

BOARD APPROVES CONSOLIDATED RESULTS AS AT 31 MARCH 2023

RESULTS CONFIRM THE BANK'S NEW POSITIONING, CAPABLE OF GENERATING SUSTAINABLE PROFITABILITY WITH IMPROVED OPERATING PERFORMANCE, THANKS TO THE ACHIEVEMENTS IN THE IMPLEMENTATION OF THE 2022-2026 BUSINESS PLAN

NET PROFIT OF EUR 236 MILLION, +51.3% VS. EUR 156 MILLION IN THE PREVIOUS QUARTER AND A REMARKABLE IMPROVEMENT Y/Y (EUR 10 MILLION AS AT 31 MARCH 2022)

SOLID GROWTH IN GROSS OPERATING PROFIT TO EUR 414 MILLION (+24.7% Q/Q AND +67.6% Y/Y), DRIVEN BY THE:

- **GROWTH IN NET INTEREST INCOME (+1.2% Q/Q AND +56.6% Y/Y), SUPPORTED BY THE POSITIVE TREND IN COMMERCIAL SPREAD (+71 BPS Q/Q AND +158 BPS Y/Y)**
- **POSITIVE PERFORMANCE OF COMMISSIONS IN Q1 (+7.3% Q/Q) THANKS TO SOLID PERFORMANCE IN WEALTH MANAGEMENT (+15.4% Q/Q) AND GROWTH IN BANKING FEES¹ (+2.0% Q/Q)**
- **SHARP REDUCTION IN OPERATING EXPENSES (-8.2% Q/Q AND -13.8% Y/Y) COMING FROM HR COST SAVINGS AS A RESULT OF STAFF EXIT SCHEME IN DECEMBER 2022 (C. -20%) AND ONGOING FOCUS ON EFFICIENCY: COST/INCOME AT 52.9%, DOWN SIGNIFICANTLY FROM 60.4% IN PREVIOUS QUARTER AND 68.6% IN 1Q22, ALREADY BELOW THE 2026 BUSINESS PLAN TARGET**

INCREASE IN PERFORMING LOANS² (+0.9% Q/Q) DRIVEN BY THE SMALL BUSINESS COMPONENT; RETAIL LOANS STABLE

TOTAL COMMERCIAL SAVINGS³ ALSO UP (+1.3% Q/Q), WITH A HIGHER SHARE OF ASSETS UNDER CUSTODY

GROSS NPEs AT EUR 3.3 BILLION, REMAINING STABLE Q/Q AND DOWN BY OVER 17% Y/Y:

- **GROSS NPE RATIO AT 4.1% (4.8% IN 1Q22)**

¹ Commissions from traditional banking services and other net commissions.

² Segments Small business, SME's and retail.

³ Direct and indirect funding.

- **NET NPE RATIO AT 2.1% (2.4% IN 1Q22)**
- **TOTAL NPL COVERAGE AT 50.2%, +210 BPS VS. DECEMBER 2022**
 - **COST OF RISK OF 55 BPS**

FULLY LOADED PRO-FORMA CET1 RATIO, INCLUDING PROFIT FOR THE PERIOD⁴, AT 14.9%, ALREADY INCLUDING THE IMPACT OF REGULATORY HEADWINDS, MORE FAVOURABLE THAN PLAN EXPECTATIONS

BUFFER OF MORE THAN 400 BPS ON TIER 1 RATIO REQUIREMENT

SOLID LIQUIDITY POSITION: LCR > 210%, NSFR > 130%

IN THE FIRST MONTHS OF 2023, THE BANK CONTINUED WITH THE SIMPLIFICATION OF THE GROUP'S STRUCTURE PROVIDED FOR IN THE 2022-2026 BUSINESS PLAN:

- **FOLLOWING THE *CONSORZIO OPERATIVO*, MPS LEASING & FACTORING WAS MERGED IN APRIL AND MPS CAPITAL SERVICES EXPECTED TO BE MERGED BY THE END OF MAY**

SUCCESSFUL RETURN TO THE INSTITUTIONAL MARKET IN FEBRUARY WITH THE PLACEMENT OF A EUR 750 MILLION SENIOR PREFERRED BOND, WITH ORDER-BOOK FOR OVER EUR 1.6 BILLION

⁴ Excluding the profit for the period, the stated ratio stands at 14.4%.

Siena, 9 May 2023 – The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. (the "Bank"), which was concluded yesterday evening under the chairmanship of Nicola Maione, has reviewed and approved the consolidated results as at 31 March 2023.

Group profit and loss results as at 31 March 2023

The **Group's total revenues** as at 31 March 2023 stand at **EUR 879 million**, up 11.8% year-on-year.

Revenues for the first quarter of 2023 are also higher than in the previous quarter (+4.8%), driven by net interest income (+1.2%) and, in particular, by net fee and commission income (+7.3%).

Net interest income as at 31 March 2023 stands at **EUR 505 million**, a significant increase compared to the same period in 2022 (+56.6%). The increase was mainly driven by (i) the higher contribution of the commercial segment; underlined by the improved spread between interest income and interest expenses (ii) the increase in the contribution of the parent company's securities portfolio, as a result of higher yields. On the other hand, the contribution from transactions with central banks deteriorated compared with the previous year, following the monetary policy decisions taken by the ECB, which led to an increase in the reference rates and certain changes to the terms and conditions of the existing TLTRO III auctions, with effect from 23 November 2022. With regard to the latter, in fact, a cost of EUR 140 million was recorded in the first quarter of 2023, compared to a benefit of EUR 74 million in the same period of the previous year; this effect was only partially offset by the benefit on liquidity deposited with central banks, which amounted to EUR 87 million at 31 March 2023, compared with a cost of EUR 23 million at 31 March 2022. The cost of market funding also increased, mainly as a result of rising interest rates.

Net interest income for the first quarter of 2023 is also up from the previous quarter (+1.2%), thanks to an increased contribution from commercial lending, which continued to benefit from the rise in interest rates, in a context of careful management of funding costs. The positive trend in the commercial segment made it possible to absorb the higher cost of market funding and, in particular, the higher charges linked to transactions with central banks as a result of the monetary policy decisions referred to above. Despite the lower exposure, in 1Q23 TLTRO auctions recorded higher interest expenses of EUR 109 million compared to the previous quarter (EUR 140 million in 1Q23 and EUR 31 million in 4Q22), which were only partially offset by the higher contribution from deposits with central banks (EUR 87 million in 1Q23 compared with EUR 76 million in the previous quarter).

Net fees and commissions as at 31 March 2023, amounting to **EUR 332 million**, increased significantly compared to the previous quarter (+7.3%), mainly thanks to the recovery of wealth management fees (EUR +18 million), driven by higher income from product placements,

continuing fees and securities services⁵. Commissions from traditional banking services remained broadly stable⁶.

The decrease in fees and commissions compared to those of the same period of the previous year (-10.2%) is attributable mainly to the trend of commissions on product placement due to the persistent market volatility and to the renewed interest from customers for fixed income investments (mainly government bonds).

Dividends, similar income and profit (loss) on investments amount to **EUR 19 million**, up EUR 4 million compared to 31 March 2022 and down EUR 11 million against the previous quarter. The change is attributable to income generated by equity investments in insurance associates AXA. In this regard, however, it should be noted that the comparisons are not entirely on a like-for-like basis as the comparative data referring to the 2022 quarters have not been restated following the first-time application of IFRS 17 and IFRS 9⁷.

Net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases as at 31 March 2023 amounts to **EUR 25 million**, down EUR 50 million year-on-year (first quarter 2022 included significant gains on the disposal of securities), but up by EUR 25 million compared to the previous quarter.

As at 31 March 2023, **operating expenses** amount to **EUR 465 million**, down from both the same period of the previous year (-13.8%) and the previous quarter (-8.2%). An analysis of the main aggregates shows that:

- **HR costs**, amounting to **EUR 288 million**, are down 19.2% year-on-year, having benefitted from the downward headcount trend, mainly relating to exits through the Early Retirement Scheme or access to the Solidarity Fund under the trade union agreement

⁵ Wealth Management fees, net of Protection fees, up 15.4% q/q.

⁶ Traditional banking services fee and other net commissions (excluding third-parties consumer loan fees) up 2.0% q/q.

⁷ The accounting standards IFRS 17 'Insurance Contracts' and IFRS 9 'Financial Instruments' were applied by insurance companies for the first time and jointly as of 1 January 2023, with a transition date of 1 January 2022.

of 4 August 2022. The aggregate is also lower compared to the previous quarter (-12.0%);

- **other administrative expenses**, amounting to **EUR 133 million**, are down year-on-year (-1.8%), thanks to the implementation of a rigorous cost management process. The amount in 1Q23 remains largely stable compared to the previous quarter;
- **net value adjustments on property, plant and equipment and intangible assets** amount to **EUR 44 million** as at 31 March 2023 and are down from both 31 March 2022 (-8.0%) and the previous quarter (-6.5%).

As a result of the above trends, the Group's **Gross operating profit** amounts to **EUR 414 million**, up from both 31 March 2022 (at EUR 247 million) and the previous quarter (at EUR 332 million).

Loan loss provisions booked by the Group as at 31 March 2023 amount to **EUR 107 million**, largely in line with the EUR 111 million registered in the same period of the previous year and higher than the EUR 97 million recorded in the previous quarter.

As at 31 March 2023, the ratio between the annualised loan loss provisions and the sum of customer loans plus the value of securities from the disposal/securitisation of NPEs reflects a stable trend with a **cost of risk of 55 bps** (56 bps as at 31 March 2022 and 55 bps as at 31 December 2022).

The Group's **net operating profit** as at 31 March 2023 shows a **balance of EUR 309 million** against EUR 136 million recorded in the first quarter 2022 and EUR 233 million in the previous quarter.

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

- **other net provisions for risks and charges** amounting to **EUR -6 million**, an improvement compared to the negative balance of EUR 29 million recorded in the same period of the previous year, when higher provisions for legal, tax and labour risks were registered. The contribution in 1Q23 also improved compared to the previous quarter, when a net provision of EUR -41 million was recorded for certain types of legal risks;
- **other gains (losses) on investments** amounting to **EUR -2 million** (including the impairment recorded on a Group equity investment), compared to a profit of EUR 2 million recorded in the same period of the previous year and a contribution of essentially zero in the previous quarter;
- **restructuring costs/one-off charges** totalling **EUR -6 million**, compared to an essentially zero contribution in the first quarter of 2022, and to a contribution of EUR -3 million recorded in the previous quarter. These costs are mainly related to project initiatives in connection with the Strategic Plan;
- **risks and charges related to SRF, DGS and similar schemes**, totalling **EUR -58 million**, consisting of the Group's contribution due to the Single Resolution Fund (SRF), down from the EUR -89 million booked in the same period of the previous year. The

previous quarter's figure of EUR -8 million included the balance of the contribution due to the FIDT (DGS), which had already been partially booked in the third quarter of 2022;

- **DTA fees**, totalling **EUR -16 million**, remain largely unchanged year-on-year and compared to the previous quarter. The amount, calculated according to the criteria of Law Decree 59/2016 converted into Law No. 119 of 30 June 2016, consists of the fees due as at 31 March 2022 for DTAs (Deferred Tax Assets) which are convertible into tax credits;
- **net gains (losses) on property, plant and equipment and intangible assets measured at fair value**, in the amount of **EUR +0.1 million** as at 31 March 2023, compared to a zero contribution in the same period of 2022 and a negative contribution of EUR 20 million in the previous quarter;
- **gains (losses) on disposal of investments**, contributing zero in the first quarter of 2023, in line with the amount recorded in the corresponding period of 2022 (-EUR 0.1 million) and the previous quarter.

As a result of the above trends, the Group's **pre-tax profit for the period** amounts to **EUR 220 mln di euro**, up from both the pre-tax profit of EUR 4 million recorded in the corresponding period of 2022 and the pre-tax profit of EUR 146 million recognised in the previous quarter.

Taxes on profit (loss) from continuing operations register a positive contribution of **EUR 15 million** (EUR +6 million as at 31 March 2022), largely due to the valuation of DTAs net of tax relating to the quarter's P&L result.

As a result of the above trends, the **Parent Company's profit for the period** amounts to **EUR 236 million** as at 31 March 2023, compared with a profit of EUR 10 million in 1Q22 and a profit of EUR 156 million in the previous quarter.

Group balance sheet aggregates as at 31 March 2023

The Group's **total funding** volumes as at 31 March 2023 amount to **EUR 177.9 billion**, up EUR 3.4 billion from 31 December 2022 as a result of the increase in both direct funding (EUR +2.1 billion) and indirect funding (EUR +1.4 billion).

Instead, the aggregate registers a downturn year-on-year (EUR -6.4 billion) due to the decrease in indirect funding (EUR -6.1 billion); direct funding remains largely stable (EUR -0.4 billion).

Direct funding volumes stand at **EUR 84.1 billion**, up EUR 2.1 billion vs. the end of December 2022, due to the increase in repurchase agreements (EUR +3.3 billion), time deposits (EUR +0.4 billion) and bonds (EUR +0.7 billion), which include the EUR 750 million Senior Preferred unsecured issue placed at the end of February 2023; on the other hand, a decrease is registered for current accounts (EUR -2.3 billion) and other forms of funding (EUR -0.1 billion). The aggregate is essentially stable compared to 31 March 2022 (EUR -0.4 billion). The decline in current accounts (EUR -1.7 billion), deposits (EUR -1.3 billion) and other forms of funding (EUR -0.3 billion) due to the ongoing measures to optimise the cost of funding and the increased

investor appetite in assets under custody, is almost entirely offset by the rise in repurchase agreements (EUR +2.9 billion). The bond component remains stable (EUR -0.1bn).

The Group's direct funding market share⁸ stands at 3.31% (updated to February 2023) slightly down compared to December 2022 (at 3.35%), while the sight deposits market share is up from 4.27% to 4.38% in the last year, as a testament to the resilience of the Group's client base.

Commercial indirect funding⁹, equal to **EUR 81.8 billion**, grew by **+4.7%** compared to the values as at 31 December 2022, with growth both in the asset under management (EUR +0.8 billion) and in the assets under custody (EUR +2.9 billion), with a trend attributable to both positive net flows and positive market effect.

The comparison with 31 March 2022 shows a decrease in commercial indirect funding of EUR 1.0 billion, mainly in assets under management (EUR -3.9 billion) which were mainly impacted by the negative market effect. Assets under custody register an increase (EUR +2.9 billion).

As at 31 March 2023, the Group's **customer loans** amount to **EUR 77.8 billion**, up from 31 December 2022 (EUR +1.5 billion), due to the increase in repurchase agreements (EUR +0.8 billion), current accounts (EUR +0.5 billion) and other forms of lending (EUR +0.6 billion); a decrease is registered for mortgages (EUR -0.3 billion) and non-performing loans (EUR -0.1billion).

In the comparison with 31 March 2022, the aggregate is down by EUR 1.5 billion, due to mortgages (EUR -2.2 billion) and non-performing loans (EUR -0.3 billion). On the other hand, a rise is registered for other forms of lending (EUR +0.5 billion), current accounts (+0.3 billion) and repurchase agreements (EUR +0.2 billion).

The Group's market share¹⁰ stands at 4.35% (updated to February 2023), registering an increase from December 2022 (4.25%).

The Group's total non-performing customer exposures as at 31 March 2023 stand at **EUR 3.3 billion in terms of gross exposure**, largely stable compared to 31 December 2022 but down from 31 March 2022 (exposure at EUR 4.0 billion).

The Group's net non-performing customer exposures stand at EUR 1.6 billion, down from both 31 December 2022 (exposure at EUR 1.7 billion) and from 31 March 2022 (exposure at EUR 2.0 billion).

As at 31 March 2023, **coverage of non-performing loans** stands at **50.2%**, higher than the 48.1% registered as at 31 December 2022, thanks to the increased coverage of bad loans (which rose from 65.1% to 66.7%) and of UTPs (which rose from 37.5% to 39.4%). The coverage of past due NPLs decreased (from 22.7% to 20.8%).

The coverage of non-performing loans falls slightly compared to 31 March 2022 (at 50.8%), also due to the lower proportion of bad loans as at 31 March 2023, which are characterised by a higher average coverage level.

⁸ 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.

⁹ Managerial data.

¹⁰ Loans to resident customers, including bad loans and net of repos with central counterparties.

As at 31 March 2023, the Group's **securities assets** amount to **EUR 18.7 billion**, a slight increase compared to 31 December 2022 (EUR +0.3 billion) largely as a result of the growth in financial assets held for trading; the amortised cost component is also up, due to the purchase of government bonds that partially offset the maturity of financial assets measured at fair value through other comprehensive income, while the other components remain largely stable. It should be noted that the market value of securities included in loans to customers and banks at amortised cost amounts to EUR 8,716.1 million and EUR 609.3 million respectively.

The Group's **net interbank position** as at 31 March 2023 stands at **EUR 4.5 billion** in funding, against EUR 7.0 billion in funding as at 31 December 2022 and EUR 11.8 billion as at 31 March 2022. The decline from the end of the previous year is mainly attributable to the increase in liquidity deposited on current accounts and demand deposits with central banks. Compared to 31 March 2022, however, the difference is due to the maturity, on 21 December 2022, of the TLTRO tranche obtained in the December 2019 auction, amounting to EUR 4 billion, and the simultaneous early reimbursement of a further EUR 6 billion from the tranche obtained in the June 2020 auction.

The operational liquidity position as at 31 March 2023 shows an **unencumbered counterbalancing capacity of approximately EUR 25.1 billion**, remaining largely stable against both 31 December 2022 (at EUR 25.5 billion) and 31 March 2022 (EUR 25.0 billion).

As at 31 March 2023, the **Group's shareholders' equity and non-controlling interests** amount to approximately **EUR 8.1 billion**, up EUR 269 million from 31 December 2022, mainly as an effect of the positive result recorded in the quarter; the improvement in valuation reserves also positively contributed.

Compared to 31 March 2022, the Group's shareholders' equity and non-controlling interests register an increase of EUR 2.1 billion, attributable in particular to the: i) capital strengthening transaction successfully completed in November 2022; ii) reduction in valuation reserves; iii) the financial results achieved in the last 12 months.

As regards capital ratios, the Fully-loaded Common Equity Tier 1 Ratio stands at 14.4% as at 31 March 2023 (vs. 15.6% in December 2022), and the Total Capital Ratio stands at 18% (vs. 19.5% in December 2022); the change is largely due to the increase in RWAs related to credit and counterparty risk (EUR 3.8 billion), mainly driven by the increase in AIRB credit following the revision of internal models.

These ratios do not include the profit for the period; **including the profit for the first quarter of 2023**, the **pro-forma Common Equity Tier 1 ratio** is **14.9%** and the **Total Capital ratio** is **18.5%**.

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

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

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Income statement and balance sheet reclassification principles

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

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

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

The P&L and balance sheet figures relating to the value of the investees as at 31 December 2022, recognised in the financial statements using the synthetic equity method, have therefore been restated compared to the data published following the retrospective application of the standards. The comparative P&L statement and balance sheet figures for the quarters of 2022 have not been restated at the date of this interim financial information as it was impracticable to retrospectively restate the period-specific effects of the change in accounting policy. Consequently, the P&L item "dividends, similar income and gains (losses) on investments" for the quarters of 2022 does not show figures that are fully consistent with those for the first quarter of 2023.

The balance sheet and profit and loss figures of the insurance associates for the first quarter of 2023 are estimated using a simplified proxy or calculation models due to the increased complexity of the accounting calculations compared to those under the previous IFRS 4 and IFRS 9 accounting standards.

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

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

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

It should also be noted that, as of December 2022, the amounts relating to reimbursements of interest and fees to customers in previous years - for which provisions for risk and charges were

recognised as an offsetting entry to the aforementioned P&L items - have been reclassified to "other net provisions for risks and charges". This reclassification has also been adopted for the comparative periods in order to enable a like-for-like comparison.

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 portion relating to customer reimbursements in the amount of EUR -0.2 million - for which provisions had been set aside - which was reclassified to the item "other net provisions for risks and charges".
- Item **"net fees and commissions"** includes item 40 "fee and commission income", cleared of the portion relating to the release of provisions set aside for customer reimbursements in previous financial years (EUR 0.8 million), which was reclassified to "other net provisions for risks and charges", and item 50 "fee and commission expense".
- Item **"dividends, similar income and gains (losses) on investments"** incorporates item 70 "dividends and similar income" and the share of profit for the period contributed by investments in the associate AXA, consolidated at net equity, equal to EUR 18.0 million, included under item 250 "gains (losses) on investments". The aggregate was furthermore cleared of dividends earned on securities other than equity investments (EUR 0.6 million), reclassified under "net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases".
- Item **"net profit (loss) from trading, financial assets/liabilities measured at fair value and gains from disposals/repurchases"** includes item 80 "net profit (loss) from trading", item 100 "gains (losses) on disposals/repurchases" 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 -1.1 million) and securities from the disposals/securitisations of NPLs (EUR +2.5 million) reclassified under "loan loss provisions". The item also includes dividends earned on securities other than equity investments (EUR +0.6 million).
- 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 46.6 million).
- Item **"personnel expenses"** includes the balance of item 190a "personnel expenses" reduced by costs of EUR 1.0 million, which have been reclassified under "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 58.4 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 15.7 million, reclassified under the item “DTA fees”;
- charges of EUR 5.2 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 46.6 million) posted under item 230 “other operating expenses/income”.

- Item “**net value adjustments to property, plant and equipment and intangible assets**” includes the amounts from items 210 “net adjustments to/recoveries on property, plant and equipment” and 220 “net adjustments to/recoveries on intangible assets”.
- Item “**loan loss provisions**” includes the income statement components relating to loans to customers under item 100b “net profit (loss) on financial assets and liabilities measured at fair value” (EUR -1.1 million), 130a “net value losses/reversals for credit risk on financial assets measured at amortised cost” (EUR -97.2 million), 140 “modification gains/(losses) without derecognition” (EUR -0.2 million) and 200a “net provisions for risks and charges for commitments and guarantees issued” (EUR -11.2 million). The item also includes the P&L components relating to securities from disposal/securitisations of NPEs recognised under 110b “net profit (loss) on other assets financial assets measured at fair value” (EUR +2.5 million).
- Item “**net value adjustments on impairment of securities and bank loans**” includes the portion relating to securities (EUR +0.7 million) and loans to banks (EUR +0.6 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”.
- 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 -11.2 million), which has been reclassified to the specific item “loan loss provisions”. The item also includes customer reimbursements in previous financial years recognised under “net interest income” for EUR -0.2 million and under “fee and commission income” for EUR +0.8 million.
- 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 18.0 million reclassified under “dividends, similar income and gains (losses) on investments”.

- Item “**restructuring costs/one-off charges**” includes the following amounts:
 - costs of EUR 1.0 million, relating to exits through the early-retirement or the Solidarity Fund scheme, posted under item 190a “personnel expenses”;
 - charges of EUR 5.2 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 58.4 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 15.7 million.
- Item “**net gains (losses) on property, plant and equipment and intangible assets measured at fair value**” includes the balance of item 260 “net gains (losses) on property, plant and equipment and intangible assets measured at fair value”.
- Item “**gains (losses) from disposal of investments**” includes the balance of item 280 “Gains (losses) from disposal of investments”.
- Item “**tax expense (recovery) on income**” includes the balance of item 300 “tax expense/recovery on income from continuing operations”.

Reclassified balance sheet

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

- Asset item “**loans to central banks**” includes the portion relating to transactions with central banks under balance sheet item 40 “financial assets measured at amortised cost”.
- Asset item “**loans to banks**” includes the portion relating to transactions with banks under balance sheet items 40 “financial assets measured at amortised cost” and 20 “financial assets measured at fair value through profit and loss” and 120 “non-current assets held for sale and discontinued operations”.
- Asset item “**loans to customers**” includes the portion relating to loans to customers under balance sheet items 20 “financial assets measured at fair value through profit and

loss”, 40 “financial assets measured at amortised cost” and 120 “non-current assets held for sale and discontinued operations”.

- Asset item “**securities assets**” includes the portion relating to securities under balance sheet items 20 “financial assets measured at fair value through profit and loss”, 30 “financial assets measured at fair value through other comprehensive income”, 40 “financial assets measured at amortised cost” and 120 “non-current assets held for sale and discontinued operations”.
- Asset item “**derivatives**” includes the portion relating to derivatives under items 20 “financial assets measured at fair value through profit and loss” and 50 “hedging derivatives”.
- Asset item “**equity investments**” includes balance sheet item 70 “equity investments” and the portion relating to equity investments under item 120 “non-current items held for sale and discontinued operations”.
- Asset item “**tangible and intangible assets**” includes balance sheet items 90 “property, plant and equipment”, 100 “intangible assets” and the amounts relating to property, plant and equipment and intangible under item 120 “non-current assets held for sale and discontinued operations”.
- Asset item “**other assets**” includes balance sheet items 60 “change in value of macro-hedged financial assets”, 130 “other assets” and the amounts under item 120 “non-current assets held for sale and discontinued operations” not reclassified under the previous items.
- Liability item “**deposits from customers**” includes balance sheet item 10b “financial liabilities measured at amortised cost – deposits from customers” and the component

relating to customer securities of item 10c “financial liabilities measured at amortised cost – debt securities issued”.

- Liability item “**securities issued**” includes balance sheet items 10c “financial liabilities measured at amortised cost – debt securities issued”, cleared of the component relating to customer securities, and 30 “Financial liabilities designated at fair value”.
- Liability item “**deposits from central banks**” includes the portion of balance sheet item 10a “Financial liabilities valued at amortised cost - deposits from central banks” relating to transactions with central banks.
- Liability item “**deposits from banks**” includes the portion of balance sheet item 10a “financial liabilities valued at amortised cost – deposits from banks” relating to transactions with banks (excluding central banks).
- Liability item “**financial liabilities held for cash trading**” includes the portion of balance sheet item 20 “financial liabilities held for trading” net of the amounts relating to trading derivatives.
- Liability item “**derivatives**” includes balance sheet item 40 “hedging derivatives” and the portion relating to derivatives under item 20 “financial liabilities held for trading”.
- Liability item “**provisions for specific use**” includes balance sheet items 90 “provision for employee severance pay” and 100 “provisions for risks and charges”.
- Item “**other liabilities**” includes balance sheet items 50 “changes in value of macro-hedged financial liabilities”, 70 “liabilities associated with non-current assets held for sale and discontinued operations” and 80 “other liabilities”.
- Liability item “**group net equity**” includes balance sheet items 120 “valuation reserves”, 130 “redeemable shares”, 150 “reserves”, 170 “capital”, 180 “treasury shares” and 200 “profit (loss) for the period”.

| INCOME STATEMENT AND BALANCE SHEET FIGURES | | | |
|---|-------------------|----------------------|-------------|
| MONTEPASCHI GROUP | | | |
| INCOME STATEMENT FIGURES (EUR mln) | 31 03 2023 | 31 03 2022** | Chg. |
| Net interest income | 504.5 | 322.2 | 56.6% |
| Net fee and commission income | 331.7 | 369.5 | -10.2% |
| Other income from banking business # | 44.4 | 94.4 | -52.9% |
| Other operating income and expenses | (1.7) | 0.2 | n.m. |
| Total Revenues | 878.9 | 786.2 | 11.8% |
| Operating expenses | (464.6) | (539.0) | -13.8% |
| Cost of customer credit | (107.2) | (111.3) | -3.6% |
| Other value adjustments | 1.5 | (0.4) | n.m. |
| Net operating income (loss) | 308.6 | 135.6 | n.m. |
| Non-operating items | (88.3) | (131.8) | -33.0% |
| Parent company's net profit (loss) for the period | 235.7 | 9.7 | n.m. |
| EARNINGS PER SHARE (EUR) | 31 03 2023 | 31 03 2022*** | Chg. |
| Basic earnings per share | 0.187 | 0.970 | -80.7% |
| Diluted earnings per share | 0.187 | 0.970 | -80.7% |
| BALANCE SHEET FIGURES AND INDICATORS (EUR mln) | 31 03 2023 | 31 12 2022 | Chg. |
| Total assets * | 124,286.0 | 120,235.3 | 3.4% |
| Loans to customers | 77,755.6 | 76,265.3 | 2.0% |
| Direct funding | 84,067.0 | 81,997.6 | 2.5% |
| Indirect funding | 93,784.0 | 92,420.7 | 1.5% |
| of which: assets under management | 56,575.0 | 57,733.6 | -2.0% |
| of which: assets under custody | 37,209.1 | 34,687.1 | 7.3% |
| Group net equity * | 8,128.9 | 7,860.1 | 3.4% |
| OPERATING STRUCTURE | 31 03 2023 | 31 12 2022 | Chg. |
| Total headcount - end of period | 16,905 | 17,020 | (115) |
| Number of branches in Italy | 1,362 | 1,362 | n.m. |

* The balance sheet and P&L figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates AXA MPS Assicurazioni Danni S.p.A. and AXA MPS Assicurazioni Vita S.p.A., which are consolidated in the MPS Group financial statements using the synthetic equity method.

** The P&L figures as at 31 March 2022 have been restated compared to those published at the reporting date following the (i) discontinuation of reclassifications to PPA and rental income and (ii) the introduction of the reclassification to "Other net provisions for risks and charges" of interest and commission repayments to customers relating to previous years, for which provisions for risks and charges had been made as an offsetting entry to the above P&L items.

*** Earnings per share and diluted earnings per share as at 31 March 2022 have been restated compared to those published at the respective reporting date, following the reverse stock split of the Parent Company's ordinary shares in the ratio of 1 ordinary share for every 100 ordinary shares held, which took place on 26 September 2022 in execution of the resolution of the Parent Company's Extraordinary Shareholders' Meeting on 15 September 2022.

The item has not been restated as at 31 March 2022 since at the date of this press release it was impracticable to determine retrospectively the period-specific effects of the adoption of IFR 17 and IFRS 9 by the insurance associates. The comparison is therefore not on a like-for-like basis.

| ALTERNATIVE PERFORMANCE MEASURES | | | |
|--|-------------------|-------------------|-------------|
| MONTEPASCHI GROUP | | | |
| PROFITABILITY RATIOS (%) | 31 03 2023 | 31 12 2022 | Chg. |
| Cost/Income ratio ** | 52.9 | 68.1 | -15.2 |
| ROE (on average equity) * | 11.8 | (2.5) | 14.3 |
| ROA | 0.8 | (0.2) | 1.0 |
| ROTE * | 12.0 | (2.6) | 14.6 |
| CREDIT QUALITY RATIOS (%) | 31 03 2023 | 31 12 2022 | Chg. |
| Net non performing loans to customers / Loans to Customers (Net NPL ratio) | 2.1 | 2.2 | -0.1 |
| Gross NPL ratio | 3.4 | 3.6 | -0.2 |
| Rate of change of non-performing loans to customers | 0.3 | (19.6) | 19.9 |
| Bad loans to customers/ Loans to Customers | 0.6 | 0.6 | n.m. |
| Loans to customers measured at amortised cost - Stage 2/Performing loans to customers measured at amortised cost | 14.2 | 14.9 | -0.7 |
| Coverage of non-performing loans to customers | 50.2 | 48.1 | 2.1 |
| Coverage of bad loans to customers | 66.7 | 65.1 | 1.6 |
| Cost of customers credit/Customers loans (Provisioning) | 0.55 | 0.55 | n.m. |
| Texas Ratio * | 34.3 | 35.5 | -1.2 |

* The balance sheet and P&L figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates AXA MPS Assicurazioni Danni S.p.A. and AXA MPS Assicurazioni Vita S.p.A., which are consolidated in the MPS Group financial statements using the synthetic equity method.

** The P&L figures as at 31 December 2022 have been restated compared to those published at the reporting date following the (i) discontinuation of reclassifications to PPAs and rental income and (ii) the introduction of the reclassification to "Other net provisions for risks and charges" of interest and commission repayments to customers relating to previous years, for which provisions for risks and charges had been made as an offsetting entry to the above P&L items.

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

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

Return On Asset (ROA): ratio between the 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' equity¹¹ at the end of the year and that of the end of the period.

Gross NPL Ratio: gross weight of non-performing loans calculated, as per EBA guidelines¹², as the ratio between gross non-performing loans to customers and banks¹³, net of assets held for sale, and total gross loans to customers and banks, net of assets held for sale.

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

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

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

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

¹¹ Book value of the Group's shareholders' equity, inclusive of the profit (loss) for the period, cleared of goodwill and other intangible assets.

¹² EBA GL/2018/10.

¹³ Loans to banks include current accounts and demand deposits with banks and central banks under balance sheet item "Cash and Equivalent"

| REGULATORY MEASURES | | | |
|--|------------|------------|------|
| MONTEPASCHI GROUP | | | |
| CAPITAL RATIOS (%) | 31 03 2023 | 31 12 2022 | Chg. |
| Common Equity Tier 1 (CET1) ratio - phase in | 14.4 | 16.6 | -2.2 |
| Common Equity Tier 1 (CET1) ratio - fully loaded | 14.4 | 15.6 | -1.2 |
| Total Capital ratio - phase in | 18.0 | 20.5 | -2.5 |
| Total Capital ratio - fully loaded | 18.0 | 19.5 | -1.5 |
| FINANCIAL LEVERAGE INDEX (%) | 31 03 2023 | 31 12 2022 | Chg. |
| Leverage ratio - transitional definition | 5.4 | 5.8 | -0.4 |
| Leverage ratio - fully phased | 5.4 | 5.4 | n.m. |
| LIQUIDITY RATIO (%) | 31 03 2023 | 31 12 2022 | Chg. |
| LCR | 210.6 | 192.3 | 18.3 |
| NSFR | 131.9 | 134.1 | -2.2 |
| Encumbered asset ratio | 33.6 | 31.9 | 1.7 |
| Loan to deposit ratio | 92.5 | 93.0 | -0.5 |
| Spot counterbalancing capacity (bn of Eur) | 25.1 | 25.5 | -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 capital¹⁴ and total risk-weighted assets (RWAs)¹⁵.

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

Leverage ratio: indicator calculated as the ratio between Tier 1¹⁶ capital and total assets, introduced by Basel regulations with the objective of containing the increase in leverage in the banking sector and strengthening risk-based requirements through a different measure based on financial statement aggregates.

Liquidity Coverage Ratio (LCR): short-term liquidity indicator corresponding to the ratio between the amount of high-quality liquid assets and the total net cash outflows in the subsequent 30 calendar days subsequent to the reporting date.

Net Stable Funding Ratio (NSFR): structural 12-month liquidity indicator corresponding to the ratio between the available stable funding amount and the required stable funding amount.

Encumbered asset ratio: ratio between the book value of encumbered assets and collateral and total assets and collateral (XVII, section 1.6, point 9, of Regulation (EU) 79/2015).

Loan to deposit ratio: ratio between net loans to customers and direct funding (deposits from customers and securities issued).

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

¹⁴ Defined by Article 4 of Regulation (EU) no. 575/2013 (Capital Requirements Regulation, CRR). It consists of capital items and instruments net of the required adjustments and deductions.

¹⁵ Risk-weighted assets: the result of the application of certain risk weights to exposures, determined according to supervisory rules.

¹⁶ Sum of the entity's Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital, as defined by art. 25 of Regulation (EU) no. 575/2013.

| Reclassified Consolidated Income Statement | | | | |
|--|-------------------|--------------------|---------------|---------------|
| MONTEPASCHI GROUP | 31 03 2023 | 31 03 2022* | Change | |
| | | | Abs. | % |
| Net interest income | 504.5 | 322.2 | 182.3 | 56.6% |
| Net fee and commission income | 331.7 | 369.5 | (37.8) | -10.2% |
| Income from banking activities | 836.2 | 691.7 | 144.5 | 20.9% |
| Dividends, similar income and gains (losses) on investments ** | 18.7 | 14.2 | 4.5 | 31.7% |
| Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases | 25.1 | 75.6 | (50.4) | -66.7% |
| Net profit (loss) from hedging | 0.6 | 4.6 | (4.0) | -87.0% |
| Other operating income (expenses) | (1.7) | 0.2 | (1.9) | n.m. |
| Total Revenues | 878.9 | 786.2 | 92.7 | 11.8% |
| Administrative expenses: | (421.1) | (491.7) | 70.6 | -14.4% |
| a) personnel expenses | (287.6) | (355.9) | 68.2 | -19.2% |
| b) other administrative expenses | (133.5) | (135.8) | 2.4 | -1.8% |
| Net value adjustments to property, plant and equipment and intangible assets | (43.5) | (47.3) | 3.8 | -8.0% |
| Operating expenses | (464.6) | (539.0) | 74.4 | -13.8% |
| Pre-Provision Operating Profit | 414.3 | 247.2 | 167.1 | 67.6% |
| Cost of customer credit | (107.2) | (111.3) | 4.0 | -3.6% |
| Net impairment (losses)/reversals on securities and loans to banks | 1.5 | (0.4) | 1.9 | n.m. |
| Net operating income | 308.6 | 135.6 | 173.0 | n.m. |
| Net provisions for risks and charges | (6.5) | (29.0) | 22.5 | -77.6% |
| Other gains (losses) on equity investments | (1.6) | 1.9 | (3.5) | n.m. |
| Restructuring costs / One-off costs | (6.2) | (0.2) | (6.0) | n.m. |
| Risks and charges associated to the SRF, DGS and similar schemes | (58.4) | (88.7) | 30.3 | -34.2% |
| DTA Fee | (15.7) | (15.8) | 0.0 | -0.1% |
| Net gains (losses) on property, plant and equipment and intangible assets measured at fair value | 0.1 | - | 0.1 | n.m. |
| Gains (losses) on disposal of investments | - | (0.1) | 0.1 | -100.0% |
| Profit (Loss) for the period before tax | 220.3 | 3.8 | 216.5 | n.m. |
| Tax (expense)/recovery on income from continuing operations | 15.4 | 5.9 | 9.5 | n.m. |
| Profit (Loss) after tax | 235.7 | 9.7 | 226.0 | n.m. |
| Net profit (loss) for the period including non-controlling interests | 235.7 | 9.7 | 226.0 | n.m. |
| Net profit (loss) attributable to non-controlling interests | - | - | - | n.m. |
| Parent company's net profit (loss) for the period | 235.7 | 9.7 | 226.0 | n.m. |

* The P&L figures as at 31 March 2022 have been restated compared to those published at the reporting date following the (i) discontinuation of reclassifications to PPA and rental income and (ii) the introduction of the reclassification to "Other net provisions for risks and charges" of interest and commission repayments to customers relating to previous years, for which provisions for risks and charges had been made as an offsetting entry to the above P&L items.

** The item has not been restated as at 31 March 2022 since at the date of this press release it was impracticable to determine retrospectively the period-specific effects of the adoption of IFR 17 and IFRS 9 by the insurance associates. The comparison is therefore not on a like-for-like basis.

| Quarterly trend in reclassified consolidated income statement | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| MONTEPASCHI GROUP | 2023 | 2022* | | | |
| | 1°Q 2023 | 4°Q 2022 | 3°Q 2022 | 2°Q 2022 | 1°Q 2022 |
| Net interest income | 504.5 | 498.4 | 378.7 | 336.3 | 322.2 |
| Net fee and commission income | 331.7 | 309.0 | 326.7 | 359.5 | 369.5 |
| Income from banking activities | 836.2 | 807.4 | 705.4 | 695.8 | 691.7 |
| Dividends, similar income and gains (losses) on investments** | 18.7 | 30.0 | 30.0 | 11.1 | 14.2 |
| Net profit (loss) from trading, the fair value measurement of assets/liabilities and Net gains (losses) on disposals/repurchases | 25.1 | 0.4 | (8.6) | 6.9 | 75.6 |
| Net profit (loss) from hedging | 0.6 | (2.4) | 0.8 | 3.2 | 4.6 |
| Other operating income (expenses) | (1.7) | 3.3 | 0.3 | 23.7 | 0.2 |
| Total Revenues | 878.9 | 838.7 | 727.9 | 740.7 | 786.2 |
| Administrative expenses: | (421.1) | (459.9) | (480.3) | (488.8) | (491.7) |
| a) personnel expenses | (287.6) | (326.9) | (354.0) | (356.8) | (355.9) |
| b) other administrative expenses | (133.5) | (132.9) | (126.3) | (132.0) | (135.8) |
| Net value adjustments to property, plant and equipment and intangible assets | (43.5) | (46.5) | (47.1) | (46.6) | (47.3) |
| Operating expenses | (464.6) | (506.4) | (527.4) | (535.4) | (539.0) |
| Pre-Provision Operating Profit | 414.3 | 332.3 | 200.5 | 205.2 | 247.2 |
| Cost of customer credit | (107.2) | (96.9) | (95.1) | (113.7) | (111.3) |
| Net impairment (losses)/reversals on securities and loans to banks | 1.5 | (2.5) | (0.3) | 2.1 | (0.4) |
| Net operating income | 308.6 | 232.9 | 105.1 | 93.7 | 135.6 |
| Net provisions for risks and charges | (6.5) | (40.7) | 121.8 | (50.1) | (29.0) |
| Other gains (losses) on equity investments | (1.6) | 0.0 | 2.5 | (0.7) | 1.9 |
| Restructuring costs / One-off costs | (6.2) | (2.9) | (925.4) | (2.9) | (0.2) |
| Risks and charges associated to the SRF, DGS and similar schemes | (58.4) | (7.5) | (83.5) | - | (88.7) |
| DTA Fee | (15.7) | (15.8) | (15.7) | (15.7) | (15.8) |
| Net gains (losses) on property, plant and equipment and intangible assets measured at fair value | 0.1 | (20.3) | - | (10.8) | - |
| Gains (losses) on disposal of investments | - | - | - | 0.9 | (0.1) |
| Profit (Loss) for the period before tax | 220.3 | 145.7 | (795.3) | 14.4 | 3.8 |
| Tax (expense)/recovery on income from continuing operations | 15.4 | 10.1 | 407.6 | 3.0 | 5.9 |
| Profit (Loss) after tax | 235.7 | 155.8 | (387.7) | 17.4 | 9.7 |
| Net profit (loss) for the period including non-controlling interests | 235.7 | 155.8 | (387.7) | 17.4 | 9.7 |
| Net profit (loss) attributable to non-controlling interests | - | - | - | (0.1) | - |
| Parent company's net profit (loss) for the period | 235.7 | 155.8 | (387.7) | 17.5 | 9.7 |

* The P&L figures for the quarters of 2022 have been restated compared to those published at the respective reporting dates following the (i) discontinuation of reclassifications to PPA and rental income and (ii) the introduction as of December 2022, of the reclassification to "Other net provisions for risks and charges" of interest and commission repayments to customers relating to previous years, for which provisions for risks and charges had been made as an offsetting entry to the above P&L items.

** The item for the quarters of 2022 has not been restated since at the date of this press release it was impracticable to determine retrospectively the period-specific effects of the adoption of IFR 17 and IFRS 9 by the insurance associates. The comparison is therefore not on a like-for-like basis.

| Reclassified Balance Sheet | | | | |
|--|-------------------|--------------------|----------------|-------------|
| Assets | 31 03 2023 | 31 12 2022* | Chg | |
| | | | abs. | % |
| Cash and cash equivalents | 14,512.4 | 12,538.6 | 1,973.8 | 15.7% |
| Loans to central banks | 656.4 | 628.1 | 28.3 | 4.5% |
| Loans to banks | 2,125.8 | 1,950.1 | 175.7 | 9.0% |
| Loans to customers | 77,755.6 | 76,265.3 | 1,490.3 | 2.0% |
| Securities assets | 18,652.3 | 18,393.6 | 258.7 | 1.4% |
| Derivatives | 3,215.9 | 3,413.6 | (197.7) | -5.8% |
| Equity investments | 772.0 | 750.7 | 21.3 | 2.8% |
| Property, plant and equipment/Intangible assets | 2,567.1 | 2,604.0 | (36.9) | -1.4% |
| <i>a) goodwill</i> | 7.9 | 7.9 | - | 0.0% |
| Tax assets | 2,219.7 | 2,216.4 | 3.3 | 0.1% |
| Other assets | 1,808.8 | 1,474.9 | 333.9 | 22.6% |
| Total assets | 124,286.0 | 120,235.3 | 4,050.7 | 3.4% |
| Liabilities | 31 03 2023 | 31 12 2022* | Chg | |
| | | | abs. | % |
| Direct funding | 84,067.0 | 81,997.6 | 2,069.4 | 2.5% |
| a) Due to customers | 74,708.3 | 73,356.8 | 1,351.5 | 1.8% |
| b) Securities issued | 9,358.7 | 8,640.8 | 717.9 | 8.3% |
| Due to central banks | 19,317.2 | 19,176.9 | 140.3 | 0.7% |
| Due to banks | 1,884.6 | 2,205.9 | (321.3) | -14.6% |
| On-balance-sheet financial liabilities held for trading | 3,276.3 | 2,567.2 | 709.1 | 27.6% |
| Derivatives | 1,608.7 | 1,722.9 | (114.2) | -6.6% |
| Provisions for specific use | 1,554.2 | 1,585.7 | (31.5) | -2.0% |
| a) Provision for staff severance indemnities | 69.9 | 70.2 | (0.3) | -0.4% |
| b) Provision related to guarantees and other commitments given | 152.8 | 142.5 | 10.3 | 7.2% |
| c) Pension and other post-retirement benefit obligations | 3.8 | 26.6 | (22.8) | -85.7% |
| d) Other provisions | 1,327.7 | 1,346.4 | (18.7) | -1.4% |
| Tax liabilities | 6.9 | 6.6 | 0.3 | 4.5% |
| Other liabilities | 4,441.3 | 3,111.5 | 1,329.8 | 42.7% |
| Group net equity | 8,128.9 | 7,860.1 | 268.8 | 3.4% |
| a) Valuation reserves | 7.2 | (30.6) | 37.8 | n.m. |
| d) Reserves | 432.5 | 615.5 | (183.0) | -29.7% |
| f) Share capital | 7,453.5 | 7,453.5 | - | - |
| h) Net profit (loss) for the period | 235.7 | (178.4) | 414.1 | n.m. |
| Non-controlling interests | 0.9 | 0.9 | - | 0.0% |
| Total Liabilities and Shareholders' Equity | 124,286.0 | 120,235.3 | 4,050.7 | 3.4% |

* The balance sheet figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates AXA MPS Assicurazioni Danni S.p.A. and AXA MPS Assicurazioni Vita S.p.A., which are consolidated in the MPS Group financial statements using the synthetic equity method.

| Reclassified Balance Sheet - Quarterly Trend | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Assets | 31 03 2023 | 31 12 2022* | 30 09 2022** | 30 06 2022** | 31 03 2022** |
| Cash and cash equivalents | 14,512.4 | 12,538.6 | 16,540.4 | 1,518.8 | 1,791.0 |
| Loans to central banks | 656.4 | 628.1 | 4,426.4 | 17,626.5 | 15,392.8 |
| Loans to banks | 2,125.8 | 1,950.1 | 2,715.5 | 1,432.1 | 2,424.9 |
| Loans to customers | 77,755.6 | 76,265.3 | 77,939.1 | 78,621.7 | 79,259.7 |
| Securities assets | 18,652.3 | 18,393.6 | 19,794.3 | 22,312.7 | 23,382.2 |
| Derivatives | 3,215.9 | 3,413.6 | 3,521.3 | 3,029.2 | 2,352.6 |
| Equity investments | 772.0 | 750.7 | 692.2 | 756.5 | 985.2 |
| Property, plant and equipment/Intangible assets | 2,567.1 | 2,604.0 | 2,639.5 | 2,666.1 | 2,718.5 |
| a) goodwill | 7.9 | 7.9 | 7.9 | 7.9 | 7.9 |
| Tax assets | 2,219.7 | 2,216.4 | 2,205.7 | 1,769.3 | 1,798.0 |
| Other assets | 1,808.8 | 1,474.9 | 1,317.1 | 1,645.0 | 1,904.2 |
| Total assets | 124,286.0 | 120,235.3 | 131,791.5 | 131,377.9 | 132,009.1 |
| Liabilities | 31 03 2023 | 31 12 2022* | 30 09 2022** | 30 06 2022** | 31 03 2022** |
| Direct funding | 84,067.0 | 81,997.6 | 83,805.1 | 84,305.1 | 84,428.2 |
| a) Due to customers | 74,708.3 | 73,356.8 | 75,164.3 | 74,940.9 | 74,992.2 |
| b) Securities issued | 9,358.7 | 8,640.8 | 8,640.8 | 9,364.2 | 9,436.0 |
| Due to central banks | 19,317.2 | 19,176.9 | 28,931.7 | 28,947.6 | 29,081.1 |
| Due to banks | 1,884.6 | 2,205.9 | 2,589.8 | 1,694.6 | 1,763.6 |
| On-balance-sheet financial liabilities held for trading | 3,276.3 | 2,567.2 | 2,362.2 | 2,658.7 | 3,174.4 |
| Derivatives | 1,608.7 | 1,722.9 | 1,777.2 | 1,727.5 | 2,081.9 |
| Provisions for specific use | 1,554.2 | 1,585.7 | 2,582.4 | 1,822.2 | 1,820.6 |
| a) Provision for staff severance indemnities | 69.9 | 70.2 | 136.9 | 142.5 | 157.8 |
| b) Provision related to guarantees and other commitments given | 152.8 | 142.5 | 148.5 | 148.8 | 147.8 |
| c) Pension and other post-retirement benefit obligations | 3.8 | 26.6 | 24.2 | 24.9 | 29.0 |
| d) Other provisions | 1,327.7 | 1,346.4 | 2,272.8 | 1,506.0 | 1,486.0 |
| Tax liabilities | 6.9 | 6.6 | 6.9 | 6.0 | 6.5 |
| Other liabilities | 4,441.3 | 3,111.5 | 4,430.8 | 4,378.1 | 3,645.4 |
| Group net equity | 8,128.9 | 7,860.1 | 5,304.1 | 5,836.7 | 6,006.1 |
| a) Valuation reserves | 7.2 | (30.6) | (203.3) | (55.3) | 131.6 |
| d) Reserves | 432.5 | 615.5 | 913.8 | (3,330.2) | (3,330.2) |
| f) Share capital | 7,453.5 | 7,453.5 | 4,954.1 | 9,195.0 | 9,195.0 |
| h) Net profit (loss) for the period | 235.7 | (178.4) | (360.5) | 27.2 | 9.7 |
| Non-controlling interests | 0.9 | 0.9 | 1.3 | 1.4 | 1.3 |
| Total Liabilities and Shareholders' Equity | 124,286.0 | 120,235.3 | 131,791.5 | 131,377.9 | 132,009.1 |

* The balance sheet figures as at 31 December 2022 have been restated compared to the data published at the reporting date, following the retrospective application of the new IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance associates AXA MPS Assicurazioni Danni S.p.A. and AXA MPS Assicurazioni Vita S.p.A, which are consolidated in the MPS Group financial statements using the synthetic equity method.

** The balance sheet figures as at 30 September, June and March 2022 have not been restated compared to those published at the relevant reporting dates since, it was impracticable, at the date of this press release, to determine retrospectively the period -specific effects of the adoption of IFRS 17 and IFRS 9 by the insurance associates. The comparison is therefore not on a like-for-like basis.

The information contained herein provides a summary of the Group's 1Q 2023 interim financial statements and is not complete. 1Q23 complete interim financial statements will be available on the Company's website at www.gruppomps.it.

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