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MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BOARD APPROVES PRELIMINARY CONSOLIDATED RESULTS AS AT 31 DECEMBER 2023

NET PROFIT FOR THE YEAR AT EUR 2,052 MILLION (COMPARED TO A LOSS OF EUR 178 MILLION IN 2022), INCLUDING IN 4Q23 EUR 466 MILLION OF NET RELEASES OF PROVISIONS FOR RISKS AND CHARGES AND A POSITIVE NET TAX IMPACT FOR EUR 339 MILLION (4Q NET PROFIT OF EUR 1,123 MILLION)

RETURN TO DIVIDEND, TWO YEARS AHEAD OF PLAN TARGET:

- **EUR 0.25 PER SHARE FOR A TOTAL OF EUR 315 MILLION[1]**

SOLID CAPITAL POSITION AT THE TOP OF THE SYSTEM: FULLY LOADED CET1 RATIO AT 18.1% UP 248 BASIS POINTS Y/Y AND AFTER DIVIDEND PAYOUT

FY23 RESULTS CONFIRM THE EFFECTIVENESS OF THE COMMERCIAL BANK'S STRATEGY, CONSOLIDATING ITS POSITION AND AN ORGANIC AND SUSTAINABLE PROFITABILITY

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2023 RESULTS BENEFIT FROM THE IMPROVEMENT IN OPERATING PERFORMANCE, WITH GROSS OPERATING PROFIT (AT EUR 1,954 MILLION) UP BY MORE THAN 90% Y/Y, THANKS TO POSITIVE REVENUE TREND (+21.7% Y/Y) AND STRUCTURAL MEASURES TO RATIONALISE OPERATING COSTS (-12.6% Y/Y) WITH A COST/INCOME AT 49%, DOWN SHARPLY FROM DECEMBER 2022 (68%)

Q4 GROSS OPERATING PROFIT AT EUR 508 MILLION, STEADY Q/Q, WITH THE CONTRIBUTION FROM REVENUES (+4.1% Q/Q) ENABLING TO ABSORB IMPACTS OF RENEWED NATIONAL CONTRACT

SHARP INCREASE IN NET INTEREST INCOME (+49.3% Y/Y), DRIVEN BY THE POSITIVE MOMENTUM OF THE COMMERCIAL SPREAD (+144 BASIS POINTS Y/Y), WITH Q4 RESULT IN LINE WITH PREVIOUS QUARTER

EXCELLENT PERFORMANCE FOR COMMISSIONS IN THE FOURTH QUARTER (+5.9% Q/Q) THANKS IN PARTICULAR TO THE GROWTH OF THE SERVICES COMPONENT (+9.4% Q/Q); GOOD RESILIENCE OVER THE YEAR (-3.1% Y/Y) DESPITE UP-FRONT FEES AFFECTED BY MARKET VOLATILITY

[1] Distribution of dividends is subject to the authorization of the ECB and to the approval of the Shareholders Meeting.

TOTAL COMMERCIAL FUNDING[2] UP BY EUR 9.7 BILLION SINCE THE BEGINNING OF THE YEAR (+6.6% Y/Y), WITH A POSITIVE TREND ALSO IN Q4 (+3.5% Q/Q), CONFIRMING THE STRENGTH OF THE FRANCHISE

VOLUME OF PERFORMING LOANS[3] (-3% Y/Y) REFLECTING, TO A LESSER EXTENT, MARKET OVERALL TREND

COST OF RISK FOR THE YEAR AT 57 BASIS POINTS, IN LINE WITH GUIDANCE

GROSS NPEs STABLE IN THE QUARTER AT EUR 3.5 BILLION, AS WELL AS THE GROSS NPE RATIO AT 4.4% (4.4% AS AT SEPTEMBER 2023) AND THE NET NPE RATIO AT 2.3% (2.2% AS AT SEPTEMBER 2023):

- **TOTAL NPE COVERAGE AT 49.1%, INCREASED Y/Y (C.+100 BASIS POINTS VS. END-2022), WITH QUARTERLY TREND FACTORING IN THE DERECOGNITION OF THE NPE DISPOSAL FINALIZED IN AUGUST 2023**

SOLID LIQUIDITY POSITION, WITH UNENCUBUMBERED COUNTERBALANCING CAPACITY OF APPROXIMATELY EUR 30 BILLION; LCR 163% AND NSFR 130%, ECB FUNDING LEVEL SIGNFICANTLY LOWER THAN PREVIOUS YEAR

PETITUM[4] FOR EXTRAORDINARY LEGAL RISKS REDUCED AT EUR 885 MILLION, PLUS THE ALKEN PETITUM (EUR 455 MILLION) FOR WHICH IN DECEMBER 2023, AFTER THE POSITIVE SENTENCE IN THE FIRST DEGREE, A SIMILAR SENTENCE IN FAVOUR OF THE BANK WAS ISSUED BY THE COURT OF APPEAL OF MILAN

COMMERCIAL STRATEGY STRENGHTENED WITH THE APPOINTMENT OF MR. MAURIZIO BAI, CHIEF COMMERCIAL OFFICER - CORPORATE AND PRIVATE, AS DEPUTY COMMERCIAL GENERAL MANAGER

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[2] Direct and indirect funding.
[3] Excluding repos.
[4] Petitum relating to disputes classified as "probable" and "possible".

Siena, 7 February 2024 – The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. (the "Bank"), which was held yesterday evening under the chairmanship of Nicola Maione, has reviewed and approved the consolidated results as at 31 December 2023.

Group profit and loss results as at 31 December 2023

The **Group's total revenues** as at 31 December 2023 stand at **EUR 3,797 million**, an increase of 21.7% compared to the same period of the previous year.

The increase was driven by the rise in net interest income, which benefitted from the favourable interest rate scenario on the lending side, combined with careful management of funding costs. The positive development of net interest income more than offset the lower contribution of net fees and commissions (mainly from asset management due to the evolving macroeconomic scenario) and of other revenues.

Revenues in the fourth quarter of 2023 stand at EUR 993 million, up from the previous quarter (+4.1%), driven by net fee and commissions (+5.9%), while net interest income remains almost stable. Other financial revenues also register an increase due to the positive impact of income from investments in the insurance associates.

Net interest income as at 31 December 2023 stands at **EUR 2,292 million**, registering an increase compared to 2022 (+49.3%). The increase was mainly due to: (i) the higher contribution from the commercial segment, which benefitted, among other things, from higher interest income on loans, driven by higher interest rates, only partly offset by higher interest expenses on deposits; (ii) the greater contribution from the securities portfolio, as a result of higher yields and (iii) the higher contribution from transactions with banks. For transactions with central banks, a net cost of EUR 89 million was recorded as at 31 December 2023, compared to a net benefit of EUR 161 million at the end of 2022. This is due to the monetary policy decisions taken by the ECB, which introduced a series of increases in the reference rates and certain changes, effective from 23 November 2022, to the terms and conditions applied to the existing TLTRO 3 auctions[5]. The cost of market funding also increased year-on-year as a result of the rise in interest rates and new issues of bonds carried out in 2023.

Net interest income in the fourth quarter of 2023 remains broadly stable compared to the previous quarter (-0.1%) with a cost remix between commercial funding and the net cost of transactions with central banks. In particular, the net cost of transactions with central banks decreased compared with the previous quarter, due both to the reduction in the interest paid on TLTRO auctions (EUR 47 million in 4Q23 and EUR 77 million in 3Q23), following the maturity at the end of September 2023 (EUR 3 billion) and to the higher benefit on deposited liquidity (EUR 123 million in 4Q23 compared with EUR 110 million in the previous quarter). On the other hand, the cost of MRO and LTRO auctions register an increase (EUR 75 million in 4Q23 compared with EUR 55 million in 3Q23).

[5] Please note that until 23 June 2022, the interest rate had benefitted from the so-called "special interest rate period", with a rate of -1%; from 24 June until 22 November 2022, the rate applied and adjusted to maturity was the average rate for deposits with the Central Bank (Deposit Facility Rate or DFR), calculated from the issue date to 22 November 2022, while from 23 November 2022, the rate applied was equal to the average DFR in force from that date until maturity.

Net fee and commission income as at 31 December 2023, amounting to **EUR 1,322 million**, shows a decrease compared to the result registered for the previous year (-3.1%) mainly due to wealth management fees (-3.7%). The higher income from assets under custody, due to renewed customer interest in fixed-rate investments (mainly government bonds), has partially offset the lower commissions on assets under management. Commissions from traditional banking services fall slightly (-0.9%) as a result of the decline registered in the cards and payments segment, while the contribution from lending fees remains stable. Finally, the trend in consumer loan intermediation fees is down (-47.9%) due to the further enhancement of the in-house consumer finance factory, which was launched last year.

Net fee and commission income in the fourth quarter of 2023 is higher compared to the previous quarter (+5.9%), mainly due to commissions from traditional banking services (+9.4%), which benefited in particular from the recovery in the credit sector; wealth management fees also register an increase (+1.0%).

Dividends, similar income and gains (losses) on investments amount to **EUR 107 million,** a decrease of EUR 5 million compared to 31 December 2022, mainly due to the lower income from the insurance participated companies. On the other hand, the result in the fourth quarter of 2023 is up from the previous quarter (EUR +15 million), also due to the higher contribution from the aforementioned insurance companies.

Net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases as at 31 December 2023 amounts to **EUR 67 million**, down by EUR 7 million compared to the values recorded in the previous year but with a 4Q23 result up by EUR 5 million compared to the previous quarter.

As at 31 December 2023, **operating expenses** amount to **EUR 1,843 million**, down 12.6% compared with 2022; on the other hand, the 4Q23 result registers an increase from the previous quarter (+9.2%) as personal expenses include the effects of the renewed national collective labour agreement signed last November. An analysis of the individual aggregates shows that:

- **HR costs**, amounting to **EUR 1,180 million**, are down by -15.3% year-on-year, thanks to the full year benefits relating to exits through the early retirement scheme/solidarity fund; the effect of the decrease was partially limited by the increase in costs resulting from the renewed national collective agreement for bankers and the variable component of remuneration, which was not in place in 2022. The 4Q23 figure is higher than in the previous quarter (+12.9%), since it includes the impact of the renewed national collective contract, with economic effect from 1 July 2023 and accounted for after the signing of the agreement on 23 November 2023;

- **other administrative expenses**, amounting to **EUR 488 million**, are down compared to 31 December 2022 (-7.5%), thanks to the ongoing cost optimisation efforts. On the other hand, the 4Q23 result registers an increase compared to the previous quarter (+4.2%);
- **net value adjustments to property, plant and equipment and intangible assets** amount to **EUR 176 million** as at 31 December 2023 and are down from 2022 (-6.3%); the 4Q23 result is largely stable compared with the previous quarter (-0.9%).

As a result of the above trends, the Group's **gross operating profit** amounts to **EUR 1,954 million**, nearly doubling the amount of EUR 1,012 million as at 31 December 2022. However, the 4Q23 result (EUR 508 million) is essentially in line with the previous quarter's figure (EUR 509 million).

Loan loss provisions booked by the Group as at 31 December 2023 amount to **EUR 440 million**, up compared with EUR 417 million of the previous year. The 2023 figure includes, among other things, the cost from the increased weighting of sales scenarios in the estimation models. The impact in 4Q23, of EUR 133 million, is higher than in the previous quarter (EUR 102 million).

As at 31 December 2023, the ratio between the annualised loan loss provisions and the sum of customer loans plus the value of securities from the disposal/securitisation of NPEs reflects a cost of risk of 57 bps (52 bps as at 30 September 2023 and 55 bps as at 31 December 2022).

The Group's **net operating profit** as at 31 December 2023 shows a balance of **EUR 1,511 million**, more than double compared with the result of EUR 594 million as at 31 December 2022. The 4Q23 result of EUR 371 million registers a reduction from the previous quarter's result of EUR 405 million.

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

- **other net provisions for risks and charges** with net releases of **EUR 471 million** as at 31 December 2023**,** compared to EUR 2 million registered in the previous year. Net releases in 2023, almost entirely in the fourth quarter (EUR 466 million vs. EUR 7 million in the previous quarter), are attributable to the downgrading of the risk of disbursement relating to civil and criminal litigations concerning financial disclosures in the period 2008-2015 following the favourable rulings obtained in the last quarter of 2023. The petitum for extraordinary litigations has decreased to EUR 885 million, not considering the Alken Funds litigation (EUR 455 million), for which, after the positive sentence in the first degree, in December 2023, the Court of Appeal of Milan issued a sentence in favour of the Bank;
- **other gains (losses) on equity investments** amounting to **EUR -3 million** as at 31 December 2023 (including the impairment registered on a Group investment), compared to a gain of EUR 4 million registered in the previous year. The 4Q23 result is essentially nil compared to the EUR -2 million in the previous quarter;
- **restructuring costs/one-off costs** totalling **EUR -23 million** as at 31 December 2023, compared to EUR -931 million recorded in 2022, which included provisions made for the early retirement /solidarity fund scheme. The 4Q23 figure stands at EUR -13 million;
- **risks and charges related to SRF, DGS and similar schemes**, totalling **EUR -134 million** as at 31 December 2023, consisting of the Group's contribution due to the Single Resolution Fund (SRF) for EUR -59 million (booked in the first quarter of 2023) and to the DGS for EUR

-75 million (booked in 3Q23). The amount recorded as at 31 December 2022 equals to EUR -180 million;

- **DTA fees**, totaling **EUR -63 million** as at 31 December 2023, remain largely unchanged year-on-year; the 4Q23 contribution is in line with the previous quarter. 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 31 December 2023 for DTAs (Deferred Tax Assets) which are convertible into tax credits;
- **net gains (losses) on property, plant and equipment and intangible assets measured at fair value**, amounting to **EUR -53 million** as at 31 December 2023, booked in the second quarter (for EUR -29 million) and in the fourth quarter (for EUR -24 million) following the periodic revaluation of real estate assets, compared to EUR -31 million recognised as at 31 December 2022;
- **gains (losses) on disposal of investments**, amounting to **EUR 0.4 million** as at 31 December 2023, in line with the amount recorded as at 31 December 2022 (gain of EUR 0.8 million).

As a result of the above trends, the Group's **pre-tax profit for the period** amounts to **EUR 1,707 million**, up from the pre-tax loss of EUR 605 million recorded as at 31 December 2022. Profit for the fourth quarter of 2023 amounts to EUR 784 million, a sharp increase compared with EUR 307 million in the previous quarter.

Taxes on profit (loss) from continuing operations register a positive result of **EUR 345 million** (vs. a positive balance of EUR +427 million as at 31 December 2022), largely due to the valuation of DTAs net of tax relating to the P&L result for the year, which also benefits of the acceleration, within the current probability test based on the Plan objectives, of the recovery in value of the DTAs from tax losses following the repeal of the ACE, starting from 2024, provided for by art. 5 of Legislative Decree 216 of 30 December 2023. As at 31 December 2023 the Group retains EUR 2.6 billion as DTAs not yet recorded in the balance sheet.- These are expected to be booked progressively over the next few years and in particular in 2024 when the projections underlying the probability test will be updated, as foreseen in the 2022-26 Business Plan.

As a result of the above trends, the Parent Company's **profit for the year amounts to EUR 2,052** million as at 31 December 2023, compared to a loss of EUR 178 million as at 31 December 2022. The profit for the fourth quarter, which includes EUR 466 million as net releases of provisions for risks and charges and EUR 339 million as positive tax effect, amounts to EUR +1,123 million and registers an increase compared to the previous quarter (at EUR 310 million).

Group balance sheet aggregates as at 31 December 2023

The Group's **total funding volumes** as at 31 December 2023 amount to **EUR 187.5 billion**, an increase of EUR 5.6 billion from 30 September 2023, driven by both direct funding (EUR +1.2 billion) and indirect funding (EUR +4.3 billion), the latter benefitting from both positive net inflows of assets under custody and a positive market effect.

The aggregate also registers an upturn compared to 31 December 2022 (EUR +13.1 billion), both for direct funding (EUR +8.6 billion) and indirect funding (EUR +4.4 billion).

Total commercial funding[6], including customer deposits and indirect funding, is up by 3.5% quarter-on-quarter and 6.6% versus 2022 year-end.

Direct funding volumes stand at **EUR 90.6 billion**, an increase from the end of September 2023 (EUR +1.2 billion). The increase was mainly in time deposits (EUR +1.2 billion) but also in current accounts (EUR +0.1 billion) and bonds (EUR +0.2 billion). A slight fall was registered for repurchase agreements (EUR -0.2 billion) and other forms of direct funding (EUR -0.1 billion).

The aggregate is up compared to 31 December 2022 (EUR +8.6 billion) as a result of the increase in time deposits (EUR +1.6 billion), repurchase agreements (EUR +6.0 billion) and bonds (EUR +1.4 billion), the latter following the placement of senior preferred bonds for EUR 750 million and of EUR 500 million in the first and third quarter of 2023 respectively. On the other hand, current accounts and other forms of funding are slightly down.

The Group's market share[7] in direct funding stands at 3.41%[8] (estimated to December 2023), higher than in December 2022 (3.35%), while its market share in sight deposits is 4.58%[9], 25 bps higher than in December 2022.

Indirect commercial funding[10] stands at **EUR 86.5 billion**, up EUR 4.0 billion compared with 30 September 2023, due to the combined effect of the increase in assets under custody (EUR +2.9 billion) and assets under management (EUR +1.1 billion).

The comparison with 31 December 2022 shows that indirect commercial funding registers an increase (EUR +8.4 billion), owing largely to the growth in assets under custody (EUR +7.3 billion), mainly government bonds, and, to a lesser extent, in assets under management, which increased by EUR +1.1 billion.

As at 31 December 2023, the Group's **customer loans** amount to **EUR 76.8 billion**, down by EUR 1.2 billion compared with 30 September 2023, mainly due to the decline in mortgages (EUR -1.3 billion), which were impacted by the end-of-year repayments. On the other hand, there is a slight increase in repurchase agreements (EUR +0.2 billion), while the other components remain broadly stable.

The aggregate is higher compared with 31 December 2022 (EUR +0.6 billion). The increase in repurchase agreements (EUR +2.7 billion) and the rise in other forms of lending (EUR +0.6 billion) were in fact partially offset by the decline registered since the beginning of the year in mortgages (EUR -2.7 billion, affected by the slowdown in demand and by the Group’s selective approach), and current accounts (EUR -0.1 billion).

The Group’s market share[11] stands at 4.35%[12] (estimated to December 2023), an increase from December 2022 (4.25%).

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[6] Managerial data.

[7] 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.

[8] Estimation based on ABI preliminary data as at December 2023.

[9] Updated to November 2023.

[10] Managerial data.

[11] Loans to resident customers, including bad loans and net of repos with central counterparties.

[12] Estimation based on ABI preliminary data as at December 2023.

The **Group's total amount of non-performing customer loans** as at 31 December 2023 stands at **EUR 3.5 billion** in terms of gross exposure, slightly lower compared to 30 September 2023 (EUR -0.1 billion) and slightly higher compared to the result at 31 December 2022 (EUR +0.2 billion).

As at 31 December 2023, the **Group's net exposure in terms of non-performing customer loans** amounts to **EUR 1.8 billion**, largely in line with the levels recorded as at 30 September 2023 (EUR 1.8 billion) and 31 December 2022 (EUR 1.7 billion).

The **coverage of non-performing loans** as at 31 December 2023 stands at **49.1%.** The decrease compared to 30 September 2023 (equal to 50.8%) is explained by the deconsolidation, in the fourth quarter, of the non-performing loan portfolio of the so-called "Mugello" project. The coverage of non-performing loans is higher compared to 31 December 2022 (when coverage at year-end was 48.1%), mainly as a result of the increase in the coverage of bad loans to 68.1%, up by 3 percentage points compared to the end of 2022.

As at 31 December 2023, the Group's **securities assets** amount to **EUR 17.3 billion**, down by EUR 1.0 billion compared to 30 September 2023, due to the decrease in financial assets held for trading (EUR -0.5 billion), which was related to market-making activities on government bonds, and in financial assets measured at fair value through other comprehensive income (EUR -1.0 billion) following maturities; loans to customers at amortised cost, on the other hand, register an increase (EUR +0.5 billion), driven by net purchases following the aforementioned maturities.

The aggregate is down from the value recorded as at 31 December 2022 (EUR -1.1 billion). The decrease in financial assets measured at fair value through other comprehensive income (EUR -1.9 billion), following the maturities occurred during the year, was only partially offset by the increase as a result of purchases of government bonds (EUR +1.0 billion) .

The Group's **net interbank position** as at 31 December 2023 stands at **EUR 2.2 billion** in lending, against a lending position of EUR 0.8 billion as at 30 September 2023 and a funding position of EUR 7.0 billion as at 31 December 2022.

The change compared to the end of the previous year is mainly due to transactions with central banks, against both a decrease in funding (TLTRO auction maturities for a total of EUR 14 billion were only partially offset by the access to MRO and LTRO auctions totalling EUR 7.5 billion) and an increase in lending (as a result of the higher balance of sight deposits for EUR +1.4 billion).

The operational liquidity position as at 31 December 2023 shows an **unencumbered counterbalancing capacity** of approximately **EUR 29.8 billion**, up from both 30 September 2023 (EUR 28.1 billion) and 31 December 2022 (at EUR 25.5 billion).

As at 31 December 2023, the **Group's shareholders' equity** and non-controlling interests amount to **EUR 10.0 billion**, up by EUR 1.2 billion from 30 September 2023, mainly as an effect of the positive result recorded in the quarter.

Compared to 31 December 2022, the Group's shareholders' equity and non-controlling interests register an increase of EUR 2.1 billion, again almost entirely due to the financial results achieved in 2023.

As regards capital ratios, the Fully Loaded Common Equity Tier 1 ratio as at 31 December 2023 stands at 18.1% (vs. 15.6% as at 31 December 2022 and 16.7% as at 30 September 2023 including net profit of the period). The Total Capital ratio stands at 21.6% vs. 19.5% as at 31 December 2022 and 20.2% as at 30 September 2023 including net profit of the period).

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At today's meeting, the Board of Directors resolved to propose to the next Shareholders' Meeting (scheduled for 11 April 2024) the payment of a cash dividend of EUR 0.25 per share, before the deduction of the statutory withholding tax, for a total amount of EUR 315 million. This distribution, if authorized by the European Central Bank and approved by the Shareholders' Meeting by the date scheduled for the Meeting, will take place with an ex-dividend date of 20 May 2024 (ex-dividend date). The proposal is compliant with the European Commission's "dividend ban" commitment as BMPS's capital ratios are largely above the parameters set by the Commission to allow the payment of dividends.

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Finally, the Board of Directors approved the appointment of Mr. Maurizio Bai, Chief Commercial Officer - Corporate and Private, as Deputy Commercial General Manager, with responsibility on Retail, Corporate and Private Departments, in order to strengthen the commercial presence on the market and enhance a further acceleration of the Bank's growth path taking into account the prospective scenario.

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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.

As of 1 January 2023, the insurance associates AXA MPS Assicurazioni Danni S.p.A. and AXA MPS Assicurazioni Vita S.p.A. simultaneously and for the first time applied the new accounting standard IFRS 17 "Insurance Contracts", which became effective on 1 January 2023, and the accounting standard IFRS 9 "Financial Instruments". The date of transition is identified as the beginning of the financial year immediately preceding the first date of application (i.e. 1 January 2022).

The P&L and balance sheet figures as at 31 December 2022 relating to the value of the investees, recognised in the MPS Group's financial statements using the synthetic equity method, have therefore been restated compared to the data published at the respective reporting dates in order to ensure a like-for-like comparison. In addition, please note that the balance sheet and profit and loss figures of the insurance associates as at 31 March 2023 and 30 September 2023 are estimated using simplified proxies or calculation models due to the increased complexity of the accounting calculations compared to those under the previous IFRS 4 and IAS 39 accounting standards.

It should also be noted that the following reclassifications are no longer applied as of the first quarter of 2023, given the immateriality of the items concerned in the first case and a more precise and accurate performance analysis in the second:

- the economic effects of Purchase Price Allocation (PPA) of past business combinations, which had an impact on the items "net interest income", "net adjustments to property, plant and equipment and intangible assets" and "tax on income for the period", are no longer allocated to the specific item (PPA) but remain in the relevant P&L items;
- rental income previously reclassified to "net adjustments to property, plant and equipment and intangible assets" remains in "other operating income (expense)".

The comparative periods have been restated in order to allow for a like-for-like comparison.

Please note that the independent auditors are currently completing the statutory audit of the financial statements and fulfilling the necessary activities for issuing the certificate required by Article 26(2) of European Union Regulation No 575/2013 and Decision No 2015/656 of the European Central Bank.

Reclassified income statement

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

Item **"net interest income"** was cleared of the portion relating to customer reimbursements in the amount of EUR -0.1 million - for which provisions had been set aside - which was reclassified to the item "other net provisions for risks and charges".

Item **"net fee and commission income"** includes item 40 "fee and commission income", cleared of the portion relating to the release of provisions set aside for customer reimbursements in previous financial years (EUR +3.7 million), which was reclassified to “other net provisions for risks and charges” and item 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, equal to EUR 86.6 million, included under item 250 “gains (losses) on investments”. The aggregate was furthermore cleared of dividends earned on securities other than equity investments (EUR 6.0 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”, adjusted for the contribution of customer loans (EUR -0.1 million) 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 -0.5 million) and securities from the disposals/securitisations of NPLs[13] (EUR +10.0 million) reclassified under “loan loss provisions”. The item also includes dividends earned on securities other than equity investments (EUR +6.0 million).

Item **“net profit (loss) from hedging”** includes item 90 “net profit (loss) from hedging”.

Item **“other operating income (expenses)”** 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 197.1 million);

- reimbursements of expenses for training, which have been reclassified reducing 'personnel expenses' (EUR 4.2 million) and 'other administrative expenses' (EUR 1.3 million).

Item **“personnel expenses”** includes the balance of item 190a “personnel expenses” from which net positive components of EUR 8.2 million have been separated and reclassified under “restructuring costs/one-off charges”. The item also includes the reimbursement of training expenses (EUR 4.2 million), which are recorded in the financial statements under item 230 “other operating expenses/income”.

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

- expenses, amounting to EUR 133.7 million, introduced for banks under the Single Resolution Fund (SRF) and Deposit Guarantee Scheme (DGS), reclassified under “risks and charges related to the SRF, DGS and similar schemes”;

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[13] As of December 2021, the economic effects linked to securities resulting from multi-originator sales of non-performing loan portfolios attributable to the scheme of sale to (i) a mutual investment fund with allocation of the relative units to the originators, or (ii) a securitisation vehicle pursuant to Law 130/99 with simultaneous subscription of the ABS securities by the originators, and recognised in item 110 “Net profit (loss) on financial assets measured at fair value through profit and loss”, have been reclassified to “Cost of Customer Credit”.

- fee on DTAs convertible into tax credits, for EUR 62.9 million, reclassified under the item "DTA fees";

- charges of EUR 12.4 million, relating to activities aimed at implementing the commitments undertaken with DG Comp, reclassified under item "restructuring costs/one-off costs";

- charges of EUR 2.2 million related to the closure of branches, as indicated in the Business Plan, reallocated to the reclassified item "restructuring costs/one-off costs".

This item also includes the following amounts, which are included in item 230 "other operating income/expenses" of the balance sheet":

- stamp duty and other expenses recovered from customers (EUR 197.1 million);

- reimbursements received to finance training expenses (EUR 1.3 million).

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".

Item **"cost of customer credit"** 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 -0.1 million), 110b "net profit (loss) on financial assets and liabilities measured at fair value" (EUR -0.5 million), 130a "net value losses/reversals for credit risk on financial assets measured at amortised cost" (EUR -427.5 million), 140 "modification gains/(losses) without derecognition" (EUR -6.8 million) and 200a "net provisions for risks and charges for commitments and guarantees issued" (EUR -15.4 million). The item also includes the P&L components relating to securities from disposal/securitisations of NPEs recognised under 110b "net profit (loss) on other assets financial assets measured at fair value" (EUR +10.0 million).

Item **"net impairment (losses)/reversals on securities and bank loans"** includes the portion relating to securities (EUR -3.9 million) and loans to banks (EUR +0.2 million) under item 130a "net impairment (losses)/reversals for credit risk of financial assets measured at amortised cost" and item 130b "net impairment (losses)/reversals for credit risk of financial assets measured at fair value through other comprehensive income".

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 -15.4 million), which has been reclassified to the specific item "loan loss provisions". The item also includes customer reimbursements in previous financial years recognised under "net interest income" for EUR -0.1 million and under "fee and commission income" for EUR +3.7 million.

Item **"other gains (losses) 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 insurance companies, equal to EUR 86.6 million reclassified under "dividends, similar income and gains (losses) on investments".

Item **"restructuring costs/one-off costs"** includes the following amounts:

- cost components of EUR 8.2 million, relating to exits through the early-retirement or the Solidarity Fund scheme, posted under item 190a "personnel expenses";

- charges of EUR 12.4 million, relating to project activities, including those aimed at implementing the commitments undertaken with DG Comp, posted under item 190b "other administrative expenses";

- charges of EUR 2.2 million related to the closure of branches, as indicated in the Business Plan and recorded in the balance sheet under item 190b "other administrative expenses".

Item **"risks and charges related to the SRF, DGS and similar schemes"** includes the charges related to the contributions to the deposit guarantee schemes and resolution mechanisms, amounting to EUR 133.7 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 62.9 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) on disposal of investments" includes the balance of item 280 "gains (losses) from disposal of investments".

Item **"income taxes for the year"** includes the balance of item 300 "income taxes for the year from current operations".

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 disposal groups"".
- 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 disposal groups".
- 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 disposal groups".

- 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 disposal groups".
- Asset item **"property, plant and equipment 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 disposal groups".
- 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 disposal groups" not reclassified under the previous items.
- Liability item **"due to 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 measured at fair value".
- Liability item **"due to 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 **"due to 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 **"on-balance sheet financial liabilities held for trading"** includes the portion of balance sheet item 20 "financial liabilities held for trading" net of the amounts relating to derivatives for trading.
- 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 "provisions for staff 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 disposal groups" 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)	31 12 2023	31 12 2022**	Chg.
Net interest income	2,292.1	1,535.6	49.3%
Net fee and commission income	1,321.9	1,364.6	-3.1%
Other income from banking business	170.1	192.1	-11.5%
Other operating income and expenses	12.8	27.5	-53.4%
Total Revenues	3,796.8	3,119.8	21.7%
Operating expenses	(1,842.8)	(2,108.1)	-12.6%
Cost of customer credit	(440.3)	(416.9)	5.6%
Other value adjustments	(3.2)	(1.1)	n.m.
Net operating income (loss)	1,510.6	593.6	n.m.
Non-operating items	195.9	(1,198.7)	n.m.
Parent company's net profit (loss) for the period	2,051.8	(178.4)	n.m.
EARNINGS PER SHARE (EUR)	31 12 2023	31 12 2022*	Chg.
Basic earnings per share	1.629	(0.850)	n.m.
Diluted earnings per share	1.629	(0.850)	n.m.
BALANCE SHEET FIGURES AND INDICATORS (EUR mln)	31 12 2023	31 12 2022	Chg.
Total assets*	122,613.7	120,235.3	2.0%
Loans to customers	76,815.6	76,265.3	0.7%
Direct funding	90,639.0	81,997.6	10.5%
Indirect funding	96,844.9	92,420.7	4.8%
of which: assets under management	56,887.8	57,733.6	-1.5%
of which: assets under custody	39,957.1	34,687.1	15.2%
Group net equity*	9,978.5	7,860.1	27.0%
OPERATING STRUCTURE	31 12 2023	31 12 2022	Chg.
Total headcount - end of period	16,737	17,020	(283)
Number of branches in Italy	1,362	1,362	n.m.

** The balance sheet figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates.*

*** The P&L figures as at 31 December 2022 have been restated compared to those published at the reporting date, not only due to the aforementioned change in accounting policy for insurance associates, but also to take account of the discontinuation of reclassifications to PPA and rental income.*

ALTERNATIVE PERFORMANCE MEASURES			
MONTEPASCHI GROUP			
PROFITABILITY RATIOS (%)	31 12 2023	31 12 2022	Chg.
Cost/Income ratio**	48.5	67.6	-19.1
ROE (on average equity)*	23.0	(2.5)	25.5
Return on Assets (RoA) ratio	1.7	(0.1)	1.8
ROTE (Return on tangible equity) *	23.5	(2.6)	26.1
CREDIT QUALITY RATIOS (%)	31 12 2023	31 12 2022	Chg.
Net NPE ratio	2.3	2.2	0.1
Gross NPL ratio	3.6	3.6	n.m.
Rate of change of non-performing loans to customers	5.7	(19.6)	25.3
Bad loans to custormers/ Loans to Customers	0.6	0.6	n.m.
Loans to customers measured at amortised cost - Stage 2/Performing loans to customers measured at amortised cost	12.8	14.9	-2.1
Coverage of non-performing loans to customers	49.1	48.1	1.0
Coverage of bad loans to customers	68.1	65.1	3.0
Provisioning	0.57	0.55	0.02
Texas Ratio*	30.3	35.5	-5.2

** The figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates.*

*** The P&L figures as at 31 December 2022 have been restated compared to those published at the reporting date following the discontinuation of reclassifications to PPAs and rental income.*

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 the net profit (loss) for the year and the average between the Group shareholders' equity (including profit and valuation reserves) at the end of the year and the Group shareholders' equity at the end of the previous year.

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

Return On Tangible Equity (ROTE): ratio between net profit (loss) for the year and the average between the tangible shareholders' equity[14] at the end of the year and that of the end of the year.

Gross NPL Ratio: gross weight of non-performing loans calculated, as per EBA guidelines[15], as the ratio between gross non-performing loans to customers and banks[16], net of assets held for sale, and total gross loans to customers and banks, net of assets held for sale.

Rate of change of non-performing loans to customers represents the growth rate of gross non-performing loans to customers based on the difference with stocks at the end of the year.

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

Cost of risk: ratio between loan loss provisions and the sum of loans to customers and the value of securities from disposals/securitisations of NPLs.

Texas Ratio: ratio between gross non-performing 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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[14] Book value of the Group's shareholders' equity, inclusive of the profit (loss) for the year, cleared of goodwill and other intangible assets.
[15] EBA GL/2018/10.
[16] Loans to banks include current accounts and demand deposits with banks and central banks under balance sheet item "Cash and Equivalent"

REGULATORY MEASURES			
MONTEPASCHI GROUP			
CAPITAL RATIOS (%)	31 12 2023	31 12 2022	Chg.
Common Equity Tier 1 (CET1) ratio - phase in	18.1	16.6	1.5
Common Equity Tier 1 (CET1) ratio - fully loaded	18.1	15.6	2.5
Total Capital ratio - phase in	21.6	20.5	1.1
Total Capital ratio - fully loaded	21.6	19.5	2.1
FINANCIAL LEVERAGE INDEX (%)	31 12 2023	31 12 2022	Chg.
Leverage ratio - transitional definition	6.9	5.8	1.1
Leverage ratio - fully phased	7.0	5.4	1.6
LIQUIDITY RATIO (%)	31 12 2023	31 12 2022	Chg.
LCR	163.3	192.3	-29.0
NSFR	130.1	134.1	-4.0
Encumbered asset ratio	28.5	31.9	-3.4
Loan to deposit ratio	84.7	93.0	-8.3
Spot counterbalancing capacity (bn of Eur)	29.8	25.5	4.3

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[17] and total risk-weighted assets (RWAs)[18].

Total Capital ratio: ratio between own funds and total RWA.

Leverage ratio: indicator calculated as the ratio between Tier 1[19] capital 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 subsequent to the reporting date.

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).

Spot 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.

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

Reclassified Consolidated Income Statement				
MONTEPASCHI GROUP	31 12 2023	31 12 2022*	Change	
			Abs.	%
Net interest income	2,292.1	1,535.6	756.5	49.3%
Net fee and commission income	1,321.9	1,364.6	(42.7)	-3.1%
Income from banking activities	**3,613.9**	**2,900.3**	**713.6**	**24.6%**
Dividends, similar income and gains (losses) on investments	107.1	111.6	(4.5)	-4.0%
Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases	67.3	74.2	(6.9)	-9.3%
Net profit (loss) from hedging	(4.4)	6.2	(10.6)	n.m.
Other operating income (expenses)	12.8	27.5	(14.7)	-53.5%
Total Revenues	**3,796.8**	**3,119.8**	**677.0**	**21.7%**
Administrative expenses:	(1,667.1)	(1,920.6)	253.5	-13.2%
a) personnel expenses	(1,179.6)	(1,393.5)	213.9	-15.3%
b) other administrative expenses	(487.5)	(527.1)	39.6	-7.5%
Net value adjustments to property, plant and equipment and intangible assets	(175.7)	(187.5)	11.8	-6.3%
Operating expenses	**(1,842.8)**	**(2,108.1)**	**265.3**	**-12.6%**
Pre-Provision Operating Profit	**1,954.1**	**1,011.6**	**942.5**	**93.2%**
Cost of customer credit	**(440.3)**	**(416.9)**	**(23.4)**	**5.6%**
Net impairment (losses)/reversals on securities and loans to banks	**(3.2)**	**(1.1)**	**(2.1)**	**n.m.**
Net operating income	**1,510.6**	**593.6**	**917.0**	**n.m.**
Net provisions for risks and charges	471.2	2.0	469.2	n.m.
Other gains (losses) on equity investments	(3.0)	3.7	(6.7)	n.m.
Restructuring costs / One-off costs	(22.9)	(931.4)	908.5	-97.5%
Risks and charges associated to the SRF, DGS and similar schemes	(133.7)	(179.7)	46.0	-25.6%
DTA Fee	(62.9)	(62.9)	-	0.0%
Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(53.1)	(31.1)	(22.0)	70.7%
Gains (losses) on disposal of investments	0.4	0.8	(0.4)	-50.0%
Profit (Loss) for the period before tax	**1,706.5**	**(605.1)**	**2,311.6**	**n.m.**
Tax (expense)/recovery on income from continuing operations	345.1	426.6	(81.5)	-19.1%
Profit (Loss) after tax	**2,051.6**	**(178.5)**	**2,230.1**	**n.m.**
Net profit (loss) for the period including non-controlling interests	**2,051.6**	**(178.5)**	**2,230.1**	**n.m.**
Net profit (loss) attributable to non-controlling interests	(0.2)	(0.1)	(0.1)	100.0%
Parent company's net profit (loss) for the period	**2,051.8**	**(178.4)**	**2,230.2**	**n.m.**

** The figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates and the discontinuation of reclassifications to PPAs and rental income.*

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

Quarterly trend in reclassified consolidated income statement

MONTEPASCHI GROUP	2023				2022			
	4°Q 2023	3°Q 2023	2°Q 2023	1°Q 2023	4°Q 2022	3°Q 2022	2°Q 2022	1°Q 2022
Net interest income	604.2	605.0	578.3	504.5	498.4	378.7	336.3	322.2
Net fee and commission income	335.3	316.6	338.3	331.7	309.0	326.7	359.5	369.5
Income from banking activities	**939.5**	**921.6**	**916.6**	**836.2**	**807.4**	**705.4**	**695.8**	**691.7**
Dividends, similar income and gains (losses) on investments**	34.4	19.7	34.4	18.7	30.2	30.2	24.0	27.2
Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases	12.6	7.6	22.0	25.1	0.4	(8.6)	6.9	75.6
Net profit (loss) from hedging	(2.6)	(1.9)	(0.5)	0.6	(2.4)	0.8	3.2	4.6
Other operating income (expenses)	8.6	6.0	(0.2)	(1.7)	3.3	0.3	23.7	0.2
Total Revenues	**992.5**	**953.0**	**972.3**	**878.9**	**838.9**	**728.1**	**753.6**	**799.2**
Administrative expenses:	(440.6)	(399.2)	(406.2)	(421.1)	(459.9)	(480.3)	(488.8)	(491.7)
a) personnel expenses	(320.9)	(284.3)	(286.7)	(287.6)	(326.9)	(354.0)	(356.8)	(355.9)
b) other administrative expenses	(119.7)	(114.8)	(119.5)	(133.5)	(132.9)	(126.3)	(132.0)	(135.8)
Net value adjustments to property, plant and equipment and intangible assets	(44.4)	(44.8)	(43.0)	(43.5)	(46.5)	(47.1)	(46.6)	(47.3)
Operating expenses	**(485.0)**	**(444.0)**	**(449.2)**	**(464.6)**	**(506.4)**	**(527.4)**	**(535.4)**	**(539.0)**
Pre-Provision Operating Profit	**507.6**	**509.1**	**523.1**	**414.3**	**332.6**	**200.7**	**218.2**	**260.2**
Cost of customer credit	**(133.3)**	**(102.1)**	**(97.7)**	**(107.2)**	**(96.9)**	**(95.1)**	**(113.7)**	**(111.3)**
Net impairment (losses)/reversals on securities and loans to banks	**(2.9)**	**(1.9)**	**0.1**	**1.5**	**(2.5)**	**(0.3)**	**2.1**	**(0.4)**
Net operating income	**371.3**	**405.1**	**425.5**	**308.6**	**233.1**	**105.3**	**106.6**	**148.5**
Net provisions for risks and charges	466.1	7.5	4.1	(6.5)	(40.7)	121.8	(50.1)	(29.0)
Other gains (losses) on equity investments	0.1	(1.8)	0.3	(1.6)	-	2.5	(0.7)	1.9
Restructuring costs / One-off costs	(13.3)	(13.1)	9.7	(6.2)	(2.9)	(925.4)	(2.9)	(0.2)
Risks and charges associated to the SRF, DGS and similar schemes	0.1	(75.2)	(0.2)	(58.4)	(7.5)	(83.5)	-	(88.7)
DTA Fee	(15.7)	(15.7)	(15.7)	(15.7)	(15.8)	(15.7)	(15.7)	(15.8)
Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(24.3)	-	(28.9)	0.1	(20.3)	-	(10.8)	-
Gains (losses) on disposal of investments	-	0.2	0.2	-	-	-	0.9	(0.1)
Profit (Loss) for the period before tax	**784.3**	**306.9**	**395.0**	**220.3**	**145.9**	**(795.1)**	**27.4**	**16.8**
Tax (expense)/recovery on income from continuing operations	338.8	2.7	(11.8)	15.4	10.1	407.6	3.0	5.9
Profit (Loss) after tax	**1,123.1**	**309.6**	**383.2**	**235.7**	**156.0**	**(387.5)**	**30.4**	**22.7**
Net profit (loss) for the period including non-controlling interests	**1,123.1**	**309.6**	**383.2**	**235.7**	**156.0**	**(387.5)**	**30.4**	**22.7**
Net profit (loss) attributable to non-controlling interests	(0.1)	-	(0.1)	-	-	-	(0.1)	-
Parent company's net profit (loss) for the period	**1,123.2**	**309.6**	**383.3**	**235.7**	**156.0**	**(387.5)**	**30.5**	**22.7**

** The figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates and the discontinuation of reclassifications to PPAs and rental income.*

Reclassified Consolidated Balance Sheet

Assets	31 12 2023	31 12 2022*	Chg abs.	Chg %
Cash and cash equivalents	14,317.3	12,538.6	1,778.7	14.2%
Loans to central banks	526.8	628.1	(101.3)	-16.1%
Loans to banks	2,582.2	1,950.1	632.1	32.4%
Loans to customers	76,815.6	76,265.3	550.3	0.7%
Securities assets	17,276.9	18,393.6	(1,116.7)	-6.1%
Derivatives	2,776.3	3,413.6	(637.3)	-18.7%
Equity investments	726.7	750.7	(24.0)	-3.2%
Property, plant and equipment/Intangible assets	2,482.7	2,604.0	(121.3)	-4.7%
of which: goodwill	*7.9*	*7.9*	-	*0.0%*
Tax assets	2,150.9	2,216.4	(65.5)	-3.0%
Other assets	2,958.3	1,474.9	1,483.4	n.m.
Total assets	**122,613.7**	**120,235.3**	**2,378.4**	**2.0%**

Liabilities	31 12 2023	31 12 2022*	Chg abs.	Chg %
Direct funding	90,639.0	81,997.6	8,641.4	*10.5%*
a) Due to customers	80,558.4	73,356.8	7,201.6	9.8%
b) Securities issued	10,080.6	8,640.8	1,439.8	*16.7%*
Due to central banks	13,148.2	19,176.9	(6,028.7)	-31.4%
Due to banks	1,350.6	2,205.9	(855.3)	-38.8%
On-balance-sheet financial liabilities held for trading	1,823.2	2,567.2	(744.0)	-29.0%
Derivatives	1,361.7	1,722.9	(361.2)	*-21.0%*
Provisions for specific use	1,050.3	1,585.7	(535.4)	-33.8%
a) Provision for staff severance indemnities	72.0	70.2	1.8	2.6%
b) Provision related to guarantees and other commitments given	154.3	142.5	11.8	8.3%
c) Pension and other post-retirement benefit obligations	3.4	26.6	(23.2)	-87.2%
d) Other provisions	820.6	1,346.4	(525.8)	-39.1%
Tax liabilities	9.1	6.6	2.5	37.9%
Other liabilities	3,252.4	3,111.5	140.9	4.5%
Group net equity	9,978.5	7,860.1	2,118.4	27.0%
a) Valuation reserves	27.9	(26.9)	54.8	n.m.
d) Reserves	445.3	611.9	(166.6)	-27.2%
f) Share capital	7,453.5	7,453.5	-	0.0%
h) Net profit (loss) for the period	2,051.8	(178.4)	2,230.2	n.m.
Non-controlling interests	0.7	0.9	(0.2)	-22.2%
Total Liabilities and Shareholders' Equity	**122,613.7**	**120,235.3**	**2,378.4**	**2.0%**

** The balance sheet figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates.*

Reclassified Consolidated Balance Sheet - Quarterly Trend

Assets	31/12/23	30/09/23	30/06/23	31/03/23	31 12 2022*	30 09 2022*	30 06 2022*	31 03 2022*
Cash and cash equivalents	14,317.3	13,514.5	11,769.1	14,512.4	12,538.6	16,540.4	1,518.8	1,791.0
Loans to central banks	526.8	522.6	544.1	656.4	628.1	4,426.4	17,626.5	15,392.8
Loans to banks	2,582.2	2,270.1	2,237.9	2,125.8	1,950.1	2,715.5	1,432.1	2,424.9
Loans to customers	76,815.6	77,981.6	76,056.0	77,755.6	76,265.3	77,939.1	78,621.7	79,259.7
Securities assets	17,276.9	18,323.3	19,589.7	18,652.3	18,393.6	19,794.3	22,312.7	23,382.2
Derivatives	2,776.3	3,122.8	3,023.6	3,215.9	3,413.6	3,521.3	3,029.2	2,352.6
Equity investments	726.7	689.1	677.3	772.0	750.7	691.9	693.5	953.7
Property, plant and equipment/Intangible assets	2,482.7	2,499.6	2,495.8	2,567.1	2,604.0	2,639.5	2,666.1	2,718.5
of which: goodwill	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*	*7.9*
Tax assets	2,150.9	1,922.4	2,065.6	2,219.7	2,216.4	2,205.7	1,769.3	1,798.0
Other assets	2,958.3	2,346.4	2,342.0	1,808.8	1,474.9	1,317.1	1,645.0	1,904.2
Total assets	**122,613.7**	**123,192.4**	**120,801.1**	**124,286.0**	**120,235.3**	**131,791.2**	**131,314.9**	**131,977.6**

Liabilities	31/12/23	30/09/23	30/06/23	31/03/23	31 12 2022*	30 09 2022*	30 06 2022*	31 03 2022*
Direct funding	90,639.0	89,414.6	84,142.3	84,067.0	81,997.6	83,805.1	84,305.1	84,428.2
a) Due to customers	*80,558.4*	*79,494.9*	74,726.7	74,708.3	73,356.8	75,164.3	74,940.9	74,992.2
b) Securities issued	10,080.6	9,919.7	9,415.6	9,358.7	8,640.8	8,640.8	9,364.2	9,436.0
Due to central banks	13,148.2	13,105.6	15,283.4	19,317.2	19,176.9	28,931.7	28,947.6	29,081.1
Due to banks	1,350.6	1,790.8	1,897.7	1,884.6	2,205.9	2,589.8	1,694.6	1,763.6
On-balance-sheet financial liabilities held for trading	1,823.2	3,614.6	2,859.9	3,276.3	2,567.2	2,362.2	2,658.7	3,174.4
Derivatives	1,361.7	1,493.9	1,554.5	1,608.7	1,722.9	1,777.2	1,727.5	2,081.9
Provisions for specific use	1,050.3	1,501.9	1,523.3	1,554.2	1,585.7	2,582.4	1,822.2	1,820.6
a) Provision for staff severance indemnities	72.0	67.7	67.7	69.9	70.2	136.9	142.5	157.8
b) Provision related to guarantees and other commitments given	154.3	152.6	148.6	152.8	142.5	148.5	148.8	147.8
c) Pension and other post-retirement benefit obligations	3.4	3.5	3.7	3.8	26.6	24.2	24.9	29.0
d) Other provisions	820.6	1,278.1	1,303.3	1,327.7	1,346.4	2,272.8	1,506.0	1,486.0
Tax liabilities	*9.1*	8.3	7.0	6.9	6.6	6.9	6.0	6.5
Other liabilities	3,252.4	3,454.9	5,032.7	4,441.3	3,111.5	4,430.8	4,378.1	3,645.4
Group net equity	9,978.5	8,807.1	8,499.5	8,128.9	7,860.1	5,303.8	5,773.7	5,974.6
a) Valuation reserves	27.9	(15.8)	(18.4)	7.2	(26.9)	(56.0)	30.6	174.6
d) Reserves	445.3	440.8	445.4	432.5	611.9	740.1	(3,505.0)	(3,417.6)
f) Share capital	7,453.5	7,453.5	7,453.5	7,453.5	7,453.5	4,954.1	9,195.0	9,195.0
h) Net profit (loss) for the period	2,051.8	928.6	619.0	235.7	(178.4)	(334.4)	53.1	22.7
Non-controlling interests	0.7	0.7	0.8	0.9	0.9	1.3	1.4	1.3
Total Liabilities and Shareholders' Equity	**122,613.7**	**123,192.4**	**120,801.1**	**124,286.0**	**120,235.3**	**131,791.2**	**131,314.9**	**131,977.6**

** The balance sheet figures for 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates.*

The information contained herein provides a summary of the Group's 2023 financial statements and is not complete. Full year financial statements are subject to audit and to approval by the Annual Shareholders' Meeting. 2023 draft Annual Report will be available on the website of Banca Monte dei Paschi di Siena S.p.A. (the "Company" or "BMPS") at www.gruppomps.it.

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