



**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

**A Clear and Simple Commercial Bank,
Revolving Around Customers,
Combining Technology With Human Touch**

3Q-24 & 9M-24 Results

Siena, 8th November 2024

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



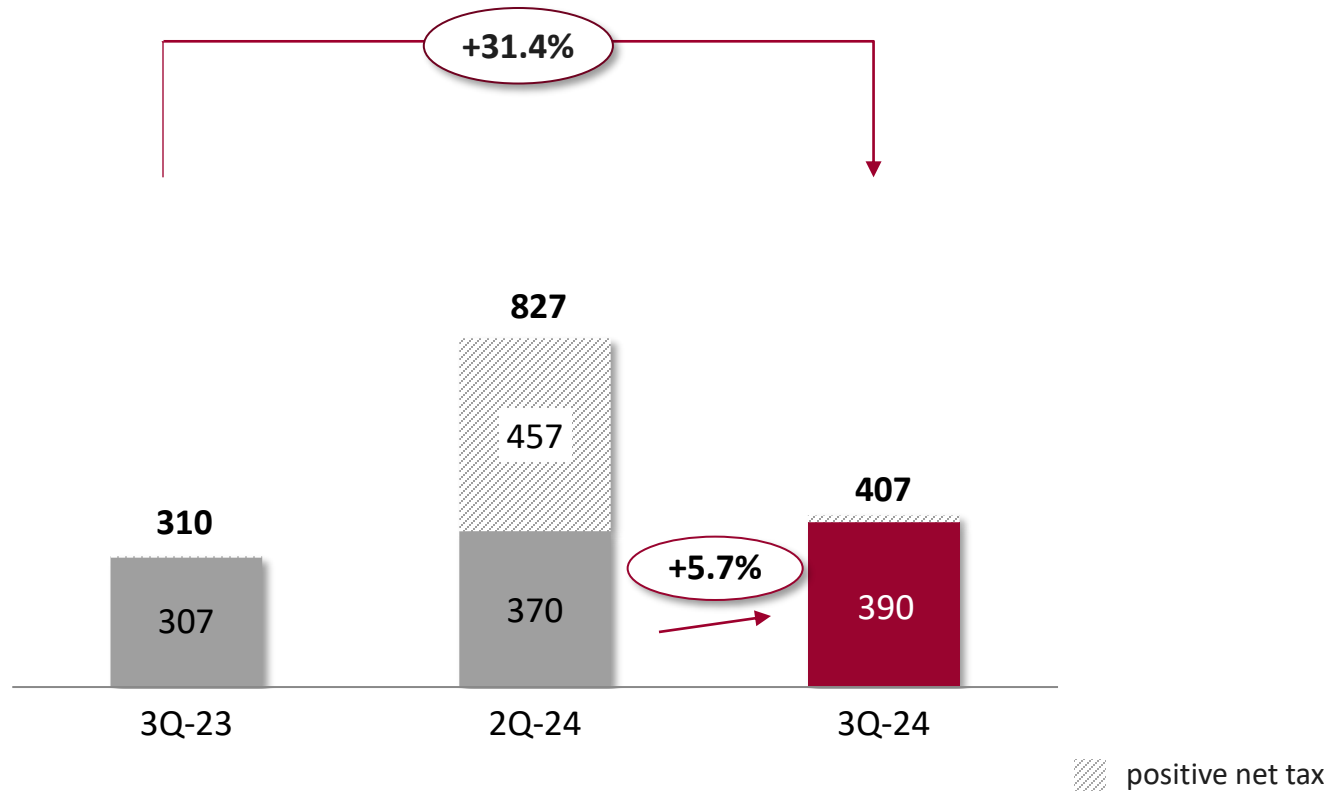
3Q-24 & 9M-24 Executive Summary

- 9M-24 net profit at €1,566m (+68.6% y/y), supported by 3Q-24 net profit at €407m, up +5.7% q/q on comparable basis
- 9M-24 gross operating profit above €1.6bn, up +13.7% y/y, driven by revenues growth +8.3% y/y and effective cost management leading to +2.5% y/y despite salaries growth impact. 3Q-24 gross operating profit at €539m, +5.9% y/y, -2.8% q/q with resilient core revenues, despite third-quarter seasonality, and impact of second tranche of wage increase. 9M-24 cost/income at 46% (48% in 9M-23)
- 9M-24 NII at €1,768m, up +4.7% y/y, with 3Q up +1.8% q/q supported by days effect. 9M-24 fees at €1,092m, up +10.7% y/y, driven by WM fees (+19.6% y/y), with a positive performance also in traditional banking fees (+3.2% y/y); 3Q q/q dynamics impacted by seasonality, strongly up +12.5% vs 3Q-23
- 9M-24 operating costs at €1,392m, with ongoing optimization of non-HR costs (-4.9% y/y) partially offsetting the impact of labour contract renewal on HR costs (+6.9% y/y)
- Total commercial savings⁽¹⁾ up by €5.8bn since beginning of the year in all components, with a higher focus on AuM in 3Q, in line with the Business Plan; net customer loans reflecting market trend
- 9M-24 cost of risk at 52bps in line with the guidance. Gross NPE ratio proforma at 4.5%, net of EUR 0.3bn NPE portfolio disposal, net NPE ratio proforma at 2.4% and NPE coverage proforma at 48.1%
- Sound liquidity position with counterbalancing capacity at €32bn and further reduction of reliance on ECB funding; LCR at 165% and NSFR at 133%
- CET1 FL ratio at 18.3%⁽²⁾, net of dividends with a payout ratio of 75% of the pre-tax profit, with a significant buffer on Tier 1 ratio SREP 2024 requirement

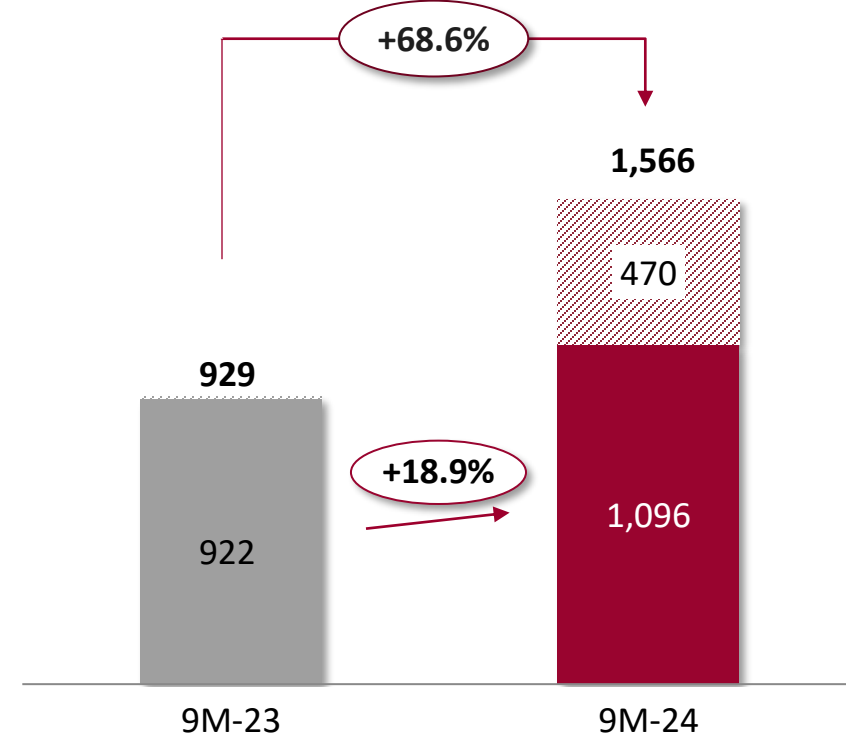


Net Profit

Quarterly Evolution (€m)



Yearly Evolution (€m)

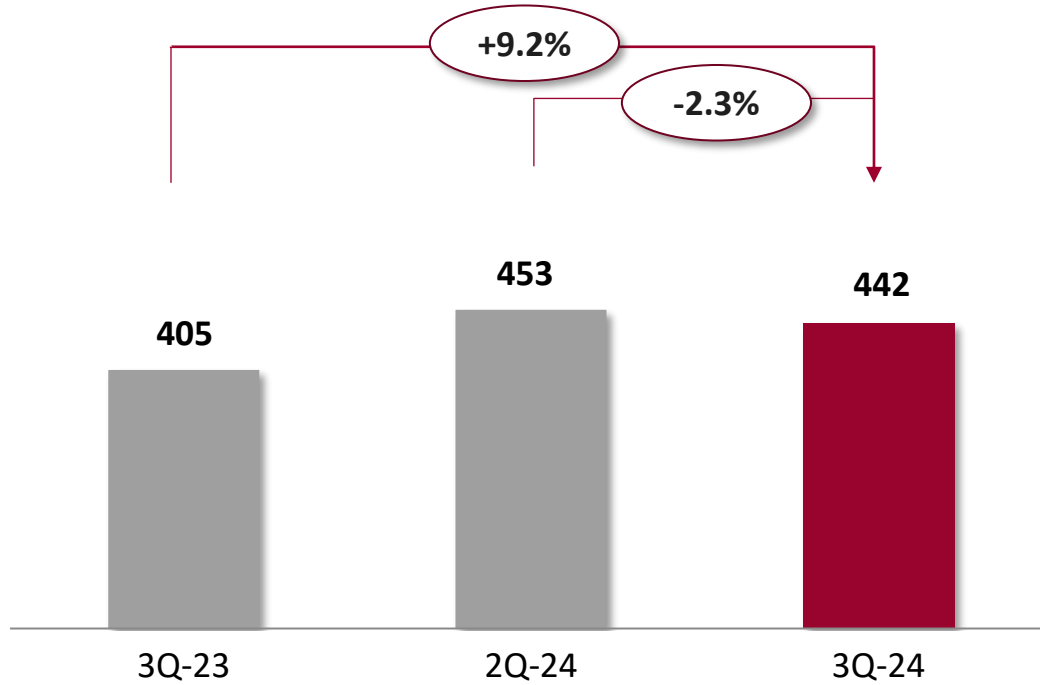


- 9M-24 net profit at €1,566m, up +68.6% y/y, including €470m of positive net tax
- 3Q-24 net profit at €407m, up +5.7% q/q on comparable basis

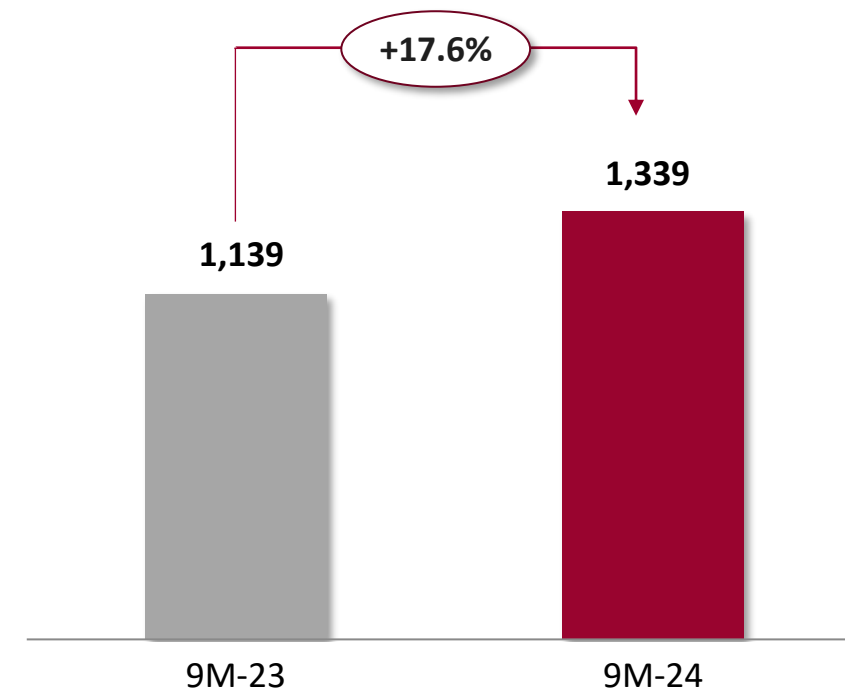


Net Operating Profit

Quarterly Evolution (€m)



Yearly Evolution (€m)



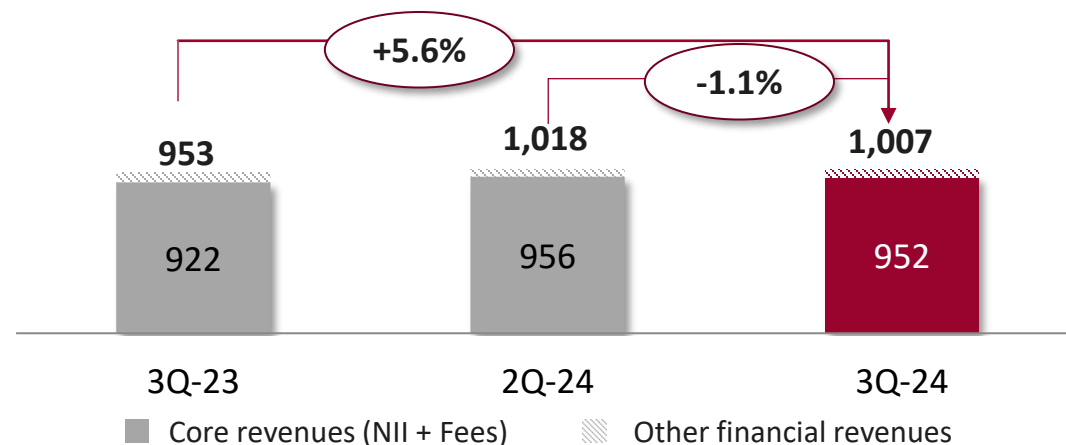
- 9M-24 net operating profit at €1,339m, up +17.6% y/y, thanks to increased revenues, effective costs control and cost of risk in line with the guidance
- 3Q-24 net operating profit at €442m, -2.3% q/q affected by the typical third-quarter seasonality and the second tranche of salary increase as per new labour contract. 3Q-24 up +9.2% y/y mainly thanks to solid growth of fees



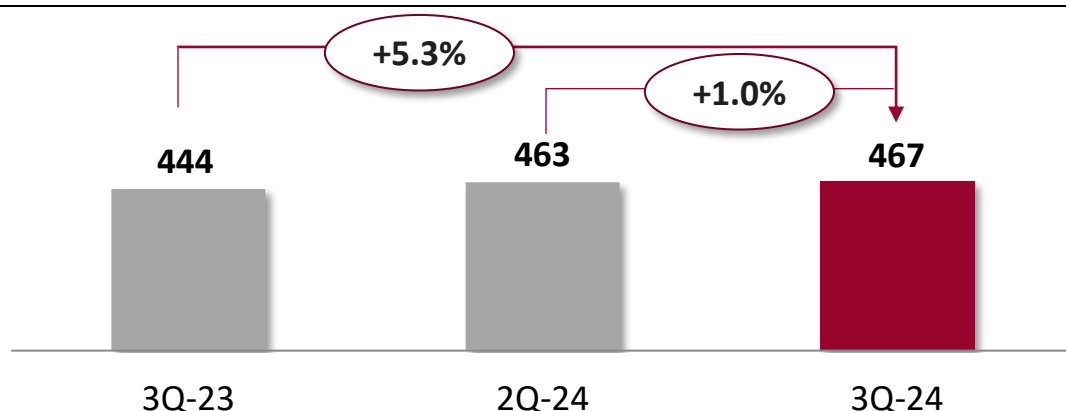
Gross Operating Profit

Quarterly Evolution

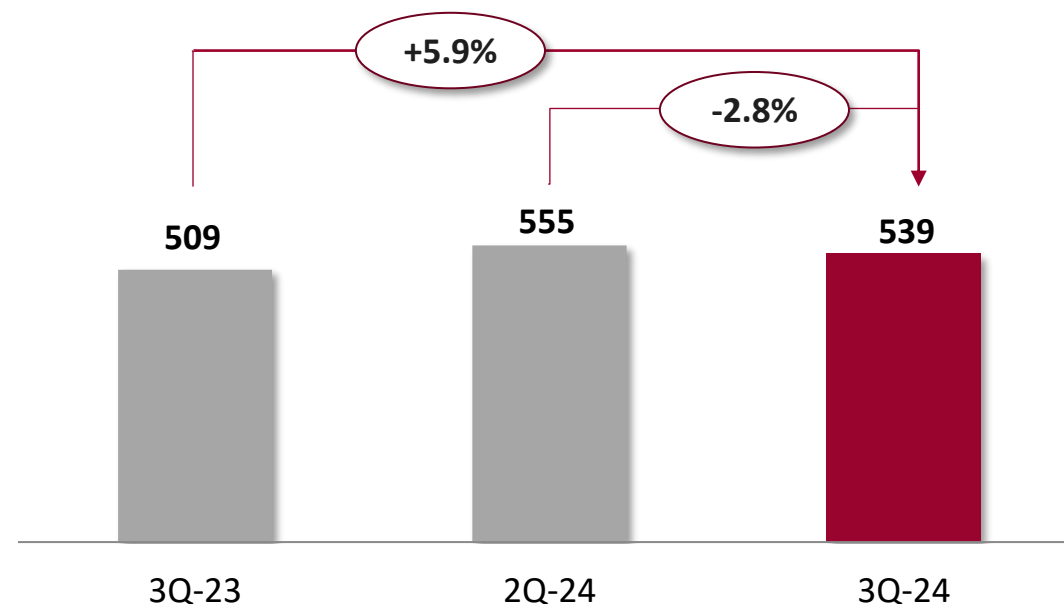
Operating Income (€m)



Operating Costs (€m)



Gross Operating Profit (€m)



Cost/Income

47%

45%

46%

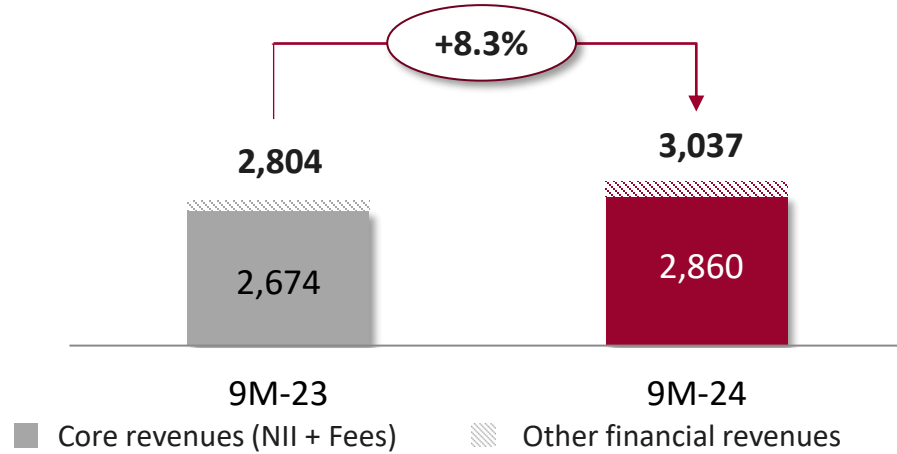
- 3Q-24 gross operating profit at €539m, -2.8% q/q, with resilient core revenues, despite third-quarter seasonality, and impact of second tranche of wage increase. 3Q-24 up +5.9% y/y thanks to positive contribution of operating income more than offsetting impact of labour contract renewal
- 3Q-24 cost/income at 46%, improved vs 3Q-23



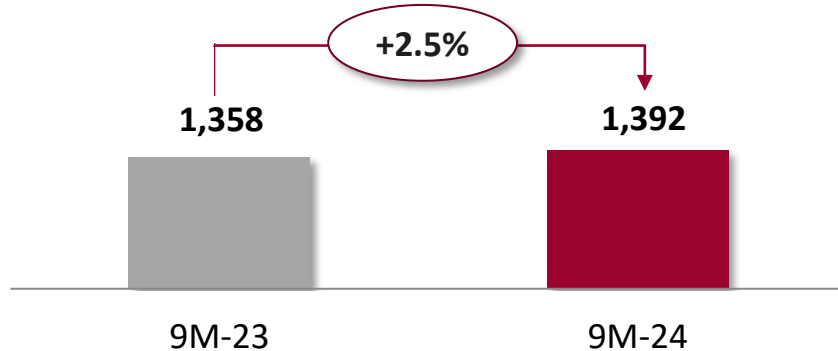
Gross Operating Profit

Yearly Evolution

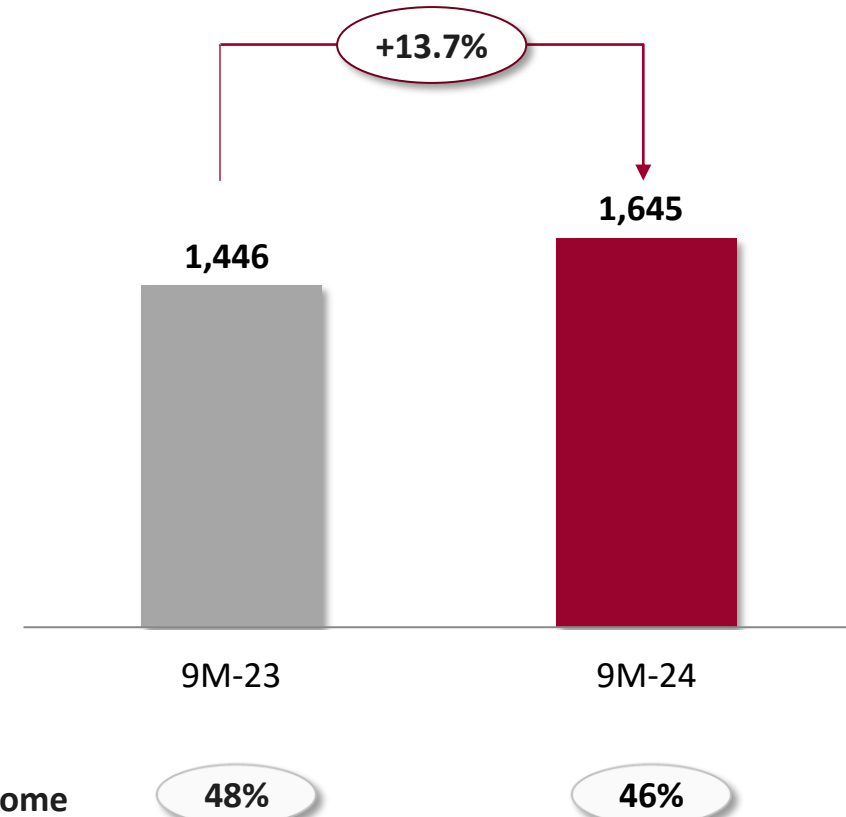
Operating Income (€m)



Operating Costs (€m)



Gross Operating Profit (€m)



Cost/Income

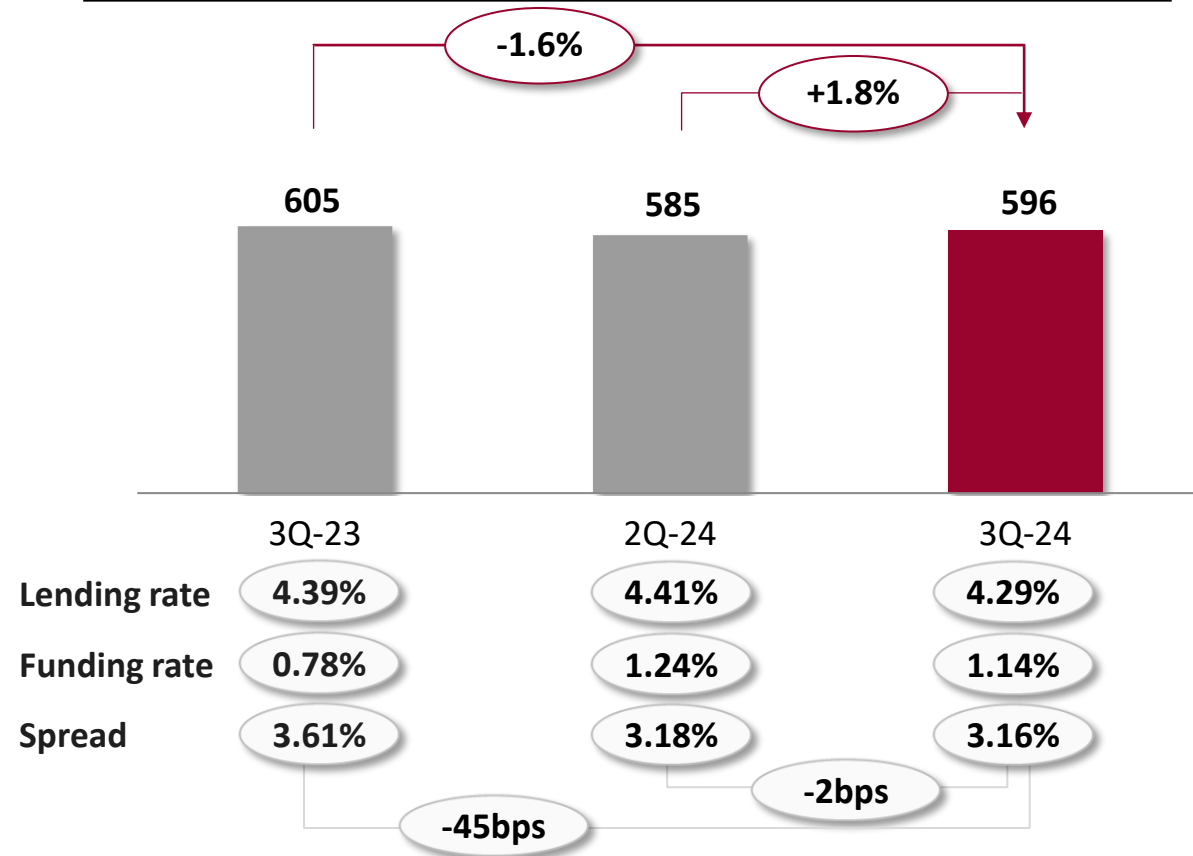
48%

46%

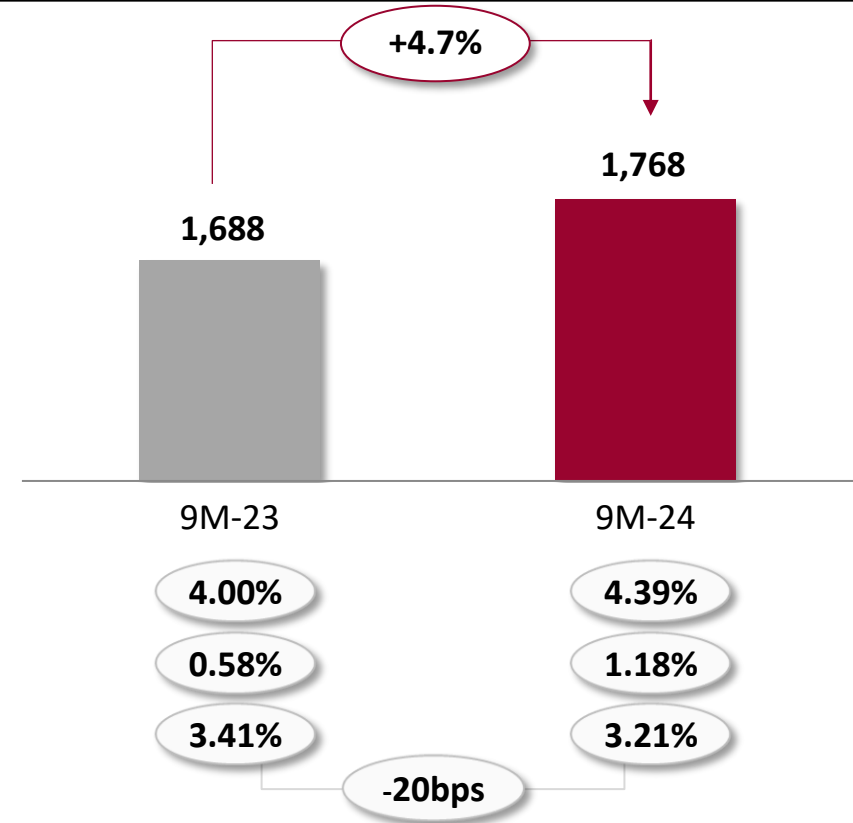
- 9M-24 gross operating profit above €1.6bn, up +13.7% y/y, driven by revenue growth +8.3% y/y and effective cost management leading to +2.5% y/y despite salary growth impact
- 9M-24 cost/income ratio at 46% reduced from 48% in 9M-23

Net Interest Income

Quarterly Evolution (€m)



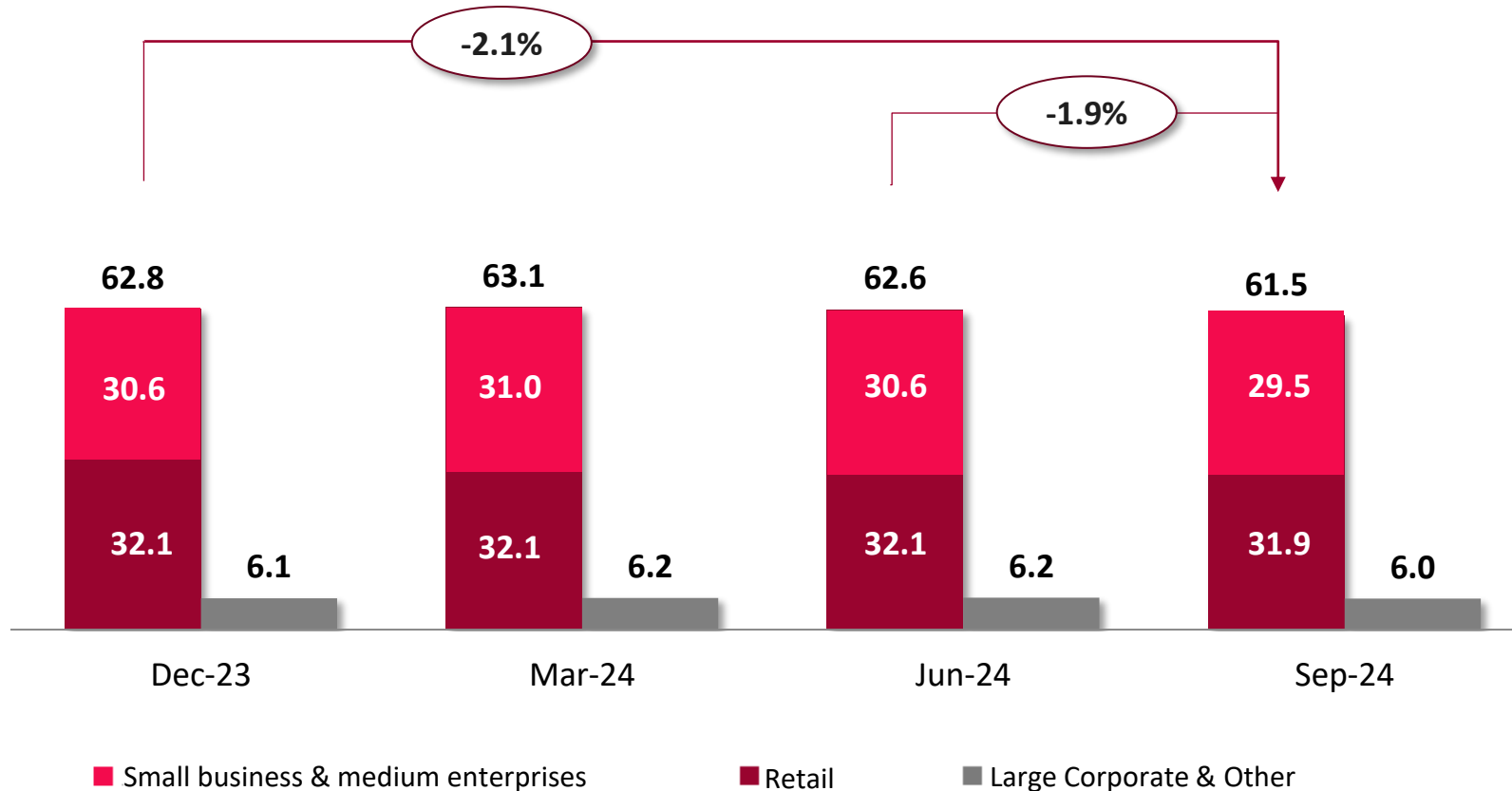
Yearly Evolution (€m)



- 9M-24 NII at €1,768m up +4.7% y/y, mainly thanks to the optimization of the overall cost of funding
- 3Q-24 NII at €596m, up +1.8% q/q supported by days effect

Net Customer Loans

Net Loans ⁽¹⁾ (€bn)

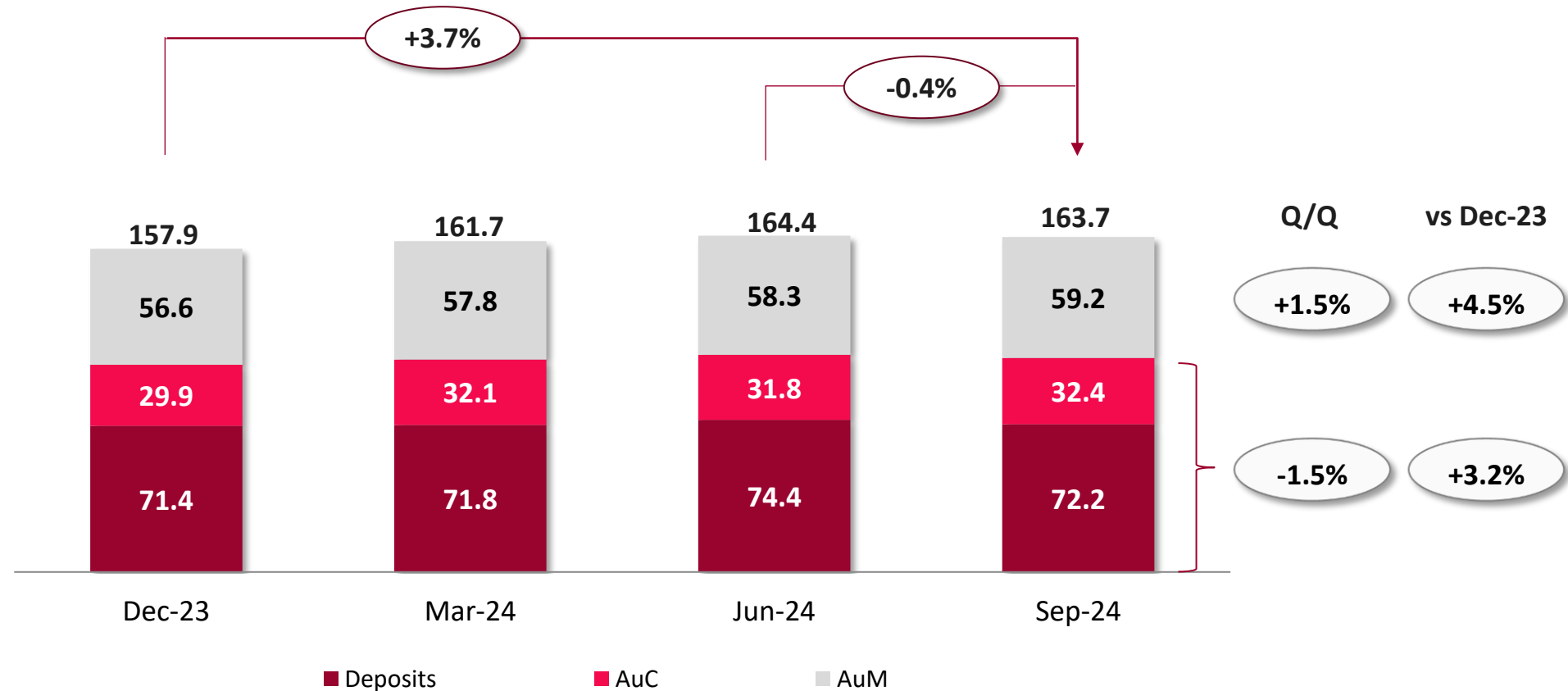


- Net customer loans volumes dynamics reflecting market trend



Total Commercial Savings

Total Commercial Savings⁽¹⁾ (€bn)

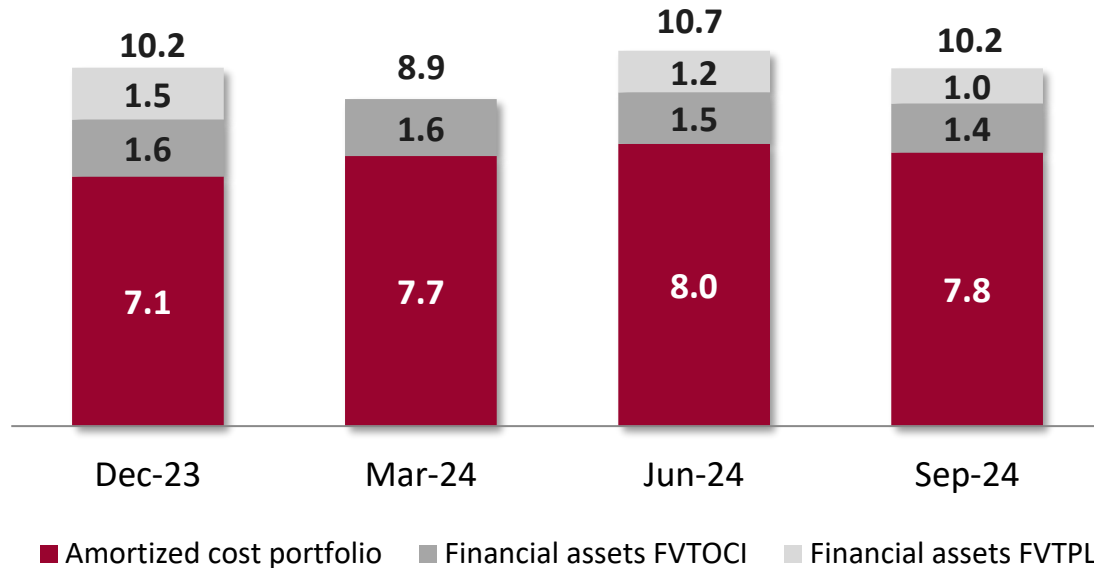


- Total commercial savings increased by €+5.8bn since Dec-23 and almost stable q/q, with a shift from deposits to AuM/AuC, in line with Business Plan strategy



Italian Govies Portfolio

Italian Govies Portfolio Breakdown⁽¹⁾ (€bn)



Italian Govies Portfolio at FVTOCI

	Dec-23	Mar-24	Jun-24	Sep-24
FVTOCI Duration (years)	~2.8	~2.6	~2.5	~2.3
FVTOCI Credit spread sensitivity (€m)	-0.5	-0.5	-0.4	-0.4

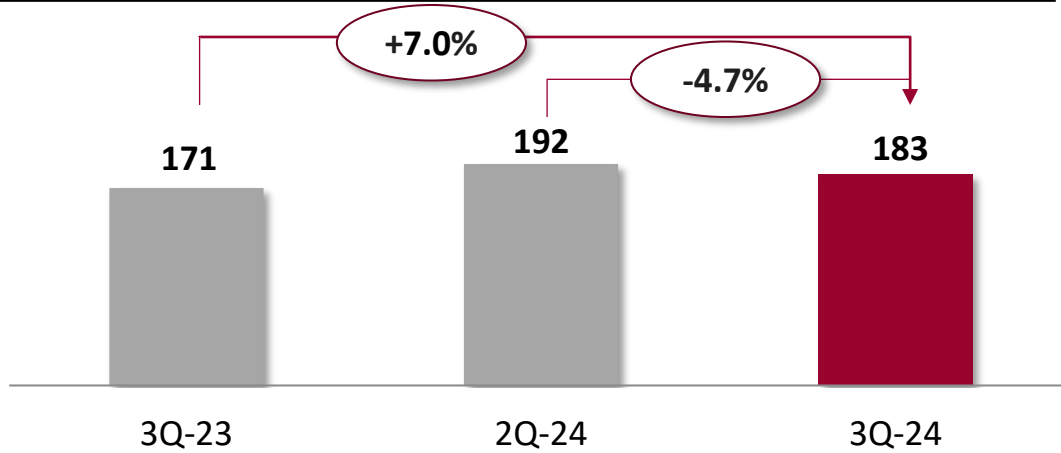
- Banking book portfolio (AC+FVTOCI) stable at €9bn level
- Q/q dynamics of FVTPL portfolio related to market-making activity on Italian government bonds



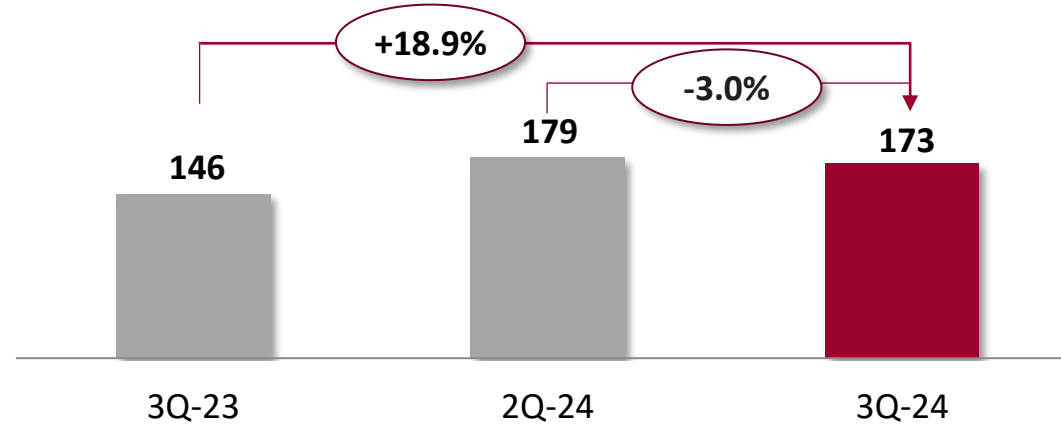
Net Fee and Commission Income

Quarterly Evolution

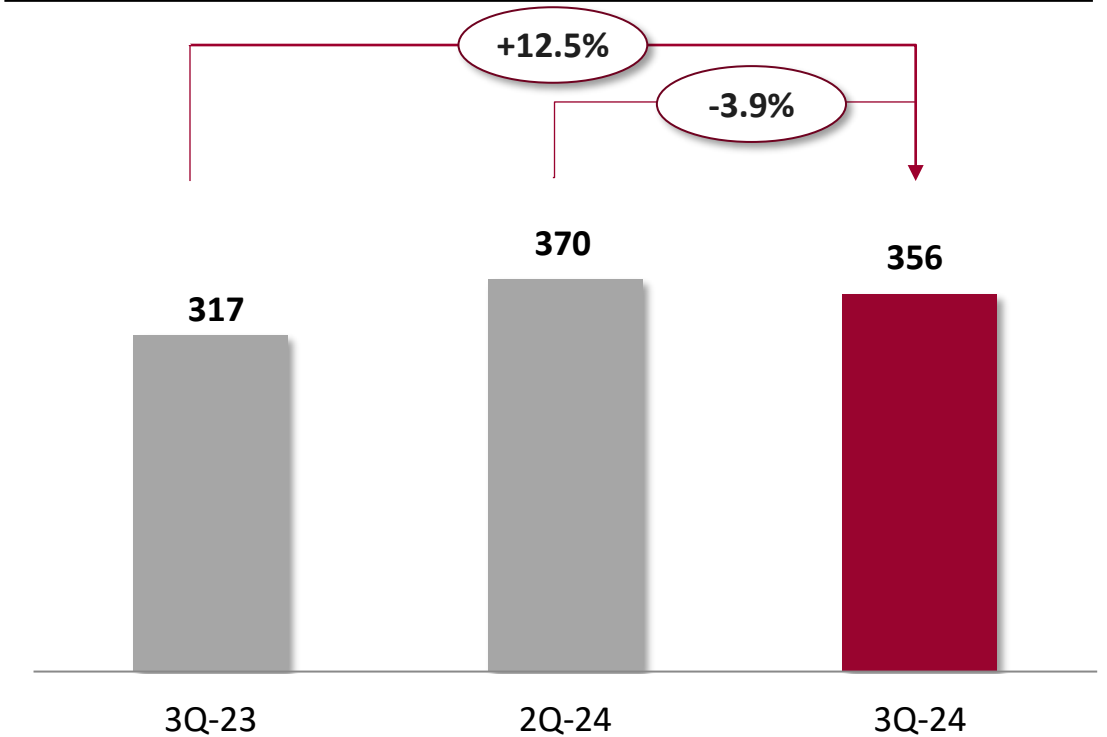
Commercial Banking Fees (€m)



Wealth Management and Advisory Fees (€m)



Total Fees (€m)

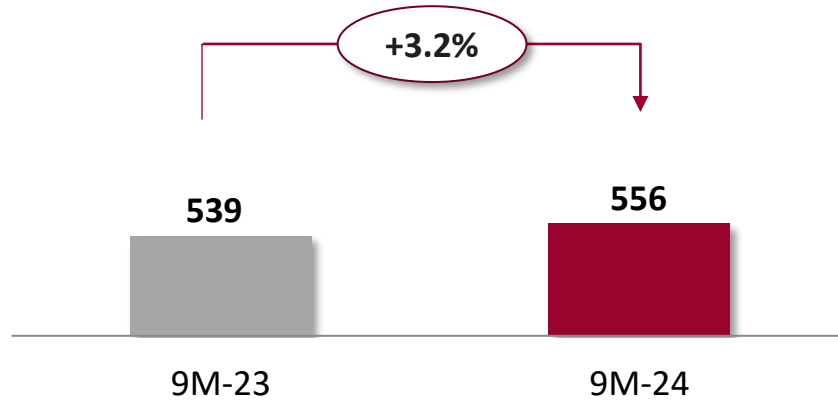


- +12.5% y/y total fees growth driven by both strong WM fees performance, with +18.9% y/y dynamics, and commercial banking fees growing +7.0% y/y
- Total fees in 3Q-24 at €356m, with -3.9% q/q dynamics reflecting the typical seasonality

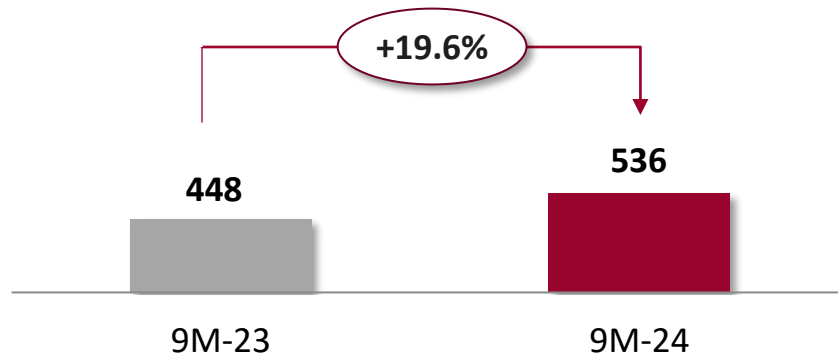
Net Fee and Commission Income

Yearly Evolution

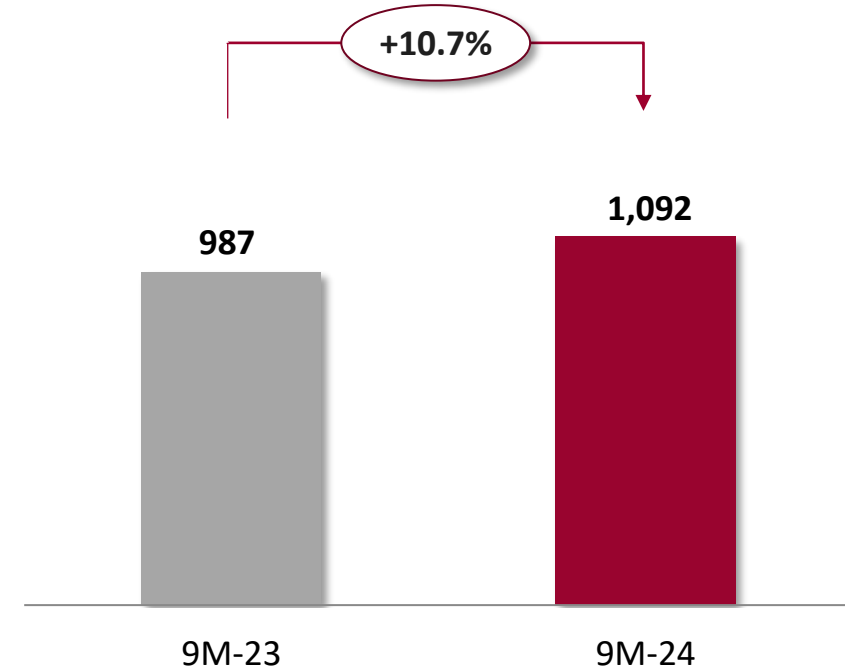
Commercial Banking Fees⁽¹⁾ (€m)



Wealth Management and Advisory Fees⁽¹⁾ (€m)



Total Fees (€m)



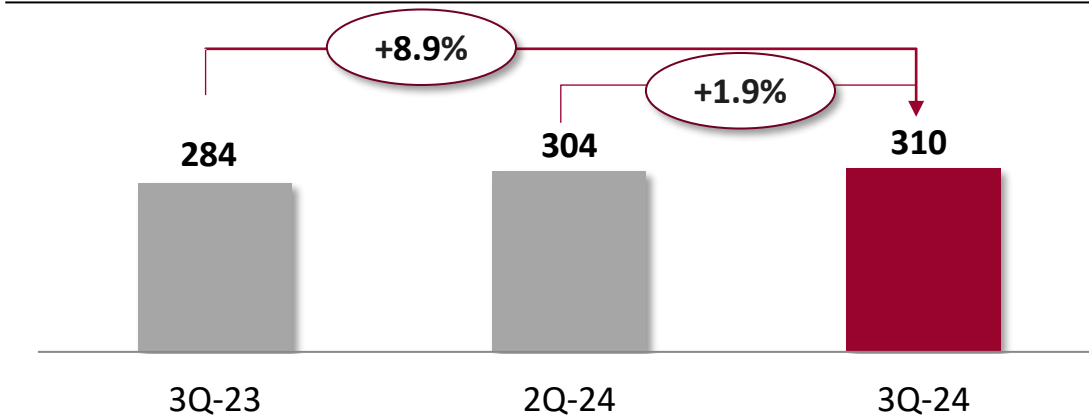
- 9M-24 total fees at €1,092m, up +10.7% y/y, thanks to almost +20% y/y growth in wealth management and advisory fees, with a positive dynamics also in commercial banking fees (+3.2% y/y), reaffirming the strength and the potential of the network



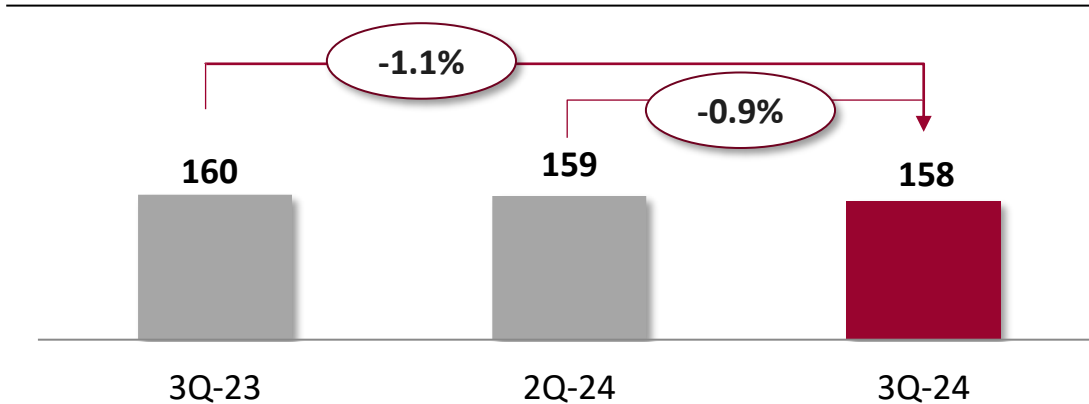
Operating Costs

Quarterly Evolution

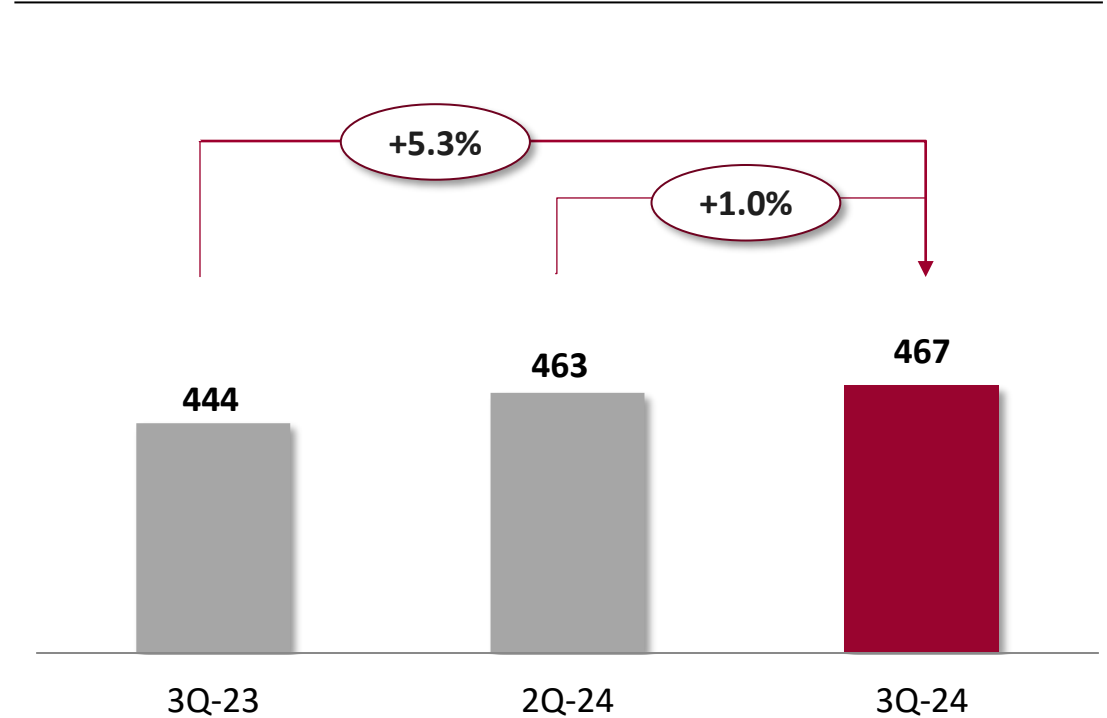
HR Costs (€m)



Non-HR Costs (€m)



Operating Costs (€m)

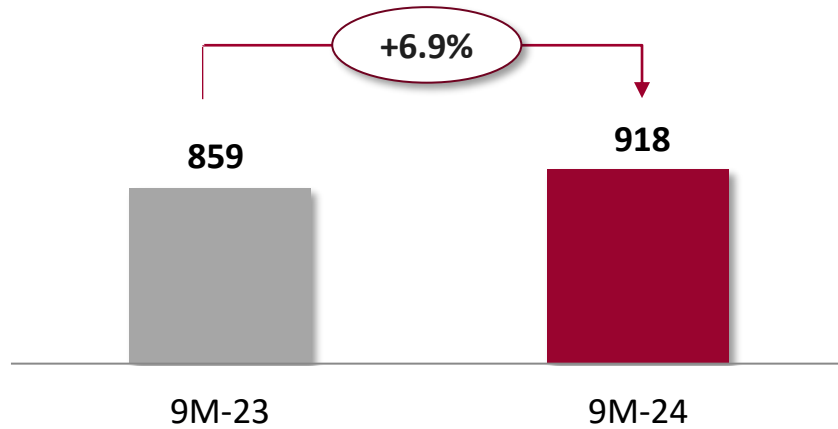


- 3Q-24 operating costs up +1.0% q/q growth mainly due to step-up in salaries outlined in the new banking contract
- Non-HR costs down both q/q and y/y despite inflation

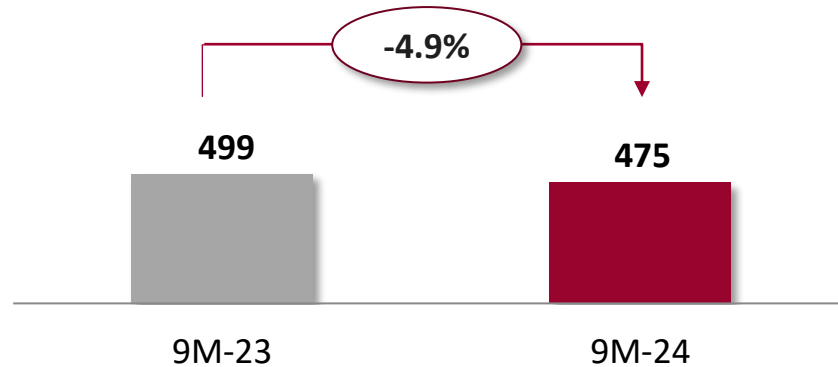
Operating Costs

Yearly Evolution

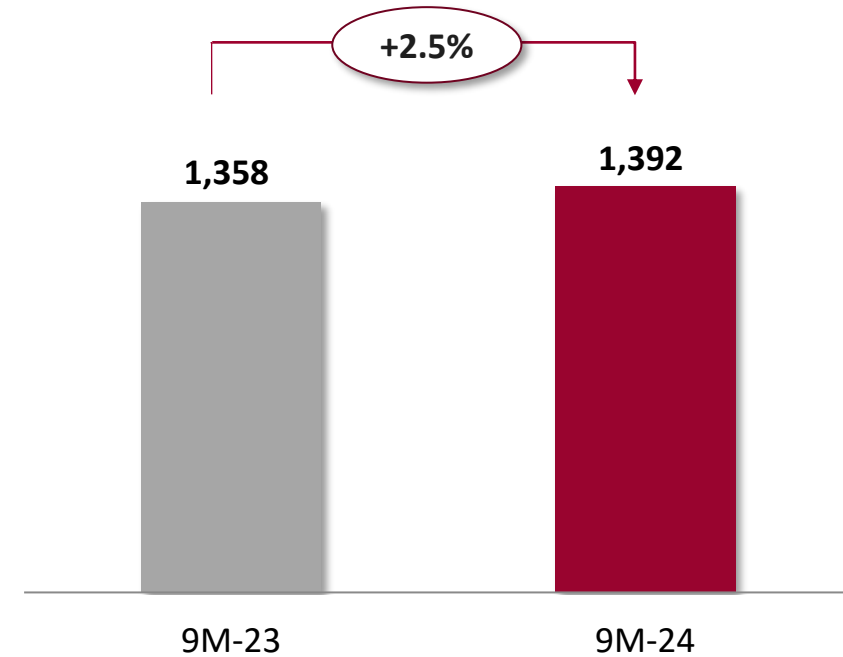
HR Costs (€m)



Non-HR Costs (€m)



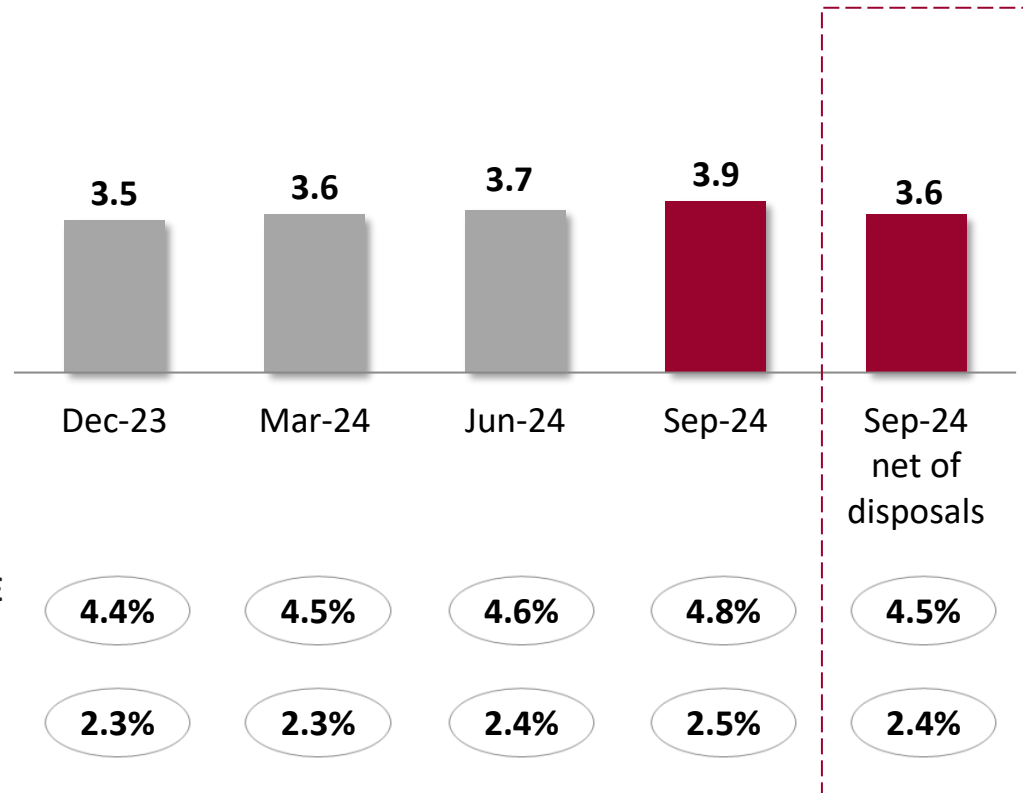
Operating Costs (€m)



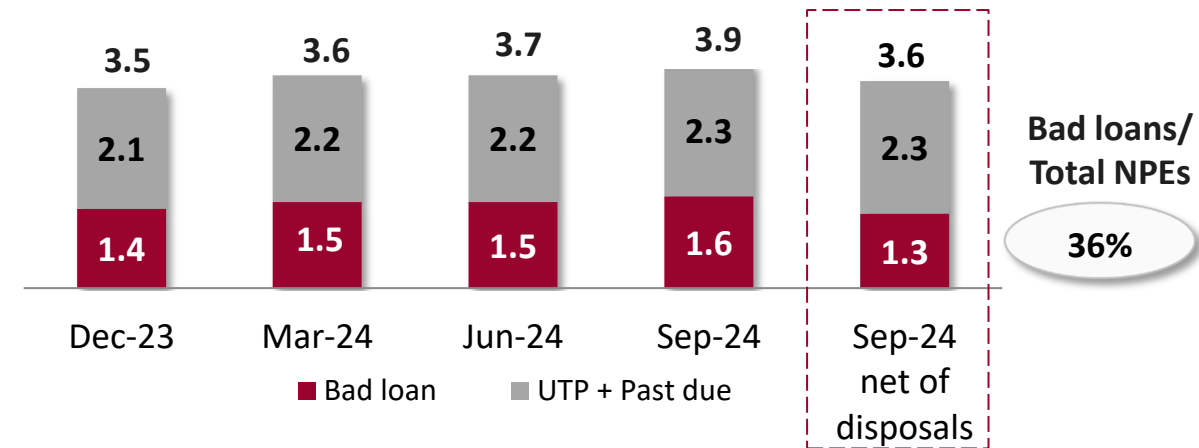
- 9M-24 operating costs at €1,392m (+2.5% y/y), with ongoing optimization of non-HR costs (-4.9% y/y) partially offsetting the impact of 2023 labour contract renewal on HR costs (+6.9% y/y)

Gross NPE Stock

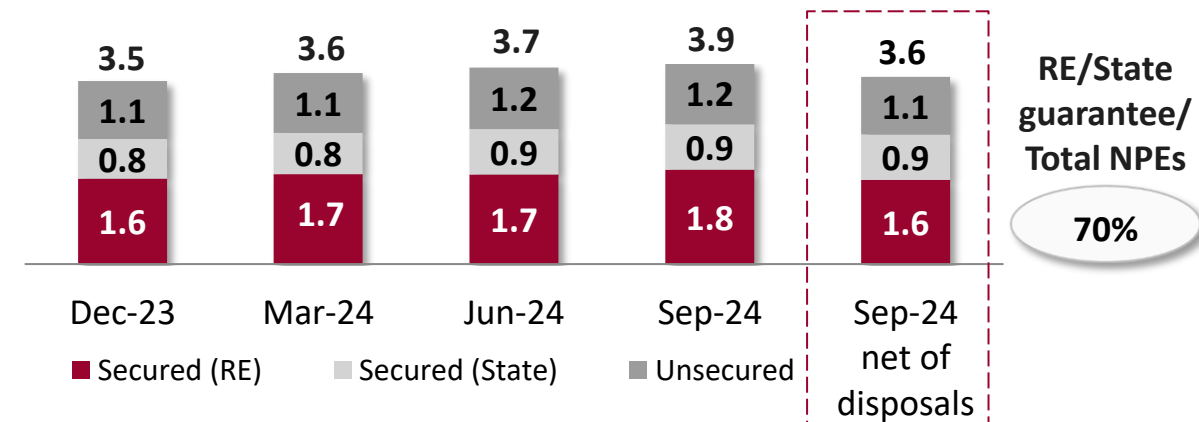
Gross NPE Stock (€bn)



Breakdown by Category (€bn)



Breakdown by type of guarantee (€bn)⁽²⁾

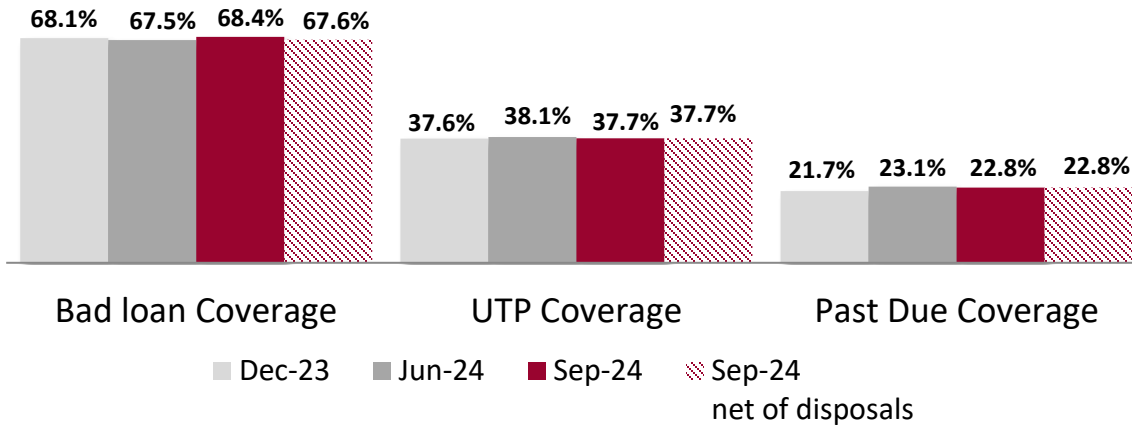


- Gross NPE stock proforma at €3.6bn, net of EUR 0.3bn portfolio disposal, with economic impacts already reflected in nine-month financial data
- Gross NPE ratio proforma at 4.5% and Net NPE ratio proforma at 2.4%

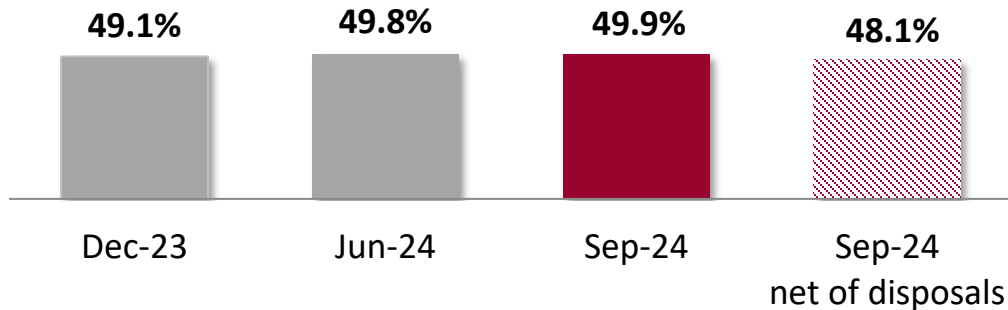


Coverage and Cost of Risk

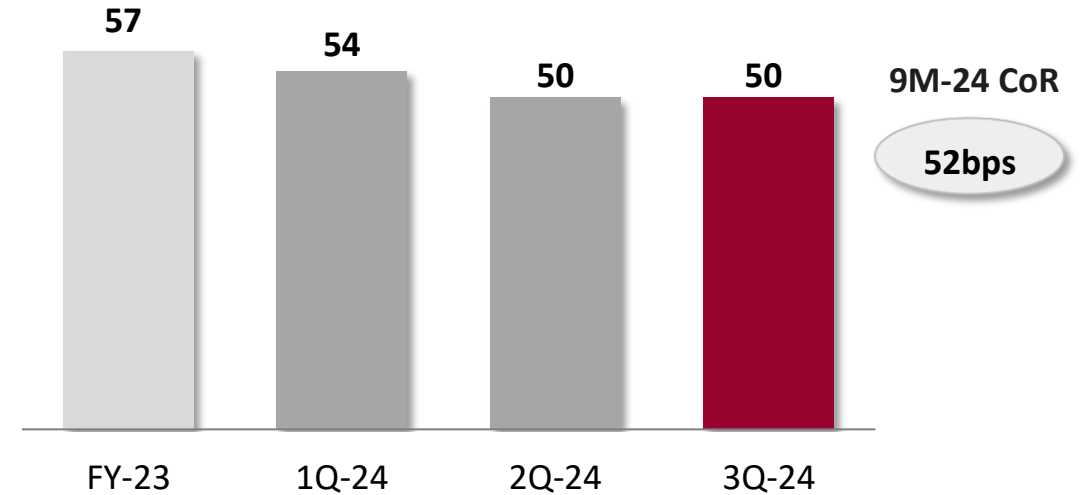
NPE Coverage Breakdown



Total NPE Coverage



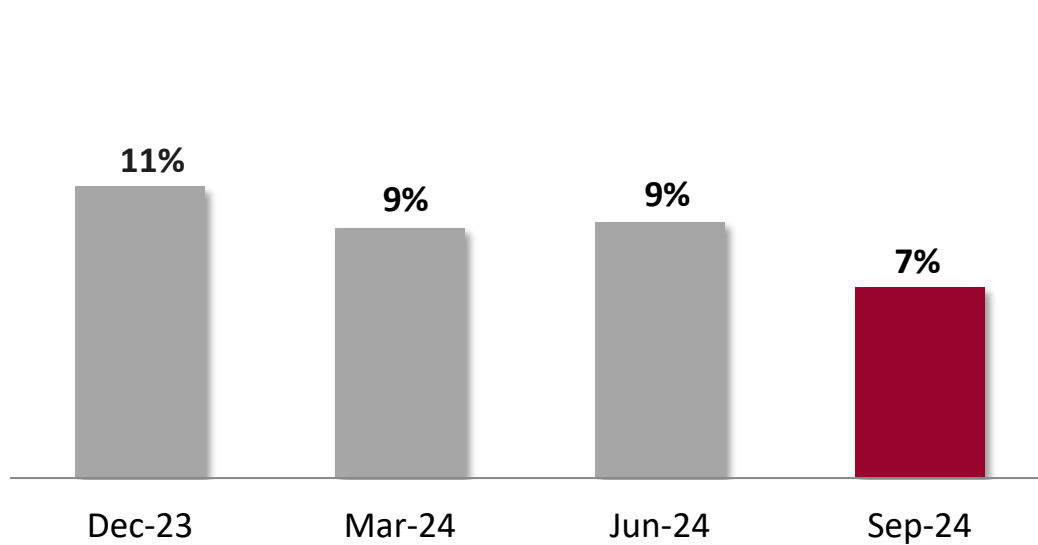
Cost of Risk (bps)



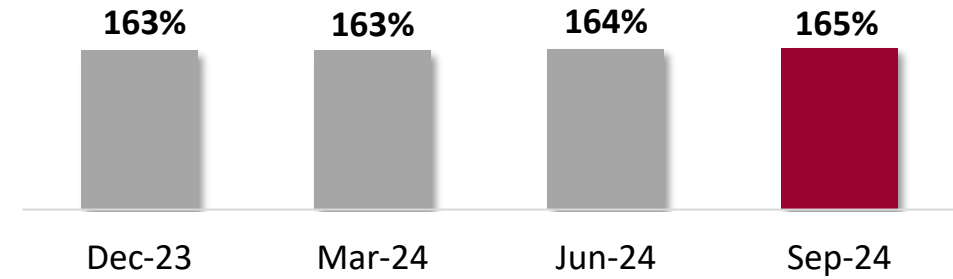
- Cost of risk at 50bps in 3Q-24, 52bps after 9 months, in line with 2024 guidance
- NPE coverage proforma at 48.1%, after EUR 0.3bn NPE disposal

Funding & Liquidity

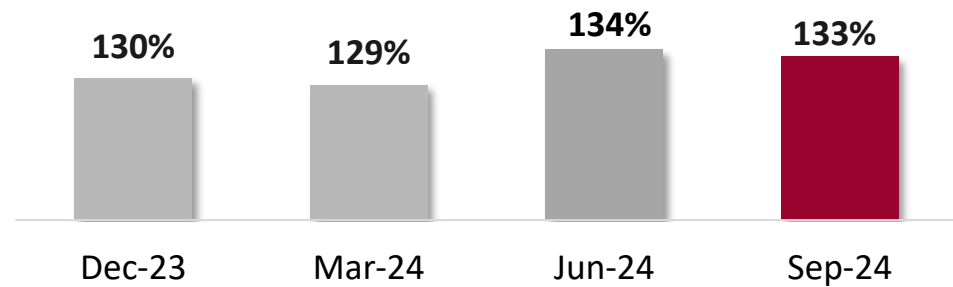
Reduced Reliance on ECB funding (ECB Funding/Total Liabilities)



LCR Evolution



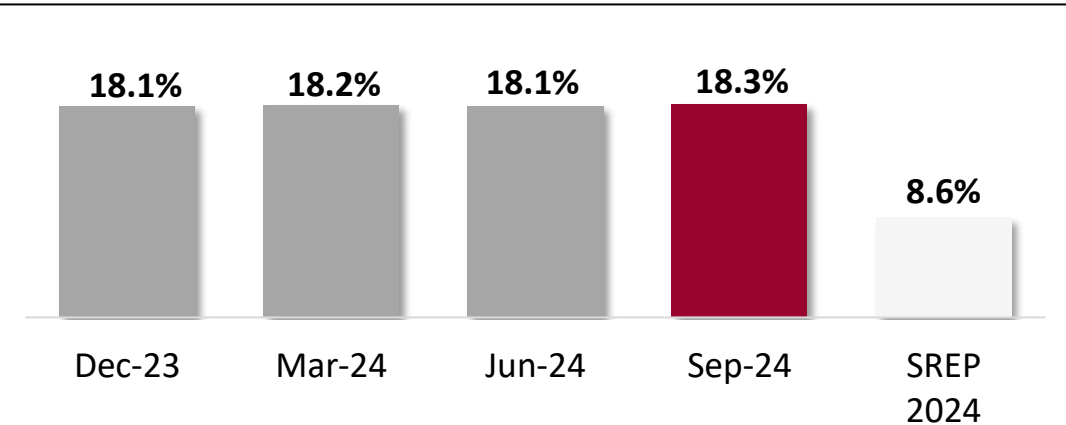
NSFR Evolution



- Solid liquidity position, with unencumbered counterbalancing capacity at €32bn, LCR at 165% and NSFR at 133%
- Further reduction of reliance on ECB funding in the quarter down to 7% (ECB funding reduced by c. €-3bn in 3Q)

Capital

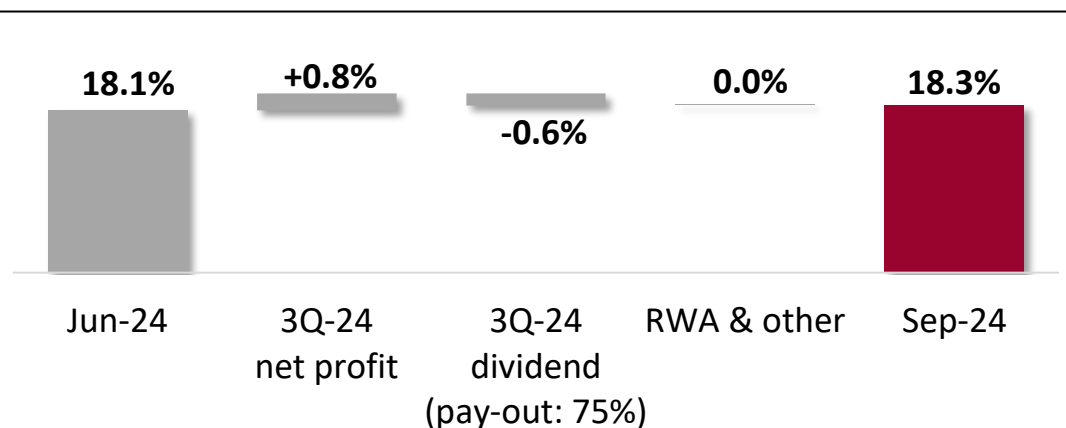
CET1 Ratio Fully Loaded⁽¹⁾



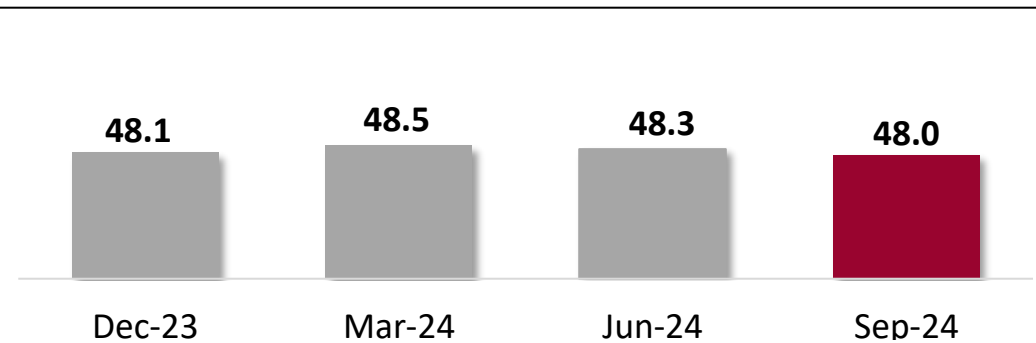
Fully Loaded Capital Ratios⁽¹⁾

	Dec-23	Mar-24	Jun-24	Sep-24	SREP 2024
CET1 ratio (%)	18.1%	18.2%	18.1%	18.3%	8.57%
Tier 1 ratio (%)	18.1%	18.2%	18.1%	18.3%	10.58%
Total capital ratio (%)	21.6%	21.6%	21.4%	21.6%	13.27%

CET1 Ratio Fully Loaded: Quarterly Dynamics⁽¹⁾



RWA Fully Loaded (€bn)

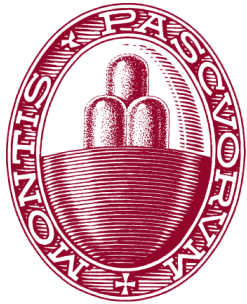


- CET1 FL ratio at 18.3%, including net profit of the period, net of dividends with a payout ratio of 75% of the pre-tax profit
- Buffer on Tier 1 ratio around 780bps



Conclusions

- ~€1.6bn net profit after 9 months, up by +68.6% y/y, confirming sustainability of results
- Gross operating profit up +13.7% y/y, with boosted WM fees +19.6% y/y driving revenues increase +8.3% y/y
- Healthy growth of total commercial savings, up by €5.8bn since the beginning of the year
- Proactive management of cost risk, at 52bps in line with guidance, disposal of €0.3bn NPE portfolio
- Further organic capital generation with CET1 FL ratio at 18.3%, including net profit of the period, net of dividends with a payout ratio of 75% of the pre-tax profit



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Appendix – Supporting Materials of 3Q-24 & 9M-24 Results

Focus on DTAs

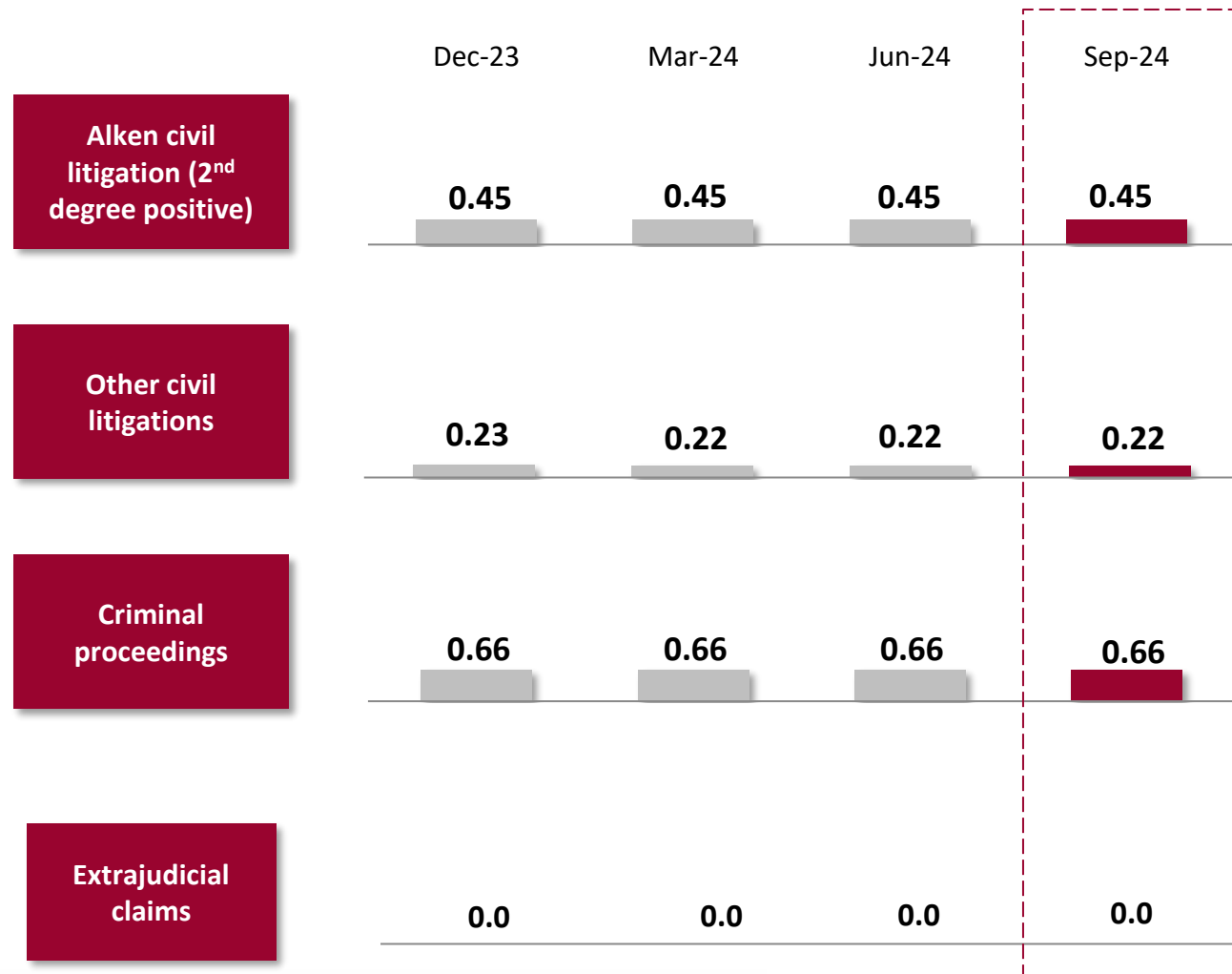
On and Off Balance Sheet DTAs (€bn)

	Dec-23	Mar-24	Jun-24	Sep-24
Convertible DTAs	0.5	0.5	0.4	0.4
DTAs on Tax loss carryforwards	0.7	0.8	1.3	1.4
Other non-convertible DTAs	0.6	0.6	0.6	0.5
Total on balance sheet DTAs	1.8	1.9	2.4	2.4
DTAs not recorded in balance sheet	2.6	2.5	1.9	1.7

- Stock of DTAs not recorded in Balance Sheet at €1.7bn, entirely composed by DTAs on tax loss carryforwards
- Current Italian fiscal regulations do not set any time limit to the use of tax loss carryforwards against the taxable income of subsequent years

Extraordinary Litigations and Extrajudicial Claims

Gross Petitem⁽¹⁾ (€bn)



- Extraordinary litigations and extrajudicial claims stable since December 2023
- A positive trend of civil sentences on disclosure of financial information 2008-2017 NPE proceedings has consolidated
- NPE criminal proceeding, for which the Bank was summoned for civil liability, still at preliminary hearings stage: on 28th November requests from civil parties to be evaluated; first hearing on 20th January 2025
- Supreme Courts sentence on Viola/Profumo criminal proceeding expected on 20th February 2025

Reclassified Income Statement

(€m)	3Q-24	2Q-24	3Q-23	9M-24	9M-23	3Q-24/ 2Q-24 (%)	3Q-24/ 3Q-23 (%)	9M-24/ 9M-23 (%)
Net Interest Income	596	585	605	1,768	1,688	+1.8%	-1.6%	+4.7%
Net fees and commission income	356	370	317	1,092	987	-3.9%	+12.5%	+10.7%
Core Revenues	952	956	922	2,860	2,674	-0.4%	+3.3%	+6.9%
Profit (loss) of equity-accounted investments (AXA)	27	12	14	54	56	n.m.	+83.6%	-3.9%
Financial revenues ⁽¹⁾	24	51	11	113	69	-54.0%	n.m.	+62.6%
Other operating net income	5	-1	6	11	4	n.m.	-18.9%	n.m.
Operating Income	1,007	1,018	953	3,037	2,804	-1.1%	+5.6%	+8.3%
Personnel expenses	-310	-304	-284	-918	-859	+1.9%	+8.9%	+6.9%
Other administrative expenses	-116	-117	-115	-348	-368	-1.4%	+0.6%	-5.4%
Depreciations/amortisations and net impairment losses on PPE	-42	-42	-45	-127	-131	+0.7%	-5.6%	-3.5%
Operating Costs	-467	-463	-444	-1,392	-1,358	+1.0%	+5.3%	+2.5%
Gross operating profit	539	555	509	1,645	1,446	-2.8%	+5.9%	+13.7%
Net impairment losses for credit risk	-96	-98	-102	-300	-307	-2.1%	-5.7%	-2.2%
Net impairment losses for other financial assets	-1	-4	-2	-6	0	-76.9%	-52.6%	n.m.
Net operating profit	442	453	405	1,339	1,139	-2.3%	+9.2%	+17.6%
Net gains/losses on equity investments, PPE and intangible assets at FV, and disposal of investments	2	-23	-2	-27	-32	n.m.	n.m.	-13.3%
Systemic funds contribution	0	0	-75	-75	-134	n.m.	n.m.	-43.7%
DTA Fee	-15	-15	-16	-46	-47	+0.0%	-2.7%	-2.8%
Net accruals to provisions for risks and charges	-22	-11	7	-37	5	n.m.	n.m.	n.m.
Restructuring costs / one-off costs	-17	-34	-13	-58	-10	-51.0%	+25.7%	n.m.
Pre-tax profit (loss)	390	370	307	1,096	922	+5.7%	+27.2%	+18.9%
Income taxes	16	457	3	470	6	-96.5%	n.m.	n.m.
Profit (loss) for the period	407	827	310	1,566	929	-50.8%	+31.4%	+68.6%



Balance Sheet

Total Assets⁽¹⁾ (€m)

	Sep-23	Dec-23	Jun-24	Sep-24	QoQ%	YoY%
Loans to Central banks	523	527	566	589	4.0%	12.7%
Loans to banks	2,270	2,582	2,671	2,265	-15.2%	-0.2%
Loans to customers	77,982	76,816	77,975	76,649	-1.7%	-1.7%
Securities assets	18,323	17,277	18,399	17,801	-3.3%	-2.9%
Tangible and intangible assets	2,500	2,483	2,356	2,331	-1.1%	-6.8%
Other assets	21,595	22,930	26,734	22,845	-14.5%	5.8%
Total Assets	123,192	122,614	128,701	122,479	-4.8%	-0.6%

Total Liabilities⁽¹⁾ (€m)

	Sep-23	Dec-23	Jun-24	Sep-24	QoQ%	YoY%
Deposits from customers	79,495	80,558	86,180	82,160	-4.7%	3.4%
Securities issued	9,920	10,081	10,342	9,090	-12.1%	-8.4%
Deposits from central banks	13,106	13,148	12,010	9,016	-24.9%	-31.2%
Deposits from banks	1,791	1,351	1,114	1,227	10.1%	-31.5%
Other liabilities	10,074	7,497	8,260	9,721	17.7%	-3.5%
Group net equity	8,807	9,979	10,795	11,265	4.4%	27.9%
Non-controlling interests	1	1	0	0	0.0%	-42.9%
Total Liabilities	123,192	122,614	128,701	122,479	-4.8%	-0.6%



Lending & Direct Funding

Total Lending (€m)

	Sep-23	Dec-23	Jun-24	Sep-24	QoQ%	YoY%
Current accounts	2,766	2,756	2,634	2,884	9.5%	4.3%
Medium-long term loans	53,139	51,838	51,579	50,400	-2.3%	-5.2%
Other forms of lending	14,265	14,219	14,659	14,209	-3.1%	-0.4%
Reverse repurchase agreements	6,051	6,230	7,225	7,212	-0.2%	19.2%
Impaired loans	1,761	1,774	1,877	1,944	3.6%	10.4%
Total	77,982	76,816	77,975	76,649	-1.7%	-1.7%

Direct Funding (€m)

	Sep-23	Dec-23	Jun-24	Sep-24	QoQ%	YoY%
Current accounts	65,308	65,446	66,640	65,099	-2.3%	-0.3%
Time deposits	4,724	5,948	7,715	7,081	-8.2%	49.9%
Repos	6,800	6,565	9,179	7,564	-17.6%	11.2%
Bonds	9,920	10,081	10,342	9,090	-12.1%	-8.4%
Other forms of direct funding	2,663	2,599	2,646	2,416	-8.7%	-9.3%
Total	89,415	90,639	96,522	91,249	-5.5%	2.1%

