MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BOARD APPROVES CONSOLIDATED RESULTS AS AT 31 MARCH 2022

NET PROFIT OF EUR 10 MILLION VS. LOSS OF EUR 79 MILLION IN THE PREVIOUS QUARTER

Y/Y NET PROFIT COMPARISON IMPACTED BY HIGHER CONTRIBUTION FROM DISPOSAL OF SECURITIES AS WELL AS LOWER PROVISIONS AND SYSTEMIC CHARGES RECORDED IN 1Q21

PRE-PROVISION PROFIT AT EUR 248 MILLION, UP 23.3% Q/Q THANKS TO POSITIVE NET INTEREST INCOME DYNAMICS AND CAPITAL GAINS FROM DISPOSAL OF SECURITIES; UP Y/Y, EXCLUDING CONTRIBUTION FROM DISPOSAL OF SECURITIES

Y/Y INCREASE OF 0.9% IN LOANS, GENERATED BY BOTH RETAIL AND CORPORATE CUSTOMERS; +1.6% Q/Q, DRIVEN ESPECIALLY BY LOANS TO SMEs

OPTIMISATION OF COMMERCIAL FUNDING WITH ONGOING RATE REDUCTION AND HIGHER SPREAD

OPERATING COSTS UP Q/Q DUE TO POSITIVE ACCRUAL ADJUSTMENTS RECORDED IN THE PREVIOUS QUARTER; DOWN 0.9% Y/Y

GROSS NPEs AT EUR 4 BILLION, DOWN Y/Y AND Q/Q

GROSS NPE RATIO AT 4.8% VS. 4.7% AS AT 31/03/2021 AND 4.9% AT 2021 YEAR END

NPE COVERAGE INCREASES TO 50.8%, UP +2.8 P.P. Q/Q

TOTAL COST OF CREDIT AT 56 BPS, ALSO IN VIEW OF THE CURRENT MACROECONOMIC UNCERTAINTY

FULLY LOADED CET1 AT 10.8%, INCREASING 32 BPs Y/Y AND LOWER BY 28 BPs FROM YEAR-END 2021 (11,0%); PHASED-IN CET1 AT 11.6% (VS. SREP OF 8.8%)

SOLID LIQUIDITY POSITION

LCR AT 186% (173% AT END-2021) AND NSFR AT 136% (130% AT END-2021)

BUSINESS PLAN PRESENTATION PLANNED FOR 23 JUNE 2022

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Siena, 6 May 2022 – The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. (the "Bank"), held yesterday under the chairmanship of Patrizia Grieco, has reviewed and approved the consolidated results as at 31 March 2022.

Group profit and loss results as at 31 March 2022

The Group's **total revenues** as at 31 March 2022 stand at **EUR 783 million**, down 4.6% Y/Y.The decline is mainly due to the decrease in other income from banking business which, in the first quarter of 2021, had benefitted from the higher profits from the sale of securities.

Revenues in 1Q22 are up 8.7% from the previous quarter. More specifically, there is a rise in other income from banking business, which benefitted from the higher profits from the sale of securities. On the other hand, the contribution from bancassurance partnership with AXA registers a downturn. Net interest income remains stable and net fees and commission are slightly down (-0.6%).

Net interest income as at 31 March 2022 stands at **EUR 323 million**, up 15.6% Y/Y. The increase is mainly driven by the (i) positive effects of access to the TLTRO3 auctions, (ii) lower cost of deposits with cental banks following a reduction in volumes, (iii) lower cost of market funding, which benefitted from the maturity of certain securities, and (iv) the greater contribution of the commercial segment, thanks to the lower cost of funding, which more than offset the lower interest on lending.

Net interest income in 1Q22 remains largely stable against the previous quarter.

Net fees and commissions as at 31 March 2022, amounting to **EUR 369 million**, are slightly down compared to the previous year (-0.8%). The decrease is due to the decline in income from wealth management (-3.5%) as a result of both lower commissions on product placements and the lower income from the protection and services on securities, despite the higher continuing fees. Commissions from traditional banking services register an upturn compared to the same period of the previous year.

The 1Q22 result is also slightly down in the quarter-on-quarter comparison (-0.6%) mainly due to the reduction in commissions from traditional banking services (EUR -10 million) linked to the lower income from payment services; fees and commissions on wealth management register an increase, particularly for product placements and other net fees and commissions owing to the higher contribution from MPS Capital Services.

Dividends, similar income and profit (loss) on investments amount to **EUR 14 million** and are down from both 1Q21 (EUR 21 million) and the previous quarter (EUR 38 million) as a result of the lower income from the bancassurance partnership with AXA[1].

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

Net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases as at 31 March 2022 amounts to **EUR 76 million**, down EUR 81 million from the figures recorded in the same period of the previous year, and up EUR 81 million compared to the previous quarter. An analysis of the main aggregates shows the following:

- **Net profit from trading is positive for EUR 16 million,** up by EUR 2 million from the previous year owing to the higher contribution from MPS Capital Services. The 1Q22 result is also up from the previous quarter (EUR +29 million), again thanks to the higher contribution from MPS capital Services.

- **Net profit from other financial assets and liabilities measured at fair value through profit and loss shows a positive balance of EUR 11 million,** down from the positive contribution of EUR 16 million recorded in the same period of the previous year and up EUR 6 million compared to the previous quarter.

- **Gains on disposals/repurchases** (excluding customer loans at amortised cost) **show a positive balance of EUR 49 million**, down EUR 78 million year-on-year due to the lower profits from the sale of securities, and increasing EUR 47 million from the previous quarter as a result of the higher profits from the sale of securities.

The following items also contribute to revenues:

- **Net income from hedging, in the amount of EUR +5 million**, up from 1Q21 (at EUR +2.0 million) and slightly down compared to the previous quarter.

- **Other operating expenses/income show a negative balance of EUR 3 million,** an improvement on the result recorded in both 1Q21 (EUR -11 million) and 4Q21 (EUR -11 million).

As at 31 March 2022, **operating expenses** amount to **EUR 535 million**, down from 1Q21 (-0.9%) and rising against the previous quarter (+3.1%). An analysis of the individual aggregates shows that:

- **Administrative expenses** stand at **EUR 492 million,** registering a downturn from 1Q21 (-0.2%) and an increase compared to the previous quarter (+4.3%). Within the aggregate:

    - **Personnel expenses**, amounting to **EUR 356 million**, are down 1.2% Y/Y, having benefitted from the downward headcount trend, and up 1.4% from the previous quarter.

    - **Other administrative expenses,** amounting to **EUR 136 million**, are up compared to the previous year (+2.3%), partly as a result of the increase in energy prices since the start of the year. The figure also rises against the previous quarter (+13.0%), which had benefitted from contingent assets.

- **Net value adjustments to tangible and intangible assets** as at 31 March 2022 stand at **EUR 44 million** and are down from the previous year (-8.1%) owing also to the effects from the introduction of the fair value measurement of operating properties as of 31 March 2021. The aggregate is also down compared to the previous quarter (-8.8%), also due to the impairments recognised at the end of 2021.

As a result of the above trends, the Group's **pre-provision profit** amounts to **EUR 248 million** (EUR 280 million as at 31 March 2021), up by EUR 47 million compared to the previous quarter.

The cost of customer loans booked by the Group as at 31 March 2022 amounts to EUR 111 million, up from the EUR 74 million registered in the same period of the previous year due to the effect of the NPL trend and the preliminary estimate of the impacts from the Russia-Ukraine conflict.

The cost of customer loans in 1Q22 is down from the previous quarter's figure of EUR 222 million, which included the negative impact resulting from methodological refinements relating to the valuation of unsecured UTPs with a specific vintage as well as losses recognised on securities from disposals/securitisations of non-performing loans.

As at 31 March 2022, the ratio between the cost of customer loans and the sum of customer loans plus the value of securities from disposals/securitisations of NPLs reflects a **provisioning rate of 56 bps** (36 bps as at 31 March 2021 and 31 bps at 31 December 2021).

The Group's **net operating result** as at 31 March 2022 shows a **positive balance of approximately EUR 136 million** against a positive balance of EUR 203 million recorded in the same period of the previous year and a negative balance of EUR 19 million registered in the previous quarter.

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

- **Net provisions for risks and charges** show a negative balance of **EUR -28 million,** down EUR 37 million compared to the same period of the previous year, largely as a result of the higher provisioning for legal, tax and labour law risks. The figure registers an improvement from the previous quarter due to the lower provisions for legal risks.

- **Other gains (losses) on investments** amounting to **EUR +2 million**, against a loss of EUR 3 million registered in the same period of the previous year and essentially no contribution in 4Q21.

- **Restructuring costs/one-off charges** totalling **EUR -0.2 million** (EUR -0.1 million in 1Q21 and EUR +0.8 million in 4Q21).

- **Risks and charges related to SRF, DGS and similar schemes,** totalling **EUR -89 million,** consisting of the Group's contribution to the Single Resolution Fund (SRF), which was higher compared to the EUR 68 million registered in the same period of the previous year.

- **DTA fees**, totalling **EUR -16 million**, remain largely unchanged compared to both 1Q21 and 4Q21. 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 March 2022 for DTAs (*Deferred Tax Assets*) which are convertible into tax credit.

- **Net gains (losses) from measurement at fair value of tangible and intangible assets,** nil as at 31 March 2022 (EUR -28 million as at 31 March 2021 and EUR -15 million in 4Q21).

- **Gains (losses) on disposal of investments** for **EUR -0.1 million.** The aggregate showed a positive balance of EUR 17 million as at 31 March 2021 and was nil in 4Q21.

As a result of the above trends, the Group's **pre-tax profit for the period** amounts to **EUR 5 million** vs. a positive balance of EUR 114 million registered as at 31 March 2021 and a negative balance of EUR 92 million registered for 4Q21.

Taxes on profit (loss) from continuing operations record a positive contribution of **EUR 6 million** (against a positive contribution of EUR 6 million in 1Q21 and EUR 14 million in 4Q21), mainly due to the valuation of DTAs.

With regard to taxable income for future financial years, it should be noted that the valuation of DTAs was determined on the basis of the income projections used for the 2021 Consolidated Financial Statements, even though the income projections included in the new 2022-2026 Strategic Plan, approved by the Board of Directors on 17 December 2021, were not considered here since the document is still being examined by the competent authorities.

Considering the net effects of PPA (EUR -0.8 million), **the Parent Company's profit for the period amounts to EUR 10 million** against a profit of EUR 119 million reported for 1Q21 and a loss of EUR 79 million registered in the previous quarter.

Group balance sheet aggregates as at 31 March 2022

The Group's **total funding** volumes as at 31 March 2022 amount to **EUR 184.3 billion,** down EUR 10.5 billion from 31 December 2021 as a result of the decrease in both direct funding (EUR -5.9 billion) and indirect funding (EUR -4.6 billion).

The aggregate registers a downturn year-on-year (EUR -19.2 billion) owing to the decrease in direct funding (EUR -14.6 billion) and indirect funding (EUR -4.6 billion).

Direct funding volumes stand at **EUR 84.4 billion,** down EUR 5.9 billion vs. the end of December 2021, mainly due to the decrease in repos (EUR -3.4 billion) owing to the reduced operations of MPS Capital Services. A downward trend is also registered for bonds (EUR -1.0 billion), following the maturity of a covered bond, current accounts (EUR -1 billion), time deposits (EUR -0.4 billion) and other forms of funding (EUR -0.1 billion).

The aggregate is down by EUR 14.6 billion from 31 March 2021, with a downturn registered across all funding types. More specifically, there is a decrease in repos (EUR -5.6 billion), owing to the reduced operations of MPS Capital Services and a decline in current accounts (EUR -2.3 billion), and time deposits (EUR -2.0 billion) driven by the ongoing measures put in place by the Parent Company to optimise the cost of funding. A decrease is also registered for other forms of funding (EUR -2.2 billion) and bonds (EUR -2.5 billion), the latter mainly due to the maturity of covered bonds.

The Group's direct funding market share[2] stands at 3.43% (updated to January 2022), down from December 2021 (at 3.47%).

[2] 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.

Indirect funding amounts to **EUR 99.8 billion**, down EUR 4.6 billion from 31 December 2021 due to the reduction in assets under management (EUR -2.5 billion) and assets under custody (EUR -2.1 billion), having been impacted by the negative market effect.

In the year-on-year comparison, indirect funding is down EUR 4.6 billion due to the fall in assets under custody (EUR -5.3 billion) as a result of the significant transactions of two major clients and the negative market effect. Assets under management, on the other hand, register an increase (EUR +0.7 billion).

As at 31 March 2022, Group **customer loans** amount to **EUR 79.3 billion**, largely stable against the end of December with the decrease in repos (EUR -1.1 billion) being offset by the rise in current accounts (EUR +0.4 billion), mortgages (EUR +0.1 billion) and other forms of lending (EUR +0.6 billion). Non-performing loans, on the other hand, register a decrease (EUR -0.2 billion).

Compared to 31 March 2021, the aggregate registers a decrease of EUR 3.0 billion largely due to the reduction in repos (EUR -3.5 billion), mortgages (EUR -0.3 billion) and non-performing loans (-0.2 billion). On the other hand, an increase is registered for current accounts (EUR +0.2 billion) and other forms of lending (EUR +0.8 billion).

The Group's market share[3] stands at 4.42% (updated to January 2022), down 4 bps from the end of 2021.

The gross exposure of stage 1 loans, amounting to EUR 64.5 billion, registers a decrease from both 31 December 2021 (at EUR 64.9 billion) and 31 March 2021 (at EUR 65.3 billion).

Stage 2 loans, with a gross exposure of EUR 13.0 billion, are slightly up from the EUR 12.7 billion recorded as at 31 December 2021 and down from the EUR 15.3 billion as at 31 March 2021.

Stage 1 loans register a slight decrease, with a consequent rise in Stage 2 loans, mainly attributable to the deteriorated credit profiles of certain counterparties, resulting in their classification to High Risk (binding trigger for classification in stage 2). Stage 3 loans, on the other hand, fell due to both the low level of defaults in the first quarter 2022 and the good performance of the non-performing portfolio in terms of cure and recovery rate.

The Group's total non-performing customer exposures as at 31 March 2022 stand at **EUR 4.0 billion** in terms of gross exposure, slightly decreasing from 31 December 2021 (at EUR 4.1 billion) and from 31 March 2021 (equal to EUR 4.1 billion). In particular,

- the gross exposure of bad loans, totalling EUR 1.8 billion, remains steady against 31 December 2021 (at EUR 1.7 billion) and registers an increase from 31 March 2021 (at EUR 1.5 billion);

- the gross exposure of unlikely-to-pay loans, amounting to EUR 2.2 billion, is down from both 31 December 2021 (EUR 2.3 billion) and 31 March 2021 (at EUR 2.4 billion);

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

- the gross exposure of non-performing past-due exposures, totalling EUR 45.6 million, is down from both the EUR 60.7 million registered as at 31 December 2021 and from the EUR 121.5 million as at 31 March 2021.

As at 31 March 2022, the Group's **net non-performing customer exposures** stand at **EUR 2.0 billion,** slightly decreasing from 31 December 2021 (at EUR 2.1 billion) and 31 March 2021 (at EUR 2.2 billion).

The ratio of net non-performing exposures to customers and total net exposures to customers (net of government securities) at 31 March 2022 is 2.4%, (2.6% as at 31 December 2021 and 2.5% at 31 March 2021).

As at 31 March 2022, **coverage of non-performing loans** stands at 50.8%, higher compared to 31 December 2021 (47.9%) as a result of the increased coverage of bad loans (from 63.7% to 65.6%), UTPs (from 36.7% to 39.5%) and non-performing past due loans (from 22.7% to 23.5%).

The coverage of non-performing loans also rises from 31 March 2021, when it stood at 47.4%, thanks to the increased coverage of bad loans (from 64.7% to 65.6%) and UTPs (from 37.5% to 39.5%). The coverage of non-performing past due loans, on the other hand, registers a decrease (from 25.6% to 23.5%).

As at 31 March 2022, the Group's **securities assets** amount to **EUR 23.4 billion**, up from 31 December 2021 (EUR +1.3 billion) due to the increase in financial assets held for trading, largely attributable to the subsidiary MPS *Capital Services.*

The aggregate is up compared to 31 March 2021 (EUR +0.8 billion) due to the increase in financial assets held for trading, largely attributable to the subsidiary MPS Capital Services, and financial assets measured at fair value through other comprehensive income, partly offset by the decline in financial assets measured at amortised cost as a result of the disposals carried during the period. It should be noted that the market value of the securities booked as loans to customers at amortised cost amounts to EUR 8,574.0 million (with implicit capital losses of approximately EUR 212 million) and the market value of securities booked as loans to banks at amortised cost amounts to EUR 652.1 million (with implicit capital losses of approximately EUR 55 million).

Financial liabilities held for cash trading, attributable especially to the subsidiary MPS *Capital Services*, amount to **EUR 3.2 billion** as at 31 March 2022, registering a slight increase from 31 December 2021 (at EUR 3.1 billion) and remaining largely stable compared to 31 March 2021 (at EUR 3.2 billion).

As at 31 March 2022, the **net position in derivatives, amounting to EUR 271 million**, registers an improvement from both 31 December 2021 (negative for EUR 255 million) and 31 March 2021 (negative for EUR 2 million).

The Group's **net interbank position** as at 31 March 2022 stands at **EUR 13.0 billion** in funding, against EUR 7.0 billion in funding as at 31 December 2021. The difference is largely linked to the reduction in lending as a result of the decline in deposits on the required reserve account.

Compared to 31 March 2021 (when the net interbank position stood at EUR 1.1 billion in funding), the difference is due to a reduction in lending owing to the decline in deposits on the required reserve account. The increase in funding as a result of further access to TLTRO3 auctions is largely offset by a decrease in repo transactions.

As at 31 March 2022, the operational liquidity position shows an **unencumbered counterbalancing capacity of approximately EUR 25.0 billion**, remaining largely stable against 31 December 2021. The result is down compared to 31 March 2021 (EUR -6.0 billion) due to lower commercial funding and the maturity of market bonds (in particular, the maturity of covered bonds).

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

As at 31 March 2022, the **Group's shareholders' equity and non-controlling interests** amount to **approximately EUR 6.0 billion,** down EUR 167 million from 31 December 2021, due to the decrease of the valuation reserves.

Compared to 31 March 2021, the Group's shareholders' equity and non-controlling interests remain essentially stable. The reduction in valuation reserves was offset by the trend in the results for the period and the net effect of the sales of treasury shares carried out by the Group in 2021.

As regards capital ratios, the **common equity tier 1 ratio** stands at **11.6%** as at 31 March 2022 (vs. 12.5% at the end of 2021 and 12.2% as at 31 March 2021) and the **total capital ratio** is **15.3%** (vs. 16.1% at the end of 2021 and 15.9% as at 31 March 2021).

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Business Plan presentation planned for 23 June 2022

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

As at 31 March 2022 no shortfall of capital occurred against overall capital requirements. In 12 months from the reporting date, i.e. 31 March 2023, assuming the scheduled capital reduction due to IFRS-9 phase-in and the full implementation of inflation effects on RWA linked to internal credit risk models alignment with EBA Guidelines, a shortfall of EUR 500 million could emerge on Tier 1 aggregate, in line with the amount communicated in the context of the approval of 2021 Full Year Financial Statements.

The projected capital position is estimated assuming confirmation of the current business/operating model, excluding the capital strengthening transaction, or other extraordinary capital contributions and subordinated issues.

After the interruption of negotiations between MEF and Unicredit, having acknowledged the current infeasibility of a “structural solution”, activities were initiated, supported by the reference shareholder, for the necessary measures that the Bank will have to take in terms of capital strengthening.

In view of the above, on 17 December 2021, the Board of Directors approved the 2022-2026 Strategic Plan. The Plan was submitted to the European Central Bank, the Single Resolution Board and DG Competition as part of the relevant information, approval and regulatory processes, to which it is subject. The overall capital strengthening is currently estimated in the amount of EUR 2.5 billion and is reflected in the Capital Plan which has been sent to European Central Bank on 30 March 2022 and which has been developed on assumptions consistent with those of the Strategic Plan 22-26.

As at today, the Plan is under review in order to define in more detail strategies and underlying actions, to take into account the evolution of the economic scenario, and to receive all the necessary clarifications requested by the above Authorities. The approval of the Plan is the basis for starting the approval processes referred to above, and the positions of the above Authorities are an indefectible prerequisite for the capital strengthening transaction provided for in the Plan.

The Bank is giving all the necessary clarifications requested by the Authorities, but at present there is no precise estimate of the time required by the Authorities to complete their respective processes. Within this context, DG Comp and the ECB must assess, to the extent of their competence, the State's intervention on the basis of the Parent Company's stand-alone viability in the light of the 2022-2026 Strategic Plan.

It cannot be excluded that this assessment may, in principle, include unforeseeable elements that could affect the Parent Company's capital strengthening process as well as the structure and feasibility of a capital increase at market conditions; DG Comp's assessment therefore poses, in principle, significant uncertainties.

Taking into account the improvements recorded by the Group during 2021 in terms of capital and risks reduction, as well as the talks held with the Authorities so far, the Bank believes that the capital shortfall can be overcome through a projected capital strengthening transaction on a stand-alone basis, subject to the completion of the above- mentioned approval process.

Therefore, even after taking into account the significant uncertainty concerning how the capital strengthening will be executed, there is a reasonable expectation that the Bank, having considered the support from the reference shareholder, will continue to operate as a going concern in the foreseeable future and thus the use of the going concern basis in the preparation of the Interim Report as at 31 March 2022 is considered appropriate.

The Bank – as communicated on the 7 February 2022 – records a temporary breach of the existing MREL requirements; the breach would be resolved upon realisation of the capital increase.

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

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

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This press release will be available at www.gruppomps.it

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Income statement and balance sheet reclassification principles

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

Information is provided below on the aggregations and main reclassifications systematically made with respect to the financial statements, as provided for by Circular no. 262/o5, in compliance with the requirements of Consob communication no. 6064293 of 28 July 2006.

Please note that the reclassified statements, which were prepared in order to allow for management commentary on the balance sheet and income statements, have not been examined by the Independent auditors

Reclassified income statement

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

- Item "**interest income**" was cleared of the negative contribution (EUR -0.9 million) of the Purchase Price Allocation (PPA), referable to past business combinations, which was reclassified to a specific item.

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

- Item "**dividends, similar income and gains (losses) on investments**" incorporates item 70 "dividends and similar income" and the share of profit for the period contributed by investments in the associate AXA, consolidated at net equity, equal to EUR 14.1 million, included under item 250 "gains (losses) on investments". The aggregate was furthermore cleared of dividends earned on securities other than equity investments (EUR 0.4 million), reclassified under "Net profit (loss) from trading, financial assets/liabilities measured at fair value and on gains from disposals/repurchases".

- Item "**net profit (loss) from trading, financial assets/liabilities measured at fair value and on gains from disposals/repurchases**" includes item 80 "net profit (loss) from trading", item 100 "gains (losses) on disposals/repurchases, net of the contribution of loans to customers (EUR +0.2 million), reclassified under "cost of customer loans" and 110 ""net profit (loss) on financial assets measured at fair value through profit and loss", net of the contribution of loans to customers (EUR +8.5 million) and securities from the disposals/securitisations of NPLs[4] (EUR - 1.5 million), reclassified under "cost of customer loans". The item also includes dividends earned on securities other than equity investments (EUR +0.4 million).

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

- Item “**net income from hedging**” includes item 90 “net income from hedging”.

- Item “**other operating income (expense)**” includes item 230 “Other operating expenses (income)” net of stamp duty and other expenses recovered from customers, which are stated under the reclassified item “other administrative expenses” (EUR 52.4 million) and net of the rental income component, which is reclassified under item “net value adjustments to tangible and intangible assets” (EUR 3.4 million).

- Item “**personnel expenses**” includes the balance of item 190a “personnel expenses” reduced by EUR +0.2 million relating to the release of provisions set aside in previous years, which were reclassified under item “restructuring costs/one-off charges”.

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

    - expenses, amounting to EUR 88.7 million, resulting from the EU Deposit Guarantee Schemes Directive – hereinafter DGSD – and Bank Recovery and Resolution Directive – hereinafter BRRD – for the resolution of bank crises, reclassified under “risks and charges associated with SRF, DGS and similar schemes”;

    - fee on DTAs convertible into tax credits, for EUR 15.8 million, reclassified under the item “DTA fees”;

    - charges of EUR 0.3 million, relating to activities aimed at implementing the commitments undertaken with DG Comp, reclassified under item “restructuring costs/one-off charges”.

The item also incorporates stamp duty and other expenses recovered from clients (EUR 52.4 million) posted under item 230 “other operating expenses/income”.

- Item “**net value adjustments to tangible and intangible assets**” includes the amounts from items 210 “net adjustments to/recoveries on property, plant and equipment” and 220 “net adjustments to/recoveries on intangible assets”, and was cleared of the negative contribution (of EUR -0.2 million) referable to the Purchase Price Allocation (PPA), which was reclassified to a specific item, while it includes rental income (EUR 3.4 million) posted under item 230 “other operating expenses/income”.

- Item “**cost of customer loans”** includes the income statement components relating to loans to customers under item 100a “gains (losses) on disposal/repurchase of financial assets measured at amortised cost” (EUR +0.2 million), 110b “net profit (loss) on financial assets and liabilities measured at fair value” (EUR +8.5 million), 130a “net value losses/reversals for credit risk on financial assets measured at amortised cost” (EUR -113.7 million), 140 “modification gains/(losses) without derecognition” (EUR -0.1 million) and 200a “net provisions for risks and charges for commitments and guarantees issued” (EUR -4.7 million). The item also includes the P&L components relating to securities from disposal/securitisations of NPLs recognised under 110b “net profit (loss) on other assets financial assets measured at fair value” (EUR -1.5 million).

- Item "**net value adjustments on impairment of securities and bank loans**" includes the portion relating to securities (EUR -0.9 million) and loans to banks (EUR +0.8 million) under item 130a "net losses/reversals for credit risk on financial assets measured at amortised cost" and item 130b "net losses/reversals for credit risk on financial assets measured at fair value through other comprehensive income" (EUR -0.3 million).

- Item "**other net provisions for risks and charges**" includes item 200 "net provisions for risks and charges" reduced by the component relating to loans to customers in item 200a "net provisions for risks and charges on commitments and guarantees issued" (EUR -4.7 million), which has been reclassified to the specific item "cost of customer loans".

- Item **"profit (loss) on equity investments"** incorporates the balance of item 250 "profits (losses) on equity investments" reduced by the portion of the profit on the connected equity investments in AXA, consolidated at net equity, equal to EUR 14.1 million reclassified under "dividends, similar income and gains (losses) on investments".

- Item "**restructuring costs/one-off charges**" includes the following amounts:
  - positive components of EUR 0.2 million, posted under item 190a "personnel expenses";
  - charges of EUR 0.3 million, relating to project activities, including those aimed at implementing the commitments undertaken with DG Comp, posted under item 190b "other administrative expenses";

- Item "**risks and charges related to the SRF, DGS and similar schemes**" includes the charges deriving from the EU's Deposit Guarantee Schemes Directive (DGSD) and Bank Recovery and Resolution Directive (BRRD), equal to EUR 88.7 million, posted under item 190b "other administrative expenses".

- Item "**DTA fees**" contains the costs relating to the fees on DTAs which are convertible into tax credits, provided for by art. 11 of Law Decree no. 59 of 3 May 2016 converted into Law no. 119 of 30 June 2016, booked under item 190b "Other Administrative Expenses" for EUR 15.8 million.

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

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

- Item "**tax expense (recovery) on income**" includes the balance of item 300 "tax expense/recovery on income from continuing operations" and is net of the theoretical tax component relating to the Purchase Price Allocation (PPA), reclassified to a specific item in the amount of EUR 0.4 million.

The overall negative effects of **Purchase Price Allocation (PPA)** have been reclassified to the specific item, thereby separating them from the P&L items concerned (in particular "net interest income" for EUR -0.9 million and "net value adjustments on tangible assets" for EUR -0.2 million, net of a theoretical tax burden of EUR +0.4 million which integrates the item).

Reclassified balance sheet

The reconciliation criteria adopted for the preparation of the reclassified balance sheet are as follows:

- Asset item "**loans to central banks**" includes the portion relating to transactions with central banks under balance sheet item 40 "financial assets measured at amortised cost";

- Asset item "**loans to banks**" includes the portion relating to transactions with banks under balance sheet items 40 "financial assets measured at amortised cost" and 20 "financial assets measured at fair value through profit and loss";

- Asset item "**loans to customers**" includes the portion relating to loans to customers under balance sheet items 20 "financial assets measured at fair value through profit and loss", 40 "financial assets measured at amortised cost" and 120 "non-current assets held for sale and discontinued operations";

- Asset item "**securities assets**" includes the portion relating to securities under balance sheet items 20 "financial assets measured at fair value through profit and loss", 30 "financial assets measured at fair value through other comprehensive income", 40 "financial assets measured at amortised cost" and 120 "non-current assets held for sale and discontinued operations";

- Asset item "**derivatives**" includes the portion relating to derivatives under items 20 "financial assets measured at fair value through profit and loss" and 50 "hedging derivatives";

- Asset item "**equity investments**" includes balance sheet item 70 "equity investments" and the portion relating to equity investments under item 120 "non-current items held for sale and discontinued operations";

- Asset item "**tangible and intangible assets**" includes balance sheet items 90 "property, plant and equipment", 100 "intangible assets" and the amounts relating to property, plant and equipment and intangible under item 120 "non-current assets held for sale and discontinued operations";

- Asset item "**other assets**" includes balance sheet items 60 "change in value of macro-hedged financial assets", 130 "other assets" and the amounts under item 120 "non-current assets held for sale and discontinued operations" not reclassified under the previous items;

- Liability item "**deposits from customers**" includes balance sheet item 10b "financial liabilities measured at amortised cost – deposits from customers" and the component relating to customer securities of item 10c "financial liabilities measured at amortised cost – debt securities issued";

- Liability item "**securities issued**" includes balance sheet items 10c "financial liabilities measured at amortised cost – debt securities issued", cleared of the component relating to customer securities, and 30 "Financial liabilities designated at fair value";

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

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

- Liability item "**financial liabilities held for cash trading**" includes the portion of balance sheet item 20 "financial liabilities held for trading" net of the amounts relating to trading derivatives;

- Liability item "**derivatives**" includes balance sheet item 40 "hedging derivatives" and the portion relating to derivatives under item 20 "financial liabilities held for trading";

- Liability item "**provisions for specific use**" includes balance sheet items 90 "provision for employee severance pay" and 100 "provisions for risks and charges";

- Item "**other liabilities**" includes balance sheet items 50 "changes in value of macro-hedged financial liabilities", 70 "liabilities associated with non-current assets held for sale and discontinued operations" and 80 "other liabilities";

- Liability item "**group net equity**" includes balance sheet items 120 "valuation reserves", 130 "redeemable shares", 150 "reserves", 170 "capital", 180 "treasury shares" and 200 "profit (loss) for the period".

INCOME STATEMENT AND BALANCE SHEET FIGURES			
MPS GROUP			
INCOME STATEMENT FIGURES (EUR mln)	31 03 2022	31 03 2021	Chg.
Net interest income	323.1	279.6	15.6%
Net fee and commission income	368.9	372.0	-0.8%
Other income from banking business	94.4	179.8	-47.5%
Other operating income and expenses	(3.2)	(10.7)	-69.7%
Total Revenues	783.2	820.7	-4.6%
Operating expenses	(535.3)	(540.4)	-0.9%
Cost of customer credit	(111.3)	(73.9)	50.5%
Other value adjustments	(0.4)	(3.7)	-89.2%
Net operating income (loss)	136.2	202.7	-32.8%
Non-operating items	(131.2)	(88.7)	47.9%
Parent company's net profit (loss) for the period	9.7	119.3	-91.9%
EARNINGS PER SHARE (EUR)	31 03 2022	31 03 2021	Chg.
Basic earnings per share	0.010	0.123	-92.1%
Diluted earnings per share	0.010	0.123	-92.1%
BALANCE SHEET FIGURES AND INDICATORS (EUR mln)	31 03 2022	31 12 2021	Chg.
Total assets	132,009.1	137,868.6	-4.3%
Loans to customers	79,259.7	79,380.3	-0.2%
Direct funding	84,428.2	90,300.3	-6.5%
Indirect funding	99,846.6	104,429.7	-4.4%
of which: assets under management	62,785.4	65,285.5	-3.8%
of which: assets under custody	37,061.1	39,144.2	-5.3%
Group net equity	6,006.1	6,172.7	-2.7%
OPERATING STRUCTURE	31 03 2022	31 12 2021	Chg.
Total headcount - end of period	21,183	21,244	(61)
Number of branches in Italy	1,368	1,368	n.m.

ALTERNATIVE PERFORMANCE MEASURES			
MPS GROUP			
PROFITABILITY RATIOS (%)	**31 03 2022**	**31 12 2021**	**Chg.**
Cost/Income ratio	68,4	70,7	-2,3
ROE (on average equity)	0,6	5,2	-4,6
ROA	0,0	0,2	-0,2
ROTE	0,7	5,3	-4,6
CREDIT QUALITY RATIOS (%)	**31 03 2022**	**31 12 2021**	**Chg.**
Net non-performing exposures to customers / Total net exposures to customers (net of government securities)	2,4	2,6	-0,2
Gross NPL ratio	4,0	3,8	0,2
Rate of change of non-performing loans to customers	(2,2)	2,5	-4,7
Bad loans to custormers/ Loans to Customers	0,8	0,8	n.m.
Loans to customers measured at amortised cost - Stage 2/Performing loans to customers measured at amortised cost	16,4	16,0	0,4
Coverage of non-performing loans to customers	50,8	47,9	2,8
Coverage of bad loans to customers	65,6	63,7	1,9
Cost of customers credit/Customers loans (Provisioning)	0,56	0,31	0,25
Texas Ratio	51,2	51,6	-0,4

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

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

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

Return On Tangible Equity (ROTE): ratio between annualised net profit (loss) for the period and the average between the tangible shareholders' equity[5] at the end of the period and that of the end of the previous year.

Gross NPL Ratio: gross weight of non-performing loans calculated, as per EBA guidelines[6], as the ratio between gross non-performing loans to customers and banks, net of assets held for sale, and total gross loans to customers and banks, net of assets held for sale.

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

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

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

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

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

[6] EBA GL/2018/10.

REGULATORY MEASURES			
MPS GROUP			
CAPITAL RATIOS (%)	31 03 2022	31 12 2021	Chg.
Common Equity Tier 1 (CET1) ratio - phase in	11.6	12.5	-0.9
Common Equity Tier 1 (CET1) ratio - fully loaded	10.8	11.0	-0.2
Total Capital ratio - phase in	15.3	16.1	-0.8
Total Capital ratio - fully loaded	14.5	14.6	-0.1
FINANCIAL LEVERAGE INDEX (%)	31 03 2022	31 12 2021	Chg.
Leverage ratio - transitional definition	4.4	4.7	-0.3
Leverage ratio - fully phased	4.1	4.2	-0.1
LIQUIDITY RATIO (%)	31 03 2022	31 12 2021	Chg.
LCR	186.0	172.7	13.3
NSFR	135.5	129.6	5.9
Encumbered asset ratio	38.7	40.7	-2.0
Loan to deposit ratio	93.9	87.9	6.0
Unencumbered Counterbalancing capacity (bn of Eur)	25.0	25.4	-0.4

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[7] and total risk-weighted assets (RWAs)[8].
Total Capital ratio: ratio between own funds and total RWAs.
Leverage ratio: indicator calculated as the ratio between Tier 1 capital[9] and total assets, introduced by Basel regulations with the objective of containing the increase in leverage in the banking sector and strengthening risk-based requirements through a different measure based on financial statement aggregates.
Liquidity Coverage Ratio (LCR): short-term liquidity indicator corresponding to the ratio between the amount of high-quality liquid assets and the total net cash outflows in the subsequent 30 calendar days.
Net Stable Funding Ratio (NSFR): structural 12-month liquidity indicator corresponding to the ratio between the available stable funding amount and the required stable funding amount.
Encumbered asset ratio: ratio between the book value of encumbered assets and collateral and total assets and collateral (XVII, section 1.6, point 9, of Regulation (EU) 79/2015).
Loan to deposit ratio: ratio between net loans to customers and direct funding (deposits from customers and securities issued).

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

[7] Defined by art. 4 of Regulation (EU) no. 575/2013 (Capital Requirements Regulation, CRR). It consists of the eligible elements and capital instruments, net of the envisaged adjustments and deductions.

[8] Risk-weighted assets: the result of the application of certain risk weights to exposures, determined according to supervisory rules.

[9] Sum of Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital of the entity, as defined by art. 25 of Regulation (EU) no. 575/2013.

Reclassified Consolidated Income Statement

MONTEPASCHI GROUP	31 03 2022	31 03 2021	Change Abs.	Change %
Net interest income	323.1	279.6	43.5	15.6%
Net fee and commission income	368.9	372.0	(3.1)	-0.8%
Income from banking activities	**692.0**	**651.6**	**40.4**	**6.2%**
Dividends, similar income and gains (losses) on investments	14.2	21.2	(7.0)	-33.0%
Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases	75.6	157.0	(81.4)	-51.9%
Net profit (loss) from hedging	4.6	1.6	3.0	n.m.
Other operating income (expenses)	(3.2)	(10.7)	7.5	-69.7%
Total Revenues	**783.2**	**820.7**	**(37.5)**	**-4.6%**
Administrative expenses:	(491.7)	(492.9)	1.2	-0.2%
a) personnel expenses	(355.9)	(360.2)	4.3	-1.2%
b) other administrative expenses	(135.8)	(132.7)	(3.1)	2.3%
Net value adjustments to property, plant and equipment and intangible assets	(43.6)	(47.5)	3.8	-8.1%
Operating expenses	**(535.3)**	**(540.4)**	**5.1**	**-0.9%**
Pre-Provision Operating Profit	**247.8**	**280.3**	**(32.5)**	**-11.6%**
Cost of customer credit	**(111.3)**	**(73.9)**	**(37.3)**	**50.5%**
Net impairment (losses)/reversals on securities and loans to banks	**(0.4)**	**(3.7)**	**3.3**	**-89.2%**
Net operating income	**136.2**	**202.7**	**(66.5)**	**-32.8%**
Net provisions for risks and charges	(28.4)	8.5	(36.9)	n.m.
Other gains (losses) on equity investments	1.9	(2.8)	4.7	n.m.
Restructuring costs / One-off costs	(0.2)	(0.1)	(0.1)	92.8%
Risks and charges associated to the SRF, DGS and similar schemes	(88.7)	(67.8)	(20.9)	30.8%
DTA Fee	(15.8)	(15.7)	(0.0)	0.3%
Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	-	(27.8)	27.8	-100.0%
Gains (losses) on disposal of investments	(0.1)	17.0	(17.1)	n.m.
Profit (Loss) for the period before tax	**5.0**	**114.0**	**(109.1)**	**-95.6%**
Tax (expense)/recovery on income from continuing operations	5.5	6.1	(0.6)	-10.0%
Profit (Loss) after tax	**10.5**	**120.1**	**(109.7)**	**-91.3%**
Net profit (loss) for the period including non-controlling interests	**10.5**	**120.1**	**(109.7)**	**-91.3%**
Net profit (loss) attributable to non-controlling interests	-	(0.1)	0.1	n.m.
Parent Company's Profit (loss) for the period before PPA	**10.5**	**120.2**	**(109.8)**	**-91.3%**
PPA (Purchase Price Allocation)	(0.8)	(0.9)	0.2	-18.2%
Parent company's net profit (loss) for the period	**9.7**	**119.3**	**(109.6)**	**-91.9%**

Quarterly trend in reclassified consolidated income statement

MONTEPASCHI GROUP	2022	2021			
	1°Q 2022	4°Q 2021	3°Q 2021	2°Q 2021	1°Q 2021
Net interest income	323.1	323.0	313.3	305.6	279.6
Net fee and commission income	368.9	371.2	358.3	382.5	372.0
Income from banking activities	**692.0**	**694.2**	**671.6**	**688.1**	**651.6**
Dividends, similar income and gains (losses) on investments	14.2	37.7	20.3	34.2	21.2
Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases	75.6	(5.9)	14.0	19.7	157.0
Net profit (loss) from hedging	4.6	4.9	5.8	0.3	1.6
Other operating income (expenses)	(3.2)	(10.8)	(13.4)	(1.8)	(10.7)
Total Revenues	**783.2**	**720.2**	**698.3**	**740.5**	**820.7**
Administrative expenses:	(491.7)	(471.3)	(470.0)	(491.9)	(492.9)
a) personnel expenses	(355.9)	(351.1)	(358.1)	(358.6)	(360.2)
b) other administrative expenses	(135.8)	(120.2)	(111.9)	(133.3)	(132.7)
Net value adjustments to property, plant and equipment and intangible assets	(43.6)	(47.8)	(43.6)	(41.0)	(47.5)
Operating expenses	**(535.3)**	**(519.1)**	**(513.6)**	**(532.8)**	**(540.4)**
Pre-Provision Operating Profit	**247.8**	**201.1**	**184.7**	**207.7**	**280.3**
Cost of customer credit	**(111.3)**	**(222.3)**	**135.1**	**(88.9)**	**(73.9)**
Net impairment (losses)/reversals on securities and loans to banks	**(0.4)**	**2.5**	**1.2**	**5.4**	**(3.7)**
Net operating income	**136.2**	**(18.7)**	**321.0**	**124.2**	**202.7**
Net provisions for risks and charges	(28.4)	(32.9)	(23.8)	(50.8)	8.5
Other gains (losses) on equity investments	1.9	(0.0)	2.4	2.6	(2.8)
Restructuring costs / One-off costs	(0.2)	0.8	(3.9)	(4.1)	(0.1)
Risks and charges associated to the SRF, DGS and similar schemes	(88.7)	(10.3)	(69.4)	(21.8)	(67.8)
DTA Fee	(15.8)	(15.8)	(15.8)	(15.9)	(15.7)
Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	-	(15.3)	-	(0.4)	(27.8)
Gains (losses) on disposal of investments	(0.1)	-	-	(2.6)	17.0
Profit (Loss) for the period before tax	**5.0**	**(92.3)**	**210.5**	**31.1**	**114.0**
Tax (expense)/recovery on income from continuing operations	5.5	14.5	(23.7)	52.6	6.1
Profit (Loss) after tax	**10.5**	**(77.8)**	**186.8**	**83.7**	**120.1**
Net profit (loss) for the period including non-controlling interests	**10.5**	**(77.8)**	**186.8**	**83.7**	**120.1**
Net profit (loss) attributable to non-controlling interests	-	(0.1)	-	-	(0.1)
Parent Company's Profit (loss) for the period before PPA	**10.5**	**(77.7)**	**186.8**	**83.7**	**120.2**
PPA (Purchase Price Allocation)	(0.8)	(0.9)	(0.8)	(0.9)	(0.9)
Parent company's net profit (loss) for the period	**9.7**	**(78.6)**	**186.0**	**82.8**	**119.3**

Reclassified Balance Sheet

Assets	31 03 2022	31 12 2021	Chg abs.	Chg %
Cash and cash equivalents	1,791.0	1,741.8	49.2	2.8%
Loans to central banks	15,392.8	20,769.7	(5,376.9)	-25.9%
Loans to banks	2,424.9	3,493.3	(1,068.4)	-30.6%
Loans to customers	79,259.7	79,380.3	(120.6)	-0.2%
Securities assets	23,382.2	22,127.1	1,255.1	5.7%
Derivatives	2,352.6	2,431.6	(79.0)	-3.2%
Equity investments	985.2	1,095.4	(110.2)	-10.1%
Property, plant and equipment/Intangible assets	2,718.5	2,743.5	(25.0)	-0.9%
of which:				
a) goodwill	*7.9*	*7.9*	-	0.0%
Tax assets	1,798.0	1,774.0	24.0	1.4%
Other assets	1,904.2	2,311.9	(407.7)	-17.6%
Total assets	**132,009.1**	**137,868.6**	**(5,859.5)**	**-4.3%**

Liabilities	31 03 2022	31/12/21	Chg abs.	Chg %
Direct funding	84,428.2	90,300.3	(5,872.1)	*-6.5%*
a) Due to customers	74,992.2	79,859.5	(4,867.3)	-6.1%
b) Securities issued	9,436.0	10,440.8	(1,004.8)	*-9.6%*
Due to central banks	29,081.1	29,154.8	(73.7)	-0.3%
Due to banks	1,763.6	2,125.1	(361.5)	-17.0%
On-balance-sheet financial liabilities held for trading	3,174.4	3,104.1	70.3	2.3%
Derivatives	2,081.9	2,686.1	(604.2)	*-22.5%*
Provisions for specific use	1,820.6	1,814.0	6.6	0.4%
a) Provision for staff severance indemnities	157.8	159.3	(1.5)	-0.9%
b) Provision related to guarantees and other commitments given	147.8	144.0	3.8	2.6%
c) Pension and other post-retirement benefit obligations	29.0	29.7	(0.7)	-2.4%
d) Other provisions	1,486.0	1,481.0	5.0	0.3%
Tax liabilities	6.5	7.0	(0.5)	-7.1%
Other liabilities	3,645.4	2,503.2	1,142.2	45.6%
Group net equity	6,006.1	6,172.7	(166.6)	-2.7%
a) Valuation reserves	131.6	306.8	(175.2)	-57.1%
d) Reserves	(3,330.2)	(3,638.6)	308.4	-8.5%
f) Share capital	9,195.0	9,195.0	-	-
h) Net profit (loss) for the period	9.7	309.5	(299.8)	-96.9%
Non-controlling interests	1.3	1.3	-	0.0%
Total Liabilities and Shareholders' Equity	**132,009.1**	**137,868.6**	**(5,859.5)**	**-4.3%**

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

Liabilities	**31 03 2022**	**31 12 2021**	**30 09 2021**	**30 06 2021**	**31 03 2021**
Direct funding	84,428.2	90,300.3	92,901.5	94,036.5	99,053.6
a) Due to customers	74,992.2	79,859.5	82,389.2	83,315.3	87,124.1
b) Securities issued	9,436.0	10,440.8	10,512.3	10,721.2	11,929.5
Due to central banks	29,081.1	29,154.8	29,230.2	29,305.6	26,373.1
Due to banks	1,763.6	2,125.1	3,019.5	3,854.3	3,816.4
On-balance-sheet financial liabilities held for trading	3,174.4	3,104.1	3,325.0	3,819.3	3,179.5
Derivatives	2,081.9	2,686.1	2,819.1	2,730.1	2,759.0
Provisions for specific use	1,820.6	1,814.0	1,969.0	2,017.1	2,011.3
a) Provision for staff severance indemnities	157.8	159.3	162.2	163.3	164.2
b) Provision related to guarantees and other	147.8	144.0	121.5	144.6	147.1
c) Pension and other post-retirement benefit	29.0	29.7	30.7	31.4	32.3
d) Other provisions	1,486.0	1,481.0	1,654.6	1,677.8	1,667.7
Tax liabilities	6.5	7.0	8.0	8.0	8.1
Other liabilities	3,645.4	2,503.2	3,593.5	3,912.1	3,451.0
Group net equity	6,006.1	6,172.7	6,250.7	6,065.3	6,005.4
a) Valuation reserves	131.6	306.8	302.3	324.7	367.6
d) Reserves	(3,330.2)	(3,638.6)	(3,630.7)	(3,521.0)	(3,415.8)
f) Share capital	9,195.0	9,195.0	9,195.0	9,195.0	9,195.0
g) Treasury shares (-)	-	-	(4.0)	(135.5)	(260.7)
h) Net profit (loss) for the period	9.7	309.5	388.1	202.1	119.3
Non-controlling interests	1.3	1.3	1.4	1.4	1.4
Total Liabilities and Shareholders' Equity	**132,009.1**	**137,868.6**	**143,117.9**	**145,749.7**	**146,658.8**

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