27.2	9.7	309.5	388.1	202.1	119.3
Non-controlling interests	1.4	1.3	1.3	1.4	1.4	1.4
Total Liabilities and Shareholders' Equity	**131,377.9**	**132,009.1**	**137,868.6**	**143,117.9**	**145,749.7**	**146,658.8**

This press release and the information contained herein do not include or constitute an offer to sell securities, or a solicitation of an offer to purchase securities in the United States, the United Kingdom, Australia, Canada or Japan as well as in any other country where such an offer or solicitation would be subject to authorization by local authorities or otherwise prohibited under law (the "Other Countries"). Any public offering will be conducted in Italy on the basis of a prospectus authorized by Consob, in accordance with applicable regulatory requirements. This press release, any part of it or its distribution may not form the basis of, nor may the same be relied upon with respect to, any investment agreement or decision.

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This press release has been prepared on the assumption that any offer of securities referred to herein will be made in any member state of the European Economic Area ("EEA") where the Prospectus Regulation (each a "Relevant Member State") is applicable, and except in the case of a public offering in Italy pursuant to the Italian prospectus as approved by the competent authority and published and notified to the competent authority in accordance with the provisions of the Prospectus Regulation (the "Permitted Public Offering") will be made pursuant to an exemption from the requirement to publish a prospectus for offerings of securities provided for in the Prospectus Regulation. Accordingly, any person making or intending to make an offer of securities in a Relevant Member State other than the Permitted Public Offering may do so only in circumstances where there is no requirement for the Company or any of its consolidated subsidiaries or any of the Joint Global Coordinators or the placers to publish a prospectus pursuant to Article 3 of the Prospectus Regulations or a prospectus supplement pursuant to Article 23 of the Prospectus Regulations in connection with such offer.

"Prospectus Regulation" means Regulation (EU) 2017/1129 (that Regulation and its amendments, together with any delegated acts and implementing measures). This document is a press release and not a prospectus within the meaning of the Prospectus Regulation. A prospectus meeting the requirements of the Prospectus Regulations will be published at a later date. Investors should not subscribe for any financial instrument to which this document relates except on the basis of the information contained in any offering document.

The information herein contains forward-looking statements. All statements other than statements of historical fact included herein are forward-looking statements. Forward-looking statements give the Company's current expectations, estimates, forecasts, and projections relating to its financial condition, results of operations, plans, objectives, future performance and business as well as the industries in which the Company operates, as well as the beliefs and assumptions of the Company's management. In particular, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management and competition tend to be forward-looking in nature. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "goal," "may," "anticipate," "estimate," "plan," "project," "seek," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future. Therefore, the Company's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. The Company therefore cautions against relying on any of these forward-looking statements.

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