MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BOARD APPROVES PRELIMINARY RESULTS AS AT 31 DECEMBER 2019:

NET OPERATING RESULT AT EUR 323 MILLION (+3.3% VS. 2018), DESPITE CONSTRAINTS IMPOSED BY RESTRUCTURING PLAN, THANKS TO REVENUES ESSENTIALLY IN LINE WITH THE PREVIOUS YEAR AND TO DECREASING OPERATING COSTS AND LOAN LOSS PROVISIONS

PRE-TAX RESULT FOR THE YEAR POSITIVE FOR EUR 53 MILLION (EUR -109 MILLION IN 2018), INCLUDING NEGATIVE NON-OPERATING COMPONENTS FOR EUR 269 MILLION AND NET RESULT AT EUR -1,033 MILLION, NEGATIVELY IMPACTED BY REVISED AMOUNT OF DTAs (EUR -1.2 BILLION[1], WITH NO IMPACT ON CAPITAL RATIOS OR ON THE BANK'S OPERATING RESULTS)

COMMERCIAL RELAUNCH CONTINUES: NEW MLT LOANS FOR OVER EUR 9 BILLION GRANTED IN THE YEAR (WITH UNWAVERING FOCUS ON CREDIT QUALITY), COMMERCIAL DIRECT FUNDING[2] UP BY EUR 3.6 BILLION AND SIGNIFICANT GROWTH OF BANCASSURANCE BUSINESS

CONTINUOUS AND SIGNIFICANT DECREASE OF STOCK OF GROSS IMPAIRED LOANS: EUR 12 BILLION AT 2019 YEAR-END (-74% VS. DECEMBER 2016) GROSS NPE RATIO AT 12.4% (17.3% IN 2018), SURPASSING THE PLAN'S 12.9% 2021 TARGET TWO YEARS IN ADVANCE; NET NPE RATIO AT 6.8%

COST OF CREDIT AT 68 BASIS POINTS (72 BASIS POINTS IN 2018), WITH ALL MAIN ASSET QUALITY INDICATORS IMPROVED:

- **DEFAULT RATE AT 1.4% (2.1% IN 2018)**
- **CURE RATE AT 10.1% (7.5% IN 2018)**
- **DANGER RATE AT 8.8% (15.6% IN 2018)**

TIER 2 ISSUANCE PROGRAMME COMPLETED, AS PER COMMITMENT WITH THE EUROPEAN COMMISSION, AND SUCCESSFUL RETURN TO THE INSTITUTIONAL FUNDING MARKET: EUR 0.7 BILLION T2, EUR 2 BILLION SENIOR AND EUR 2 BILLION COVERED BONDS ISSUED[3]

CAPITAL STRENGTH CONFIRMED:
TRANSITIONAL CET1 RATIO: 14.7% (13.7% IN 2018), c. +460 BPS VS. SREP 2020
TRANSITIONAL TOTAL CAPITAL: 17.4%[4] (15.2% IN 2018),c. +370 BPS VS. SREP 2020

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[1] Amount of Deferred Tax Assets (DTAs) recorded in the balance sheet revised to take into account the effects of the reintroduction the "ACE – Aiuto alla Crescita Economica" fiscal benefit and of the evolution of the macroeconomic scenario on future taxable income. See press release issued on 9 January 2020.

[2] Current accounts and time deposits.

[3] Of which EUR 0.4 billion Tier 2 subordinated bonds and EUR 0.75 billion senior bonds issued in January 2020.

[4] Pro forma figure, including EUR 0.4 billion subordinated Tier 2 bonds issued in January 2020. Transitional Total Capital at 16.7% as at 31 December 2019.

- **Gross operating result for the year at EUR 934 million, essentially in line with the previous year, generated by:**
    - **Net interest income at EUR 1,501 million (-13.9% Y/Y), impacted not only by commercial dynamics but also by activities performed to meet with Restructuring Plan commitments (NPE disposals, sale of BMP Belgio, unwinding of MP Banque and institutional bond issues), which account for approximately half of the net interest income decrease. NII trend also influenced by actions aimed at the continuous improvement of loan book quality, with the development of a less risky client base, in an extremely competitive environment**
    - **Fees and commissions at EUR 1,450 million, down by 4.8% Y/Y, impacted by difficult market conditions, both on wealth management and on the traditional banking component**
    - **Other income from banking business[5] at EUR 353 million, benefitting from the revaluation of financial assets arising from Sorgenia Group and Tirreno Power debt restructuring (essentially booked in Q4), from the greater contribution of trading activity and from capital gains on the sale of securities, mainly govies**
    - **Other operating income and expenses, equal to EUR -80 million, include the indemnity for the unwinding of the Juliet agreement**
    - **Operating costs at EUR 2,290 million, down by -2.6% Y/Y, confirming strong containment trend of the last few years (-12.7% from December 2016)**
- **Stock of gross impaired loans reduced by c. EUR 4.9 billion[6] Y/Y:**
    - **c. EUR 2 billion unlikely-to-pay loans reduced/sold (of which EUR 0.5 billion in 4Q19)**
    - **c. EUR 2.7 billion bad loans sold (of which EUR 1.9 billion in 4Q19)**
- **In the fourth quarter:**
    - **Gross operating result at EUR 269 million, up by 2.7% Q/Q:**
        - **net interest income at EUR 333 million (-6.0% Q/Q), mainly affected by continuous pressure on assets (with decreasing loan interest rates and average loan volumes) and by the cost of 2H19 bond issues**
        - **fees and commissions equal to EUR 371 million, up by 4.3% Q/Q thanks to loans and payment services**
        - **other income from banking business[7] equal to EUR 156 million, positively impacted by the revaluation of the Sorgenia and Tirreno Power financial assets**
        - **operating costs at EUR 594 million, up by 8.1% Q/Q (but down by 6.5% vs. 4Q18) for the typical end-of-year acceleration of some costs and increased impairments on fixed assets.**

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[5] Dividends, similar income and gains (losses) on equity investments, net profit (loss) from trading and financial assets/liabilities measured at amortised cost and at fair value through profit and loss, net profit (loss) from hedging

[6] Including, in addition to disposals/reductions of unlikely-to pay and bad loans (data from operational data management system), c. EUR -0.2 billion due to other effects.

[7] See footnote no. 5.

Siena, 7 February 2020 – Today the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. reviewed and approved the preliminary results as at 31 December 2019.

Group profit and loss results at 31 December 2019

The Group's **total revenues** for 2019 stand at **EUR 3,223 million**, a 2.0% Y/Y decrease, mainly due to a contraction of net interest income and fees and commissions and to worsened other operating income/expenses, only partly offset by improved other income from banking business, recorded thanks to the positive effects recorded on financial assets measured at fair value and to increased capital gains on the sale of securities. Conversely, compared to the previous quarter, profits increase by EUR 52 million thanks to the positive effects recorded on financial assets measured at fair value, only partly offset by the worsened net interest income and by the decreased results from trading and from the sale of securities.

Net interest income for 2019 is **EUR 1,501 million**, down by 13.9% from 2018, impacted by the activities put in place to meet some of the restructuring plan commitments. Among these are i) NPE reduction activities, with the continuation of the NPE portfolio disposal programme, which led to achieving the restructuring plan's target gross NPE ratio two years in advance but with negative effects on NII, as shown by the c. EUR 51 million Y/Y decrease in interests from impaired financial assets; ii) the conclusion, in June 2019, of the sale of subsidiary BMP Belgio S.A., which entailed the deconsolidation of related loan and funding volumes with a EUR 12 million negative effect on NII; iii) the return to the institutional issues market (with Tier 2 subordinated bond issues for EUR 300 million and senior preferred bond issues for EUR 1.2 billion), with a resulting additional cost of c. EUR 30 million for 2019.

Net interest income trend is further influenced by actions aimed at improving the loan book quality, concentrating on more creditworthy customers in an extremely competitive market environment, with resulting reduced interest rates, in line with market dynamics. At the same time, the rearranging of commercial funding in favour of less expensive components reduced its overall cost. Compared to the previous quarter, NII is down by 6.0%, due to the mentioned dynamics affecting loan yields and market funding. The aggregate was, furthermore, impacted by the introduction of IFRS 16, which led to the booking of interest expenses for c. EUR 6.7 million at 31 December 2019.

Net fees and commissions at 31 December 2019, amounting to **EUR 1,450 million**, show a 4.8% Y/Y decrease, mainly impacted by reduced fees and commissions from asset management, from financial services and from loans, the latter also impacted by the absence of c. EUR 15 million one-off fee recorded in 1H18 with the renewal of the Compass S.p.A. product distribution agreement. Up Q/Q, mainly on fees and commissions from loans, from financial services and from asset management, whereas other fees and commissions are down.

Dividends, similar income and profit (loss) on investments come to **EUR 96 million** and are mainly from the AXA-MPS joint venture[8]. This component is up vs. 31 December 2018 (EUR +21 million) and down Q/Q (EUR -22 million).

Net profit (loss) from trading and financial assets/liabilities measured at amortised cost and at fair value through profit and loss for 2019 amounts to **EUR 262 million**, up from the result recorded for the previous year (equal to EUR -13 million).

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

An analysis of the main aggregates shows:

- **net profit from trading for EUR +86 million**, up from 31 December 2018 for the increased contribution from subsidiary MPS Capital Services, which benefitted from the fading of the negative effects which had been recorded in 2018 for the widening of the BTP-Bund spread. 4Q19 result is down Q/Q, due to subsidiary MPS Capital Services' dynamics;
- **net profit from financial assets and liabilities measured at fair value through profit and loss positive for EUR 63 million**, up vs. the previous year (equal to EUR -85 million), mainly for the EUR 155 million revaluation (of which EUR 135 million booked in 4Q19) of financial assets arising from the Sorgenia Group and Tirreno Power debt restructuring in light of the development of the related tickets. Q/Q improvement due to the mentioned revaluations;
- **gains on disposals/repurchases positive for EUR 113 million**, up from the EUR 38 million of the previous year thanks to capital gains for EUR 118 million from the sale of securities carried out mainly in 2Q19 and 3Q19. 4Q19 is down from the previous quarter, which had benefitted from substantial gains from the sale of securities.

The following items also contribute to total revenues:

- **net income from hedging for EUR -5 million**, down both from 31 December 2018 (equal to EUR -0.2 million) and from 3Q19, equal to EUR +1.8 million;
- **other operating expenses/income negative** for **EUR 80 million**, down vs. the end of 2018 (EUR -40 million) due to the indemnity for the unwinding of the Juliet agreement. 4Q19 (EUR +2.2 million) is, conversely, up vs. 3Q19 (at EUR -11 million).

At 31 December 2019 **operating expenses**[9] amount to **EUR 2,290 million**, down by 2.6% Y/Y. 4Q19 is up by 8.1%, or EUR 45 million, Q/Q, due to other administrative expenses and net value adjustments to tangible and intangible assets. Detailed examination of individual aggregates shows that:

- **administrative expenses** stand at **EUR 2,034 million**, reduced by c. EUR 66 million Y/Y and up by 6.7% Q/Q. Within the aggregate:
  - **personnel expenses**, at **EUR 1,433 million**, are down by 2.0% Y/Y. Compared to 31 December 2018, expenses have benefitted from the reduction of personnel, mainly induced by the headcount reduction manoeuvre which brought 750 exits and by the deconsolidation of BMP Belgio S.A. effected in June 2019. These effects were partly offset by contractual increases recorded since October 2018, by the effects of the 31 December 2018 agreement on personnel costs and by the renewal of the company-level agreement (12 July 2019). Slightly down Q/Q, thanks to 4Q19 savings stemming from the new three-year agreement on the health insurance policy for employees.
  - **other administrative expenses**, amounting to **EUR 601 million**, are down by 5.7% Y/Y, impacted by the introduction of IFRS 16, net of which the yearly trend would have been upward mainly for increased credit recovery costs. Up by 25.3% Q/Q for the typical end-of-year acceleration of expenses.

[9] Comparisons with 2018 are purely indicative, as data is not homogenous due to the introduction of the new IFRS 16 accounting principle, which led to the booking of EUR 46.6 million fewer other administrative expenses and to EUR 37.7 million more net value adjustments for tangible and intangible assets.

- **Net value adjustments to tangible and intangible assets** at 31 December 2019, amount to **EUR 255 million**, up by 2.0% vs. the previous year for the introduction of IFRS 16 (net of which the aggregate would have been reduced by c. EUR 33 million), partly offset by reduced impairments on properties and by the conclusion of the depreciation period for selected software. The aggregate is up by 20.9% Q/Q as an effect of increased impairment on properties and software licences.

As a result of the dynamics described above, the Group's **pre-provision profit** is **EUR 934 million** (EUR 937 million at 31 December 2018), with a EUR 269 million positive contribution in 4Q19, up by EUR 7 million Q/Q.

At 31 December 2019 the Group reported **net impairment losses on financial assets measured at amortised cost and at fair value through other comprehensive income** for a total of **EUR 611 million**, down by EUR 14 billion vs. those recorded for the previous year (EUR 625 million). The amount booked in 4Q19, equal to EUR 246 million, is up compared to the c. EUR 113 million recorded in 3Q19.

Cost of credit was influenced by the following events, which had already taken place in the course of the year:

- unwinding of the Juliet servicing agreement, which cancelled prospective contractual costs that were reflected in loan portfolio value adjustments (positive effect of c. EUR 457 million booked in 2Q19);

- simultaneous review of the NPE reduction strategy, which provided for an acceleration of the 2019 disposal plan in order to further reduce the NPE ratio (negative effect of c. EUR 248 million).

Compared to 31 December 2018, the aggregate was also impacted:

- negatively, by the annual update of risk parameters used for the collective/statistical evaluation of below-threshold performing and non-performing exposures (c. EUR 106 million recorded in 2Q19);

- negatively, by increased coverage on already impaired loans and by the effects coming from the downward revision of GDP growth estimates for 2019 incorporated in the forward-looking scenarios called for by IFRS 9 (c. EUR 52 million);

- positively, by the effects of decreased default flows, by reduced downward NPE movements to bad loans and by changes to loan estimate criteria, specifically the analytical evaluation threshold and the evaluation of specialised lending (c. EUR 53 million recorded in 2Q19);

- positively, by write-backs on loans (subject to restructuring) to Sorgenia Group and Tirreno Power, for a total of c. EUR 54 million in light of the developments of these loans.

The ratio of loan loss provisions at 31 December 2019 over total customer loans reflects a **provisioning rate of 68 bps**.

The Group's **net operating result is positive for c. EUR 323 million**, compared EUR 312 million booked for the previous year.

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

- **net provisions for risks and charges for EUR -72 million**, mainly attributable to provisions for commitments undertaken by the bank for settlements connected with diamond transactions. These are joined by provisions for indemnity requests connected with credit disposal transaction and for estimated reimbursements related to transactions with customers, for which no specific requests have been advanced. These effects are only somewhat offset by write-backs on guarantees issued, partly connected to the release of guarantees on selected significant tickets. On the other hand, no significant changes were recorded in the dispute concerning financial information. As at 31 December 2018, the balance was negative for EUR 69 million, ascribable to provisions for legal risks partly offset by the revaluation of the commitment undertaken against hedging costs for the Siena NPL 2018 s.r.l. vehicle in the context of the securitisation of bad loans.
- **losses on investments for c. EUR 6 million**, mainly for the modified value of some investments, vs. gains for EUR 1 million recorded for the previous year;
- **restructuring costs/one-off charges**, at **EUR -0.3 million**, mainly include charges related to project initiatives, the price adjustment for the sale of BMP Belgio S.A., the effects of personnel exits and recoveries recognised by INPS for completed headcount reduction/solidarity fund manoeuvres. At 31 December 2018 the aggregate amounted to costs for EUR 202 million, and mainly included charges related to initiatives aimed at complying with the commitments undertaken with DG Comp, among which the expected loss from the sale of subsidiary BMP Belgio S.A. and charges connected with personnel exits, partly offset by recoveries recognised by INPS for completed headcount reduction/solidarity fund manoeuvres;
- **risks and charges related to SRF, DGS and similar schemes**, balance of **EUR -123 million**, consisting of the Group's contribution to the Single Resolution Fund (SRF), equal to EUR 54 million, the EUR 20 million additional contribution to the National Resolution Fund (NRF), the EUR 41 million total contribution paid to FITD (DGS) and the net loss on the exposure towards the FITD scheme (for the Carige intervention) totalling EUR 8 million at 2019 YE;
- **DTA fees**, equal to **EUR -71 million**. The amount, determined according to the criteria of Law Decree no. 59/2016, converted into Law no. 119 on 30 June 2016, represents the fees due on 31 December 2019 for DTAs (Deferred Tax Assets) which are convertible into tax credit;
- **gains on disposal of investments** for **EUR 3 million**, ascribable to the sale of properties. As at 31 December 2018 the aggregate was positive for EUR 50 million, mainly from proceeds from the sale of the Juliet credit recovery platform.

Due to the circumstances mentioned above, the Group's **loss before tax from continuing operations** amounts to **EUR +53 million**, up from 31 December 2018, which had recorded a result of EUR -109 million.

Taxes on profit (loss) from continuing operations record a negative contribution of **EUR 1.1 billion**, due to the revision of the amount of deferred tax assets (DTAs) recorded on the balance sheet, in order to take into account the effects of the reintroduction of the ACE fiscal benefit and of the evolution of the macroeconomic scenario on future taxable income.

Considering the net effects of PPA (EUR -12 million), the **Group's consolidated loss at 31 December 2019 amounts to EUR 1 billion**, against a net profit of EUR 279 million reported for 2018.

Group balance sheet aggregates at 31 December 2019

At 31 December 2019 the Group's **total funding** volumes amount to **EUR 196.0 billion**, up by EUR 2.7 billion vs. 30 September 2019 and by EUR 9.0 billion vs. 31 December 2018, for a growth on both indirect and direct funding.

Direct funding, amounting to **EUR 94.2 billion**, records a EUR 2.0 billion increase vs. the end of September 2019, mainly on bonds (EUR +1.2 billion), current accounts (EUR +0.8 billion) and repos (EUR +0.5 billion), whereas other forms of funding are down (EUR -0.4 billion). The aggregate is up by EUR 3.7 billion vs. December 2018 (EUR +4.7 billion excluding the effects of the the sale of BMP Belgio S.A.), despite the EUR 4.0 billion decrease in repos, more than offset by the growth of current accounts and time deposits (EUR +3.6 billion), bonds (EUR +3.1 billion) and other types of funding (EUR +1.0 billion).

The Group's direct funding market share[10] stands at 3.78% (November 2019 update), up from December 2018 (3.70%).

Indirect funding comes to **EUR 101.8 billion**, up both Q/Q (EUR +0.8 billion) and Y/Y (EUR +5.3 billion), despite the lack of the contribution from BMP Belgio S.A., thanks to a substantial positive market effect from which both assets under management and assets under custody benefit.

In detail, **assets under management**, at **EUR 59.3 billion**, are up by EUR 0.7 billion vs. September 2019 and by EUR 3.4 billion vs. December 2018, mainly on bancassurance and on mutual funds.

As at 31 December 2019 Group **customer loans** amount to **EUR 89.0 billion**, down by EUR 1.5 billion Q/Q for the decrease in impaired loans (EUR -0.7 billion), current accounts (EUR -0.3 billion) and other types of lending (EUR -0.5 billion). Compared to 31 December 2018 the aggregate is up by EUR 2.1 billion (EUR +2.8 billion excluding the effects of the sale of BMP Belgio S.A.), mainly on securities lending (EUR +1.9 billion), repos (EUR +1.0 billion) and mortgages (EUR +0.8 billion). Current accounts and impaired loans are down, respectively, by EUR -0.3 billion and EUR -1.5 billion, partly impacted by the disposal of UTPs and bad loans.

The Group's market share[11] stands at 5.08% (November 2019 update), up from the end of 2018.

Medium/long-term loans (excluding Widiba's contribution) record new disbursements/loan contracts for EUR 2.8 billion in 4Q19, up Q/Q (EUR +0.4 billion) but down Y/Y (EUR -0.8 billion).

The Group's **gross non-performing exposures** as at 31 December 2019 amount to **EUR 12.0 billion**, down Q/Q (EUR -2.6 billion) due to the quarter's disposals and to the deconsolidation of loans already classified as assets held for sale as at 30 September 2019, in addition to other reductions coming from write-offs, conversions and collections. The aggregate is also down Y/Y (EUR -4.9 billion). Gross bad loan exposures are reduced by EUR 1.7 billion vs. 30 September 2019,

[10] Deposits and repurchase agreements (excluding repurchase agreements with central counterparties) with domestic ordinary customers and bonds net of repurchases placed with domestic ordinary customers as first borrowers.

[11] Loans to domestic ordinary customers, including bad loans and net of repurchase agreements with central counterparties.

mainly for the mentioned disposals and for recoveries, partly offset by quarterly inflows, and by EUR 2.1 billion vs. 31 December 2018. Unlikely-to-pay exposures also decrease, by EUR 0.8 billion vs. September 2019 and by EUR 2.7 billion vs. December 2018, mainly following disposals/reductions, cure and downward NPE movements towards bad loans recorded in the period. Gross past-due exposures are down both Q/Q and Y/Y.

As at 31 December 2019 the Group's **net non-performing exposures are EUR 6.1 billion**, down both Q/Q (EUR -0.8 billion) and Y/Y (EUR -1.8 billion). Net bad loan exposures are reduced by EUR 0.1 billion vs. 30 September 2019 and by EUR 0.2 billion vs. 31 December 2018. Net unlikely-to-pay exposures are also down, by EUR 0.6 billion Q/Q and by EUR 1.5 billion Y/Y. Past-due exposures are down both Q/Q and Y/Y.

The ratio of net non-performing exposures to net customer loans as at 31 December 2019 is 6.8%, down both from September 2019 (at 7.6%) and from December 2018 (at 9.0%). Within the aggregate, the incidence of unlikely-to-pay loans decreases in the quarter (from 4.0% in September 2019 to 3.4% in December 2019). The incidence of past-due and bad loans is also slightly reduced.

As at 31 December 2019 **coverage** of non-performing exposures is 48.8%, down both vs. 30 September 2019 (52.6%) and vs. 31 December 2018 (53.1%). In particular, coverage of bad loans is down to 53.7% (61.7% at 30 September 2019 and 62.4% at 31 December 2018). These dynamics are influenced by the deconsolidation of disposed loans.

At 31 December 2019 the Group's **financial assets designated at fair value** amount to **EUR 17.4 billion**, down by EUR 0.8 billion from 30 September 2019, following the decrease of financial assets held for trading (EUR -0.6 billion) ascribable to MPS Capital Services for the reduced activity on Italian government bonds, and of financial assets designated at fair value through other comprehensive income (EUR -0.3 billion) related to sales, mainly of government bonds, carried out in 4Q19. Down also vs. 31 December 2018 (EUR -2.9 billion) due to decreased financial assets designated at fair value through other comprehensive income, related to purchases/sales carried out mainly in 3Q19, only partly offset by the growth of the trading component relating to subsidiary MPS Capital Services. **Financial liabilities held for trading** increase by EUR 0.4 billion Q/Q and by EUR 0.7 billion vs. 31 December 2018.

At the end of 2019 the Group's **net interbank position** stands at **EUR 4.5 billion** in funding, decreased by EUR 5.0 billion vs. 31 December 2018 due to reduced funding from banks and increased deposits with the ECB. The aggregate is also down from September 2019, by EUR 2.9 billion, following the increase in deposits with the ECB and reduced TLTROs.

At 31 December 2019 the operational liquidity position shows an **unencumbered counterbalancing capacity of about EUR 24.7 billion**, up by EUR 1.3 billion Q/Q and by EUR 3.5 billion Y/Y, thanks to the improved commercial imbalance, to the issues carried out during the year and the new securitisation of SME mortgages, only partially offset by institutional and autocovered bond maturities.

At 31 December 2019 the **Group's shareholders' equity and non-controlling interests** amount to approximately **EUR 8.3 billion**, down by EUR 1.3 billion Q/Q, chiefly due to the loss for the period. Down Y/Y (-7.9%) due to the loss for the year, partly offset by the improved valuation reserves (due to the decrease of the BTP-Bund spread).

As for capital ratios, at 31 December 2019 the **Common Equity Tier 1 Ratio** is **14.7%** (vs. 13.7% at 31 December 2018) and **Total Capital Ratio** is **16.7%**, compared to 15.2% recorded at the end of December 2018.

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In 2019, the Bank did not achieve the income targets set by the Restructuring Plan. The Plan's commitment calls, in the event of failure to achieve income targets, for operating costs to be reduced by further EUR 100 million compared to those envisioned in the Plan; in this case, the reduction should take place by 2021.

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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 on www.gruppomps.it

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MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Income statement and balance sheet reclassification principles

Reclassified Income statement

It should be noted that, in order to allow continuity in the reporting and reading of progressive results, income statement data relating to subsidiary BMP Belgio S.A., although sold on 14 June 2019, are included in individual income statement items instead of income statement item “Profit (loss) after tax from groups of assets held for sale and discontinued operations”. Likewise, the result of the sale was included in item “restructuring costs/one-off charges”.

- Item “**interest income**” was cleared of the negative contribution (EUR -7 million) of the purchase price allocation (PPA), referable to past business combinations, which was reclassified to a specific item, and integrated with the contribution from subsidiary BMP Belgio S.A., for EUR +4 million.
- Item “**net fees and commissions**” was integrated with the contribution from subsidiary BMP Belgio S.A., for EUR +0.7 million.
- Item “**dividends, similar income and gains (losses) on investments**” incorporates item 70 “Dividends and similar income” and the share of profit and loss for the period contributed by investments in the associate AXA, consolidated at net equity, equal to EUR 86 million, included under item 250 “gains (losses) on investments”. The aggregate was furthermore cleared of dividends earned on securities other than equity investments (EUR 1.8 million), reclassified under item “net profit (loss) from trading/valuation of financial assets/liabilities measured at amortised cost and at fair value through profit and loss”.
- Item “**net profit (loss) from trading/valuation and from financial assets/liabilities measured at amortised cost and at fair value through profit and loss**” includes item 80 “net profit (loss) from trading”, item 100 “gains (losses) on disposal/repurchase of: i) financial assets measured at amortised cost, ii) financial liabilities measured at fair value through other comprehensive income and iii) financial liabilities” and item 110 “net profit (loss) on financial assets measured at fair value through profit and loss”. The item also incorporates dividends earned on securities other than equity investments (EUR 1.8 million) and the contribution of subsidiary BMP Belgio S.A., for EUR -3 million, whereas it was cleared of the capital loss recorded on the exposure towards the FITD voluntary scheme (Carige intervention) for c. EUR 8 million, reclassified to item “risks and charges related to the SRF, DGS and similar schemes”.
- 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 269 million) and net of other expense recoveries, which are reclassified under item “net value adjustments to tangible assets” (EUR 16 million). The item was integrated with the contribution of subsidiary BMP Belgio S.A., for EUR +0.1 million.
- Item “**personnel expenses**” includes the balance of financial statement item 190a “personnel expenses”, cleared of c. EUR 21 million, primarily connected with INPS recoveries on provisions for the 2017 solidarity fund exits, reclassified under item “restructuring costs/one-off charges”. The item also includes the share of costs relating to subsidiary BMP Belgio S.A., for EUR 4 million.

- Item "**other administrative expenses**" includes the balance of financial statement item 190b "other administrative expenses", reduced by the following cost items:
  - expenses, amounting to EUR 115 million, resulting from EU Deposit Guarantee Schemes Directive – heretofore DGSD – and Bank Recovery and Resolution Directive – heretofore BRRD – directives for the resolution of bank crises, posted under the reclassified item "risks and charges associated with SRF, DGS and similar schemes";
  - fee on DTAs convertible into tax credits, for EUR 71 million, posted under the reclassified "DTA fee" item;
  - extraordinary charges for EUR 7 million, related to project initiatives partly aimed at complying with the commitments undertaken with DG Comp (among which the closing of domestic and foreign branches), reclassified to item "restructuring costs/one-off charges".

  The item also incorporates stamp duty and other expenses recovered from clients (EUR 269 million) posted under item 230 "other operating expenses/income" and the share of costs relating to subsidiary BMP Belgio S.A., for EUR 4 million.

- Item "**net value adjustments to tangible and intangible assets**" includes amounts from items 210 "net adjustments to/recoveries on property, plant and equipment" and 220 "Net adjustments to/recoveries on intangible assets", and was cleared of the negative contribution (EUR -11 million) referable to the Purchase Price Allocation (PPA), which was reclassified to a specific item, whereas it includes expense recoveries (EUR 16 million) posted under item 230 "other operating expenses/income" in the financial statements. It was furthermore integrated with the contribution of subsidiary BMP Belgio S.A., for EUR -0.9 million.

- Item "**net impairment (losses)/reversals on financial assets at amortised cost**" includes items 130a "financial assets measured at amortised cost" and 140 "modification gains (losses)". The item was integrated with the contribution of subsidiary BMP Belgio S.A., for EUR +3 million.

- Item "**net impairment losses on financial assets measured at fair value through other comprehensive income"** includes item 130b "net impairment (losses)/reversals on financial assets measured at fair value through other comprehensive income" and was integrated with the contribution of subsidiary BMP Belgio S.A., for EUR +0.1 million.

- Item **"net provisions for risks and charges"** includes the balance of item 200 "net provisions for risks and charges" and was integrated with the contribution of subsidiary BMP Belgio S.A, for EUR -0.2 million.

- Item **"profit (loss) on equity investments"** incorporates the balance of item 250 "profits (losses) on equity investments" without the contribution to the income statement of the portion of the profit on the connected equity investments in AXA, consolidated at net equity, equal to EUR 86 million, posted under reclassified item "dividends, similar income and gains (losses) on investments".

- Item "**restructuring costs/one-off charges**" includes recoveries for EUR 21 million, mainly recognised by INPS for previous headcount reduction/solidarity fund manoeuvres and booked under item 190a "personnel expenses" in the annual report, charges related to project initiatives, partly aimed at complying with the commitments undertaken with DG Comp, equal to EUR 7 million, booked under item 190b "other administrative expenses" in the annual report, and the price adjustment relating to the sale of subsidiary BMP Belgio S.A. equal to EUR 14 million, posted under item 320 "profit (loss) after tax from assets held for sale and discontinued operations" in the annual report.

- Item "**risks and charges related to the SRF, DGS and similar schemes**" includes the charges deriving from the Community directives DGSD and BRRD, equal to EUR 115 million, posted in the annual report under item 190b "other administrative expenses", in addition to the capital loss recorded on the exposure towards the FITD voluntary scheme (Carige intervention) for c. EUR 8 million, posted under item 110 "net profit (loss) from trading/valuation and from financial assets/liabilities measured at fair value through profit and loss" in the annual report.
- Item "**DTA fees**" contains 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 in item 190b "other administrative expenses" for EUR 71 million.
- Item "**tax expense (recovery) on income from continuing operations**" includes the balance of item 300 "tax (expense)/recovery on income from continuing operations" and was cleared of the theoretical tax component relating to the Purchase Price Allocation (PPA), which was reclassified to a specific item for an amount of EUR 6 million.
- Item "**profit (loss) after tax from assets held for sale and discontinued operations**" was cleared of the subsidiary's result for the period (EUR -4 million), which was reclassified under individual income statement items, and of the effects of the price adjustment relating to the sale of subsidiary BMP Belgio S.A., equal to EUR 14 million, reclassified as "restructuring costs/one-off charges".
- The overall negative effects of the **purchase price allocation (PPA)** have been reclassified to the specific item, separating them from the economic items concerned (in particular "interest margin" for EUR -7 million and "net adjustments to/recoveries on tangible and intangible assets" for EUR -11 million, net of a theoretical tax burden of EUR +6 million which integrates the item).

<u>Reclassified Balance sheet</u>

- Item "**financial assets measured at fair value**" includes item 20 "financial assets measured at fair value through profit and loss", item 30 "financial assets measured at fair value through other comprehensive income".
- Item "**other assets**" on the assets side incorporates item 50 "hedging derivatives", item 60 "value adjustments to financial assets subject to macro-hedging", item 110 "tax assets", item 120 "non-current assets held for sale and discontinued operations", item 130 "other assets".
- Item "**deposits from customers and debt securities issued**" on the liabilities side includes item 10b "financial liabilities measured at amortised cost – deposits from customers", item 10c "financial liabilities measured at amortised cost – outstanding securities" and item 30 "financial liabilities measured at fair value".
- Item "**other liabilities**" on the liabilities side incorporates item 40 "hedging derivatives", item 50 "change in value of macro-hedged financial liabilities", item 60 "tax liabilities", item 70 "liabilities associated with groups of assets held for sale, item 80 "other liabilities".

Furthermore, it should be noted that the balance sheet figures as at 31 December 2019 (as at 30 June 2019 and 30 September 2019) do not include BMP Belgio S.A., since the disposal of the entire investment was completed in June. In order to allow continuity in reading the Group's results, the subsidiary's balance sheet figures as at 31 March 2019, 31 December 2018 and 30 September 2018, although it was at the time being divested, have been included in the individual balance sheet items.

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MONTE DEI PASCHI DI SIENA
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INCOME STATEMENT AND BALANCE SHEET FIGURES

MPS GROUP

INCOME STATEMENT FIGURES (EUR mln)	31 12 2019	31 12 2018*	Chg.
Net interest income	1,501.3	1,742.8	-13.9%
Net fee and commission income	1,449.5	1,523.3	-4.8%
Other income from banking business	352.6	61.3	n.m.
Other operating income	(80.1)	(39.9)	n.m.
Total Revenues	3,223.3	3,287.5	-2.0%
Operating costs	(2,289.6)	(2,350.7)	-2.6%
Net impairment losses (reversals) on financial assets mesured at amortised cost and finanaicl assets measured at fair value through other comprehensive income	(611.1)	(624.6)	-2.2%
Net operating income	322.5	312.2	3.3%
Net profit (loss) for the period	(1,033.0)	278.6	n.m.
EARNINGS PER SHARE (EUR)	**31 12 2019**	**31 12 2018***	**Var.**
Basic earnings per share	(0.936)	0.253	n.m.
Diluted earnings per share	(0.936)	0.253	n.m.
CONSOLIDATED BALANCE SHEET FIGURES (EUR mln)	**31 12 2019**	**31 12 2018***	**Var.**
Total assets	132,196.0	130,481.0	1.3%
Loans to customers	88,985.1	86,855.5	2.5%
Direct funding	94,217.3	90,471.7	4.1%
Indirect funding	101,791.5	96,488.6	5.5%
of which: assets under management	59,302.0	55,887.7	6.1%
of which: assets under custody	42,489.6	40,600.8	4.7%
Group net equity	8,279.1	8,992.0	-7.9%
OPERATING STRUCTURE	**31 12 2019**	**31 12 2018***	**Var.**
Total headcount - end of period	22,040	23,129	-1,089
Number of branches in Italy	1,422	1,529	-107

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

ALTERNATIVE PERFORMANCE MEASURES

MPS GROUP

PROFITABILITY RATIOS (%)	31 12 2019	31 12 2018*	Chg.
Cost/Income ratio	71.0	71.5	-0.5
R.O.E. (on average equity)	-12.0	2.9	-14.9
Return on Assets (RoA) ratio	-0.8	0.2	-1.0
ROTE (Return on tangible equity)	-12.0	2.9	-14.9

** The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS 16.*

KEY CREDIT QUALITY RATIOS (%)	31 12 2019	31 12 2018*	Chg.
Net non-performing loans / Loans to Customers	6.8	9.0	-2.2
Gross NPL ratio	12.4	17.3	-4.9
Growth rate of gross NPLs	-29.0	-60.8	31.8
Coverage of non-performing exposures	48.8	53.1	-4.3
Bad loans / Loans to Customers	3.3	3.7	-0.4
Loans to Customers measured at amortised cost - Stage 2/Performing loans measured at amortised cost	13.8	15.9	-2.1
Coverage of bad loans	53.7	62.4	-8.7
Net impairment losses on loans measured at amortised cost/ Loans to Customers measured at amortised cost (Provisioning)	0.68	0.72	n.m.
Texas Ratio	85.7	95.0	-9.3

REGULATORY MEASURES

MPS GROUP

CAPITAL RATIOS (%)	31 12 2019	31 12 2018*	Chg.
Common Equity Tier 1 (CET1) ratio	14.7	13.7	1.0
Total Capital ratio	16.7	15.2	1.5
FINANCIAL LEVERAGE INDEX (5)	**31 12 2019**	**31 12 2018***	**Chg.**
Leverage ratio - Transitional Phase	6.1	5.5	0.6
Leverage ratio - Fully Loaded	5.3	4.5	0.8
LIQUIDITY RATIO (%)	**31 12 2019**	**31 12 2018***	**Chg.**
LCR[1]	152.4	190.2	-37.8
NSFR	112.6	112.3	0.3
Encumbered asset ratio	36.0	35.5	0.5
Loan to deposit ratio	94.4	96.0	-1.6
Counterbalancing capacity	24.7	21.2	3.5

[1] LCR at 31 December 2018 was adjusted in order to take into account a specific clarification provided by the supervisory authority.

* *The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS 16.*

Reclassified Consolidated Income Statement				
	31 12 2019	31 12 2018*	Change	
MONTEPASCHI GROUP			Abs.	%
Net interest income	1,501.3	1,742.8	(241.5)	-13.9%
Net fee and commission income	1,449.5	1,523.3	(73.8)	-4.8%
Income from banking activities	**2,950.8**	**3,266.1**	**(315.3)**	**-9.7%**
Dividends, similar income and gains (losses) on equity investments	95.6	74.5	21.1	28.2%
Net profit (loss) from trading and financial assets/liabilities measured at amortised cost and at fair value through profit and loss	261.6	(13.0)	274.6	n.m.
Net profit (loss) from hedging	(4.6)	(0.2)	(4.4)	n.m.
Other operating income (expenses)	(80.1)	(39.9)	(40.2)	n.m.
Total Revenues	**3,223.3**	**3,287.5**	**(64.3)**	**-2.0%**
Administrative expenses:	(2,034.4)	(2,100.6)	66.2	-3.1%
a) personnel expenses	(1,433.0)	(1,462.9)	29.9	-2.0%
b) other administrative expenses	(601.4)	(637.7)	36.3	-5.7%
Net adjustments to (recoveries on) property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(255.2)	(250.1)	(5.1)	2.0%
Operating expenses	**(2,289.6)**	**(2,350.7)**	**61.1**	**-2.6%**
Pre Provision Profit	**933.6**	**936.8**	**(3.2)**	**-0.3%**
Net impairment losses (reversals) on:	**(611.1)**	**(624.6)**	**13.5**	**-2.2%**
a) financial assets measured at amortised cost	(604.8)	(628.1)	23.3	-3.7%
b) Financial assets measured at fair value through other comprehensive income	*(6.3)*	*3.5*	(9.8)	n.m.
Net operating income	**322.5**	**312.2**	**10.3**	**3.3%**
Net provisions for risks and charges	(72.3)	(69.0)	(3.3)	4.8%
of which commitments and guarantees issued	*83.6*	*14.9*	*68.7*	*n.m.*
Gains (losses) on investments	(5.6)	1.3	(6.9)	n.m.
Restructuring costs / One-off costs	(0.3)	(201.7)	201.5	-99.9%
Risks and charges related to the SRF, DGS and similar schemes	(123.4)	(131.1)	7.8	-5.9%
DTA Fees	(70.6)	(70.9)	0.3	-0.4%
Gains (losses) on disposal of investments	3.0	50.0	(47.0)	-94.0%
Profit (loss) before tax from continuing operations	**53.4**	**(109.2)**	**162.6**	**n.m.**
Tax expense (recovery) on income from continuing operations	(1,074.6)	410.1	(1,484.7)	n.m.
Net profit (loss) for the period including non-controlling interests	**(1,021.2)**	**300.9**	**(1,322.1)**	**n.m.**
Net profit (loss) attributable to non-controlling interests	(0.1)	0.1	(0.2)	n.m.
Profit (loss) for the period before PPA	**(1,021.1)**	**300.8**	**(1,321.9)**	**n.m.**
PPA (Purchase Price Allocation)	(11.9)	(22.2)	10.3	-46.4%
Net profit (loss) for the period	**(1,033.0)**	**278.6**	**(1,311.6)**	**n.m.**

** The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS 16.*

Quarterly trend in reclassified consolidated income statement

Montepaschi Group	2019				2018*			
	4°Q 2019	3°Q 2019	2°Q 2019	1°Q 2019	4°Q 2018	3°Q 2018	2°Q 2018	1°Q 2018
Net interest income	333.4	354.7	404.3	408.9	430.8	442.1	448.5	421.5
Net fee and commission income	371.1	355.9	363.7	358.8	360.4	353.4	403.0	406.5
Income from banking activities	**704.5**	**710.6**	**768.0**	**767.7**	**791.2**	**795.5**	**851.5**	**828.0**
Dividends, similar income and gains (losses) on equity investments	15.3	36.9	27.5	15.9	19.5	20.7	16.2	18.1
Net profit (loss) from trading and financial assets/liabilities measured at amortised cost and at fair value through profit and loss	146.7	72.9	14.9	27.1	(18.8)	(2.0)	(29.5)	37.4
Net profit (loss) from hedging	(5.8)	1.8	(0.6)	-	0.8	(1.2)	(0.9)	1.1
Other operating income (expenses)	2.2	(11.0)	(63.0)	(8.3)	(23.6)	(3.4)	(5.1)	(7.8)
Total Revenues	**862.9**	**811.1**	**746.7**	**802.5**	**769.1**	**809.5**	**832.2**	**876.8**
Administrative expenses:	(524.6)	(491.8)	(509.7)	(508.2)	(554.3)	(504.2)	(526.4)	(515.7)
a) personnel expenses	(352.5)	(354.5)	(357.4)	(368.6)	(364.9)	(364.0)	(366.2)	(367.8)
b) other administrative expenses	(172.1)	(137.4)	(152.3)	(139.7)	(189.5)	(140.2)	(160.1)	(147.9)
Net adjustments to (recoveries on) property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(69.4)	(57.4)	(67.6)	(60.9)	(81.0)	(56.9)	(55.1)	(57.1)
Operating expenses	**(594.0)**	**(549.2)**	**(577.3)**	**(569.1)**	**(635.4)**	**(561.1)**	**(581.4)**	**(572.8)**
Pre Provision Profit	**269.0**	**261.9**	**169.4**	**233.4**	**133.7**	**248.3**	**250.8**	**304.0**
Net impairment losses (reversals) on:	**(246.0)**	**(113.3)**	**(87.5)**	**(164.3)**	**(256.5)**	**(121.4)**	**(108.8)**	**(137.9)**
a) financial assets measured at amortised cost	*(241.8)*	*(112.1)*	*(86.7)*	*(164.2)*	*(267.0)*	*(115.9)*	*(108.1)*	*(137.1)*
b) Financial assets measured at fair value through other comprehensive income	*(4.2)*	*(1.2)*	*(0.8)*	*(0.1)*	*10.5*	*(5.5)*	*(0.7)*	*(0.8)*
Net operating income	**23.0**	**148.6**	**81.9**	**69.1**	**(122.8)**	**126.9**	**142.0**	**166.1**
Net provisions for risks and charges	(39.5)	(8.7)	(6.8)	(17.3)	(53.7)	(16.6)	(51.3)	52.6
of which commitments and guarantees issued	*46.1*	*3.2*	*12.5*	*21.8*	*(22.3)*	*(9.5)*	*1.8*	*44.9*
Gains (losses) on investments	(9.3)	0.5	2.4	0.9	0.3	5.0	0.0	(4.0)
Restructuring costs / One-off costs	2.2	(5.6)	0.9	2.2	(140.6)	(27.8)	(16.3)	(17.0)
Risks and charges related to the SRF, DGS and similar schemes	(0.2)	(35.8)	(26.6)	(60.9)	(7.6)	(28.6)	(25.9)	(69.0)
DTA Fees	(17.7)	(17.7)	(17.3)	(17.9)	(17.7)	(17.7)	(17.7)	(17.7)
Gains (losses) on disposal of investments	1.9	0.4	0.1	0.6	(0.1)	0.2	49.6	0.3
Profit (loss) before tax from continuing operations	**(39.6)**	**81.7**	**34.6**	**(23.3)**	**(342.2)**	**41.4**	**80.4**	**111.3**
Tax expense (recovery) on income from continuing operations	(1,179.0)	13.3	34.4	56.7	245.7	55.0	26.1	83.3
Net profit (loss) for the period including non-controlling interests	**(1,218.6)**	**95.0**	**69.0**	**33.5**	**(96.6)**	**96.4**	**106.5**	**194.6**
Net profit (loss) attributable to non-controlling interests	-	(0.1)	(0.2)	0.2	-	0.1	-	-
Profit (loss) for the period before PPA	**(1,218.6)**	**95.1**	**69.2**	**33.3**	**(96.6)**	**96.3**	**106.5**	**194.6**
PPA (Purchase Price Allocation)	(1.3)	(1.3)	(4.0)	(5.4)	(4.1)	(5.5)	(5.6)	(7.0)
Net profit (loss) for the period	**(1,219.9)**	**93.8**	**65.2**	**27.9**	**(100.7)**	**90.8**	**100.9**	**187.6**

** The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS 16.*

MONTE DEI PASCHI DI SIENA
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Reclassified Balance Sheet

ASSETS	31 12 2019	31 12 2018*	Chg abs.	Chg %
Cash and cash equivalents	835.1	950.6	(115.5)	-12.2%
Financial assets measured at amortised cost:				
a) Loans to customers	88,985.1	86,855.5	2,129.6	2.5%
b) Loans to banks	15,722.4	12,504.2	3,218.2	25.7%
Financial assets measured at fair value	17,393.2	20,296.2	(2,903.0)	-14.3%
Equity investments	931.0	922.8	8.2	0.9%
Property, plant and equipment / Intangible assets	2,885.2	2,727.3	157.9	5.8%
of which:				
a) goodwill	*7.9*	*7.9*	-	0.0%
Other assets	5,444.0	6,224.4	(780.4)	-12.5%
Total assets	**132,196.0**	**130,481.0**	**1,715.0**	**1.3%**

LIABILITIES	31 12 2019	31 12 2018*	Chg abs.	Chg %
Payables				
a) Deposits from customers and securities issued	94,217.3	90,471.7	3,745.6	4.1%
b) Deposits from banks	20,178.1	21,986.3	(1,808.2)	-8.2%
Financial liabilities held for trading	3,882.6	3,175.7	706.9	22.3%
Provisions for specific use				
a) Provisions for staff severance indemnities	178.7	192.1	(13.4)	-7.0%
b) Provisions related to guarantees and other commitments given	158.8	242.4	(83.6)	-34.5%
c) Pensions and other post retirement benefit obligations	36.1	37.9	(1.8)	-4.7%
d) Other provisions	1,014.9	1,199.9	(185.0)	-15.4%
Other liabilities	4,248.6	4,180.8	67.8	1.6%
Group net equity	8,279.1	8,992.0	(712.9)	-7.9%
a) Valuation reserves	66.4	(176.7)	243.1	n.m.
c) Equity instruments carried at equity	-	-	-	0.0%
d) Reserves	(769.2)	(1,124.8)	355.6	-31.6%
e) Share premium	-	-	-	0.0%
f) Share capital	10,328.6	10,328.6	-	0.0%
g) Treasury shares (-)	(313.7)	(313.7)	-	0.0%
h) Net profit (loss) for the period	(1,033.0)	278.6	(1,311.6)	n.m.
Non-controlling interests	1.8	2.2	(0.4)	-18.2%
Total Liabilities and Shareholders' Equity	**132,196.0**	**130,481.0**	**1,715.0**	**1.3%**

** The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS 16.*

MONTE DEI PASCHI DI SIENA
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Reclassified Balance Sheet - Quarterly Trend

ASSETS	31 12 19	30 09 19	30 06 19	31 03 19	31 12 18*	30 09 18*	30 06 18*	31 03 18*
Cash and cash equivalents	835.1	675.8	650.1	609.1	950.6	714.1	721.2	896.9
Financial assets measured at amortised cost:								
a) Loans to customers	88,985.1	90,470.7	87,483.7	89,375.7	86,855.5	87,464.9	87,010.1	89,320.4
b) Loans to banks	15,722.4	13,651.9	12,474.4	11,097.1	12,504.2	8,724.2	8,636.3	6,374.5
Financial assets measured at fair value	17,393.2	18,195.0	19,892.4	20,568.7	20,296.2	25,430.0	29,257.2	25,652.3
Equity investments	931.0	1,053.4	958.2	901.7	922.8	905.1	896.8	1,075.8
Property, plant and equipment / Intangible assets	2,885.2	2,890.8	2,921.1	2,977.7	2,727.3	2,746.9	2,789.9	2,831.2
of which:								
a) goodwill	*7.9*	*7.9*	*7.9*	7.9	*7.9*	*7.9*	*7.9*	*7.9*
Other assets	5,444.0	6,937.6	7,159.0	6,592.3	*6,224.4*	6,199.8	6,411.4	10,620.6
Total assets	**132,196.0**	**133,875.2**	**131,538.9**	**132,122.3**	**130,481.0**	**132,185.0**	**135,722.8**	**136,771.8**

LIABILITIES	31 12 19	30 09 19	30 06 19	31 03 19	31 12 18*	30 09 18*	30 06 18*	31 03 18*
Payables								
a) Deposits from customers and securities issued	94,217.3	92,246.3	92,215.9	92,686.1	90,471.7	93,906.0	96,833.9	97,856.8
b) Deposits from banks	20,178.1	21,046.6	21,137.3	22,170.2	21,986.3	20,838.9	20,794.8	20,483.1
Financial liabilities held for trading	3,882.6	3,466.9	2,972.1	2,502.1	3,175.7	3,000.6	3,173.6	3,625.4
Provisions for specific use								
a) Provisions for staff severance indemnities	178.7	184.7	182.8	182.1	192.1	194.6	196.3	197.3
b) Provisione related to guarantees and other commitments given	158.8	205.0	208.1	220.6	242.4	219.2	209.7	223.4
c) Pensions and other post retirement benefit obligations	36.1	35.9	36.6	37.2	37.9	40.5	43.8	49.4
d) Other provisions	1,014.9	991.6	1,035.0	1,073.7	1,199.9	1,067.4	1,112.5	1,086.6
Other liabilities	4,248.6	6,109.3	4,412.7	4,159.3	4,180.8	3,946.7	4,361.5	3,949.2
Group net equity	8,279.1	9,587.0	9,336.4	9,088.6	8,992.0	8,968.9	8,994.5	9,298.3
a) Valuation reserves	66.4	153.0	(15.0)	(123.7)	(176.7)	(305.0)	(194.0)	196.7
d) Reserves	(769.2)	(767.8)	(756.6)	(830.5)	(1,124.8)	(1,120.3)	(1,114.9)	(1,100.8)
e) Share premium	-	-	-	-	-	-	-	-
f) Share capital	10,328.6	10,328.6	10,328.6	10,328.6	10,328.6	10,328.6	10,328.6	10,328.6
g) Treasury shares (-)	(313.7)	(313.7)	(313.7)	(313.7)	(313.7)	(313.7)	(313.7)	(313.7)
h) Net profit (loss) for the period	(1,033.0)	186.9	93.1	27.9	278.6	379.3	288.5	187.5
Non-controlling interests	1.8	1.9	2.0	2.4	2.2	2.2	2.2	2.3
Total Liabilities and Shareholders' Equity	**132,196.0**	**133,875.2**	**131,538.9**	**132,122.3**	**130,481.0**	**132,185.0**	**135,722.8**	**136,771.8**

** The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS 16.**

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