



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

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

**3Q-24 & 9M-24 Results**

*Siena, 8<sup>th</sup> November 2024*

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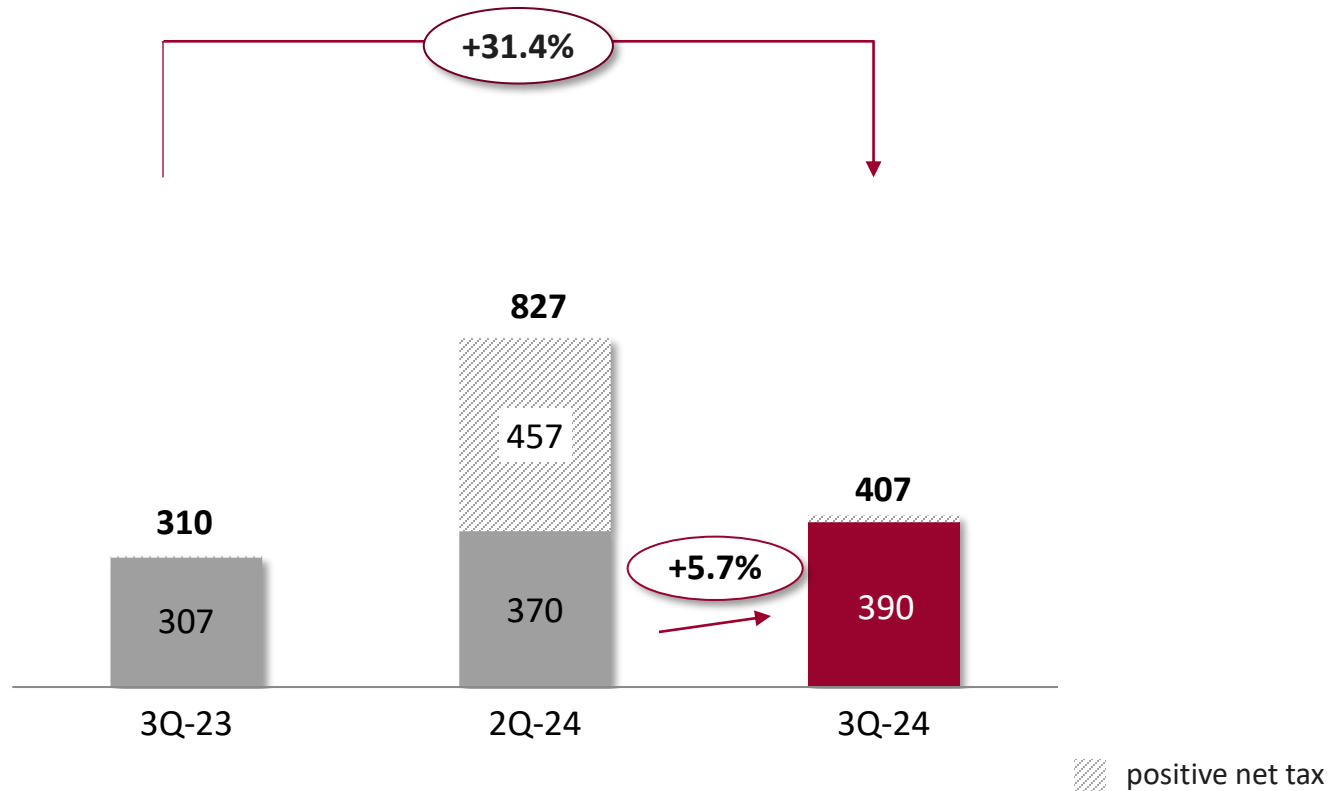
# 3Q-24 & 9M-24 Executive Summary

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

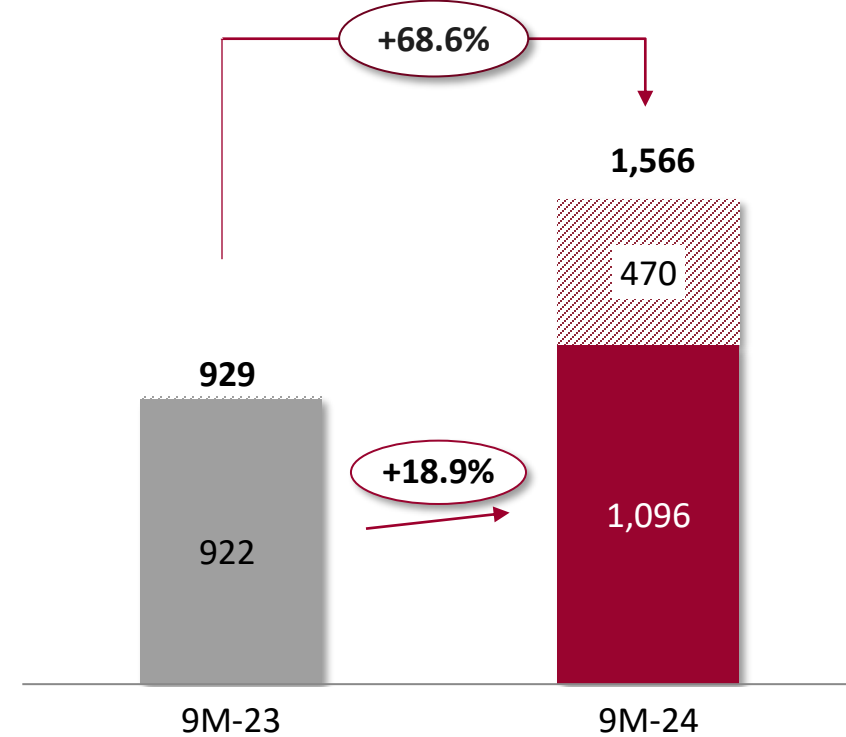


# Net Profit

## Quarterly Evolution (€m)



## Yearly Evolution (€m)

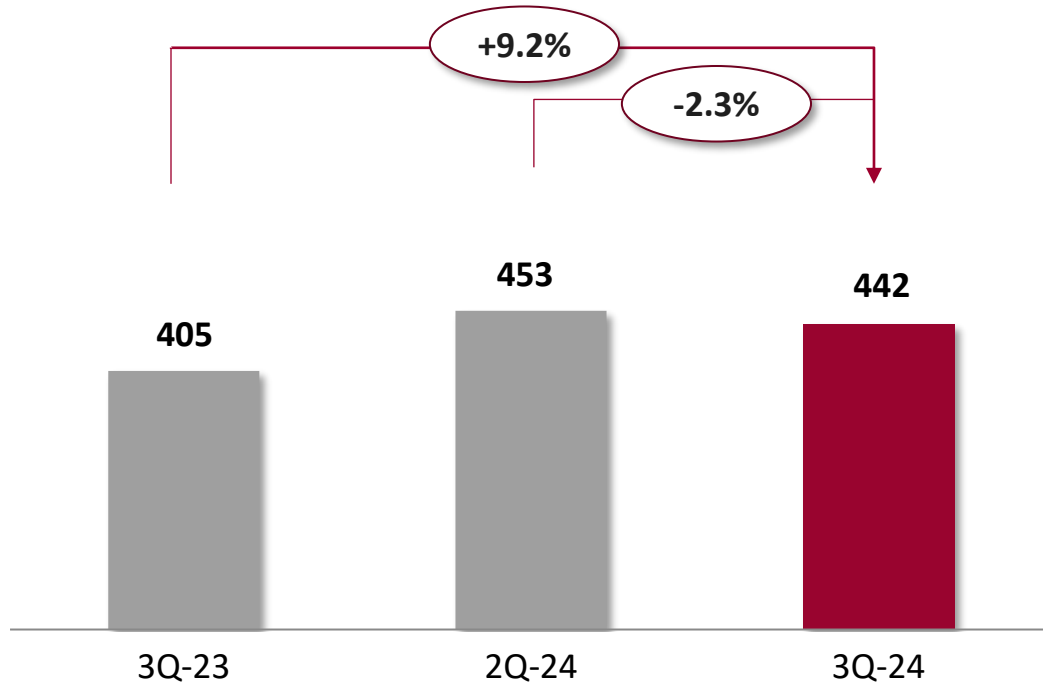


- 9M-24 net profit at €1,566m, up +68.6% y/y, including €470m of positive net tax
- 3Q-24 net profit at €407m, up +5.7% q/q on comparable basis

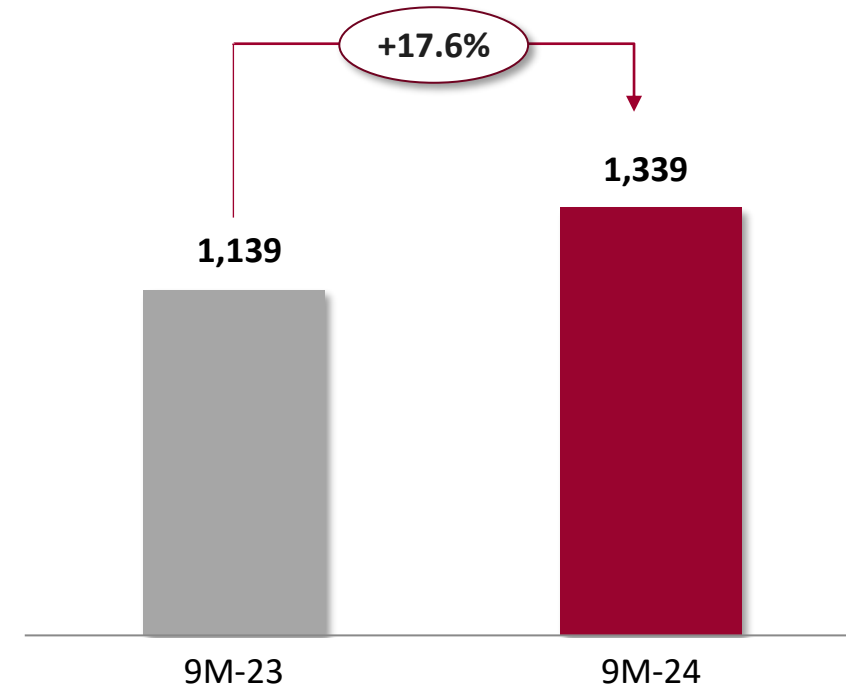


# Net Operating Profit

Quarterly Evolution (€m)



Yearly Evolution (€m)



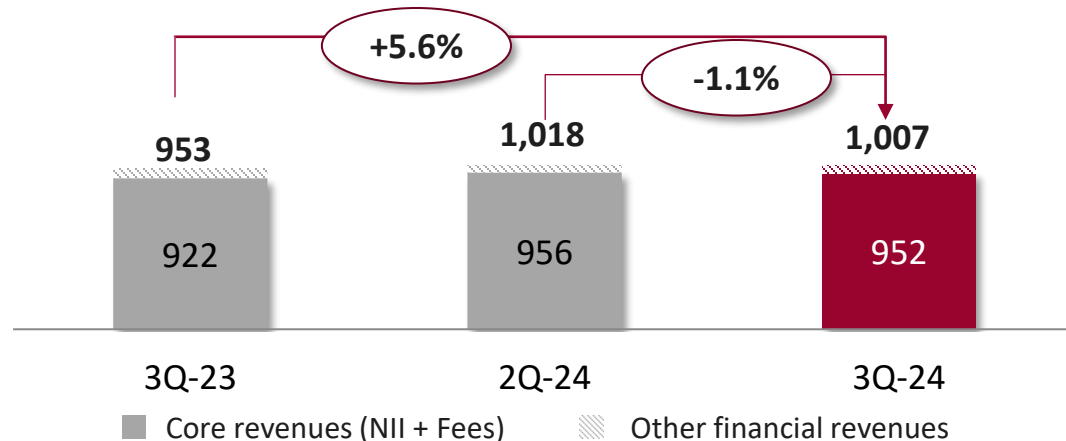
- 9M-24 net operating profit at €1,339m, up +17.6% y/y, thanks to increased revenues, effective costs control and cost of risk in line with the guidance
- 3Q-24 net operating profit at €442m, -2.3% q/q affected by the typical third-quarter seasonality and the second tranche of salary increase as per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



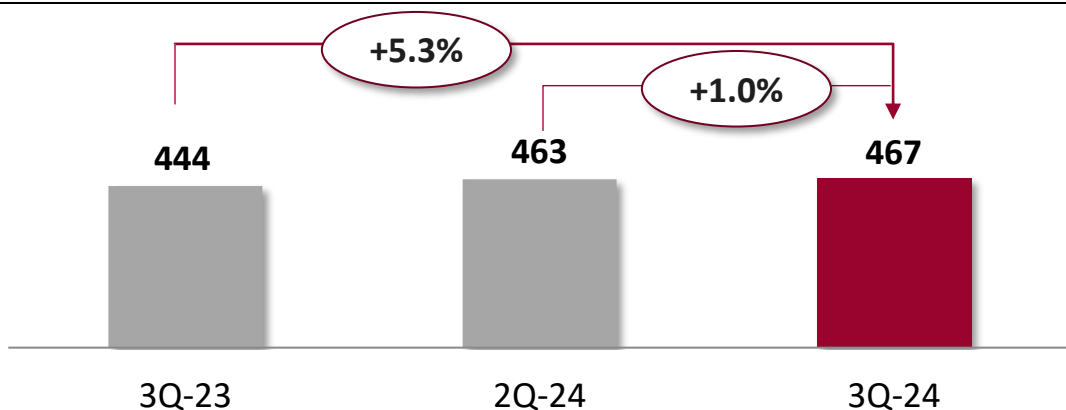
# Gross Operating Profit

## Quarterly Evolution

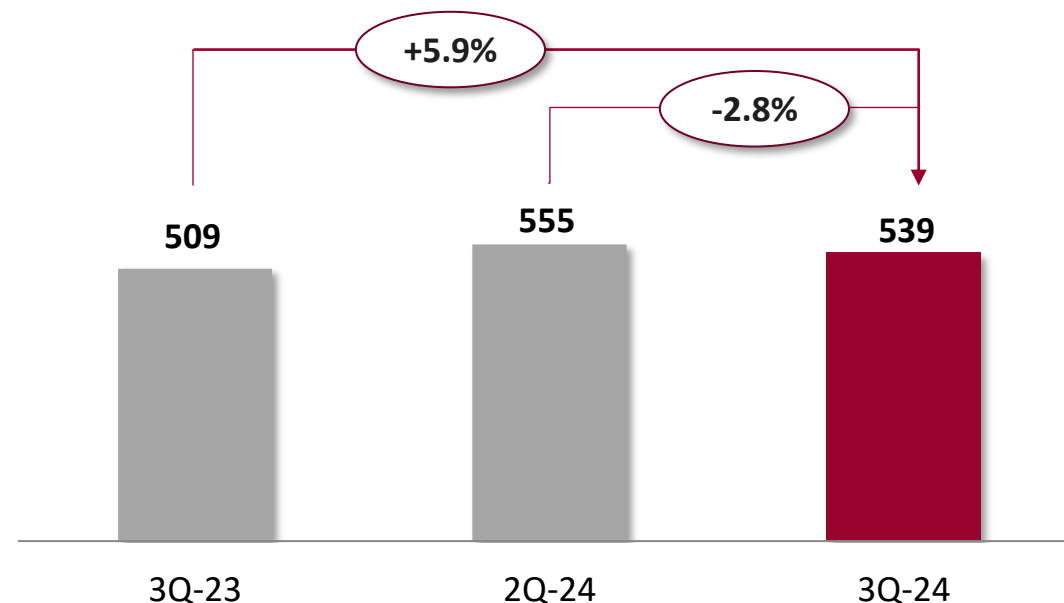
Operating Income (€m)



Operating Costs (€m)



Gross Operating Profit (€m)



Cost/Income 47% 45% 46%

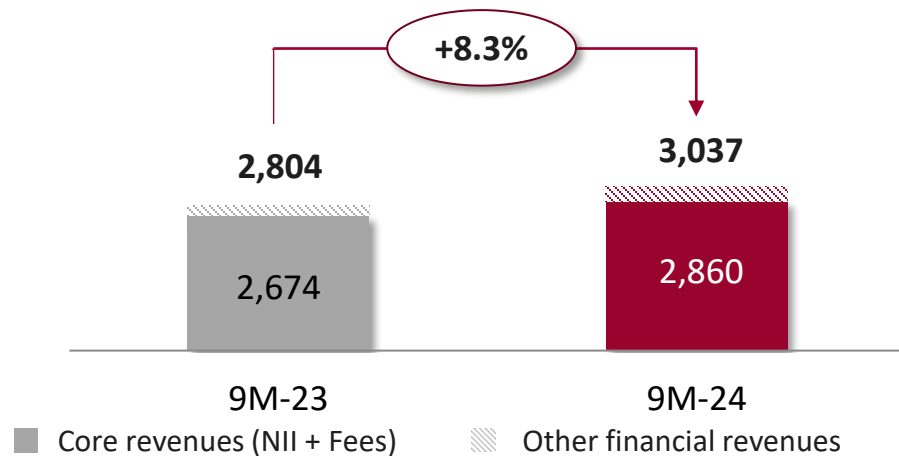
- 3Q-24 gross operating profit at €539m, -2.8% q/q, with resilient core revenues, despite third-quarter seasonality, and impact of second tranche of wage increase. 3Q-24 up +5.9% y/y thanks to positive contribution of operating income more than offsetting impact of labour contract renewal
- 3Q-24 cost/income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



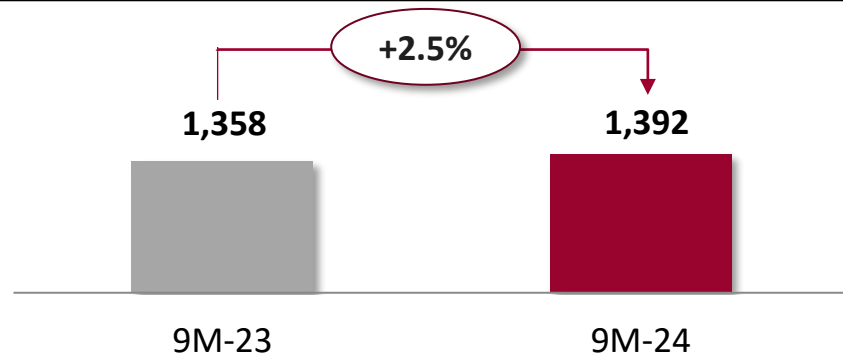
# Gross Operating Profit

## Yearly Evolution

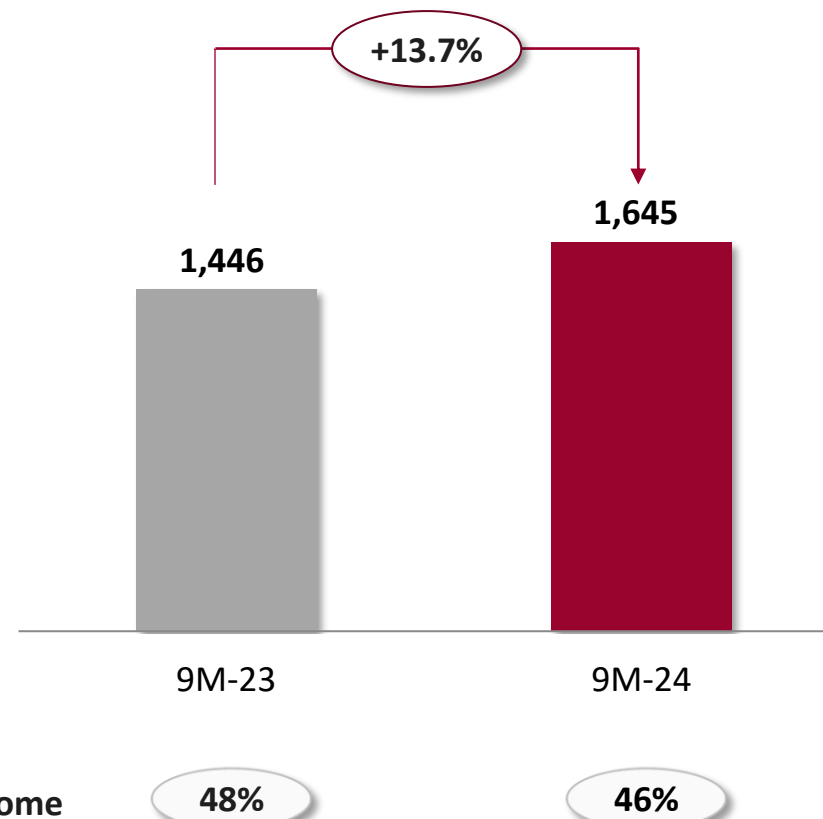
Operating Income (€m)



Operating Costs (€m)



Gross Operating Profit (€m)



Cost/Income

48%

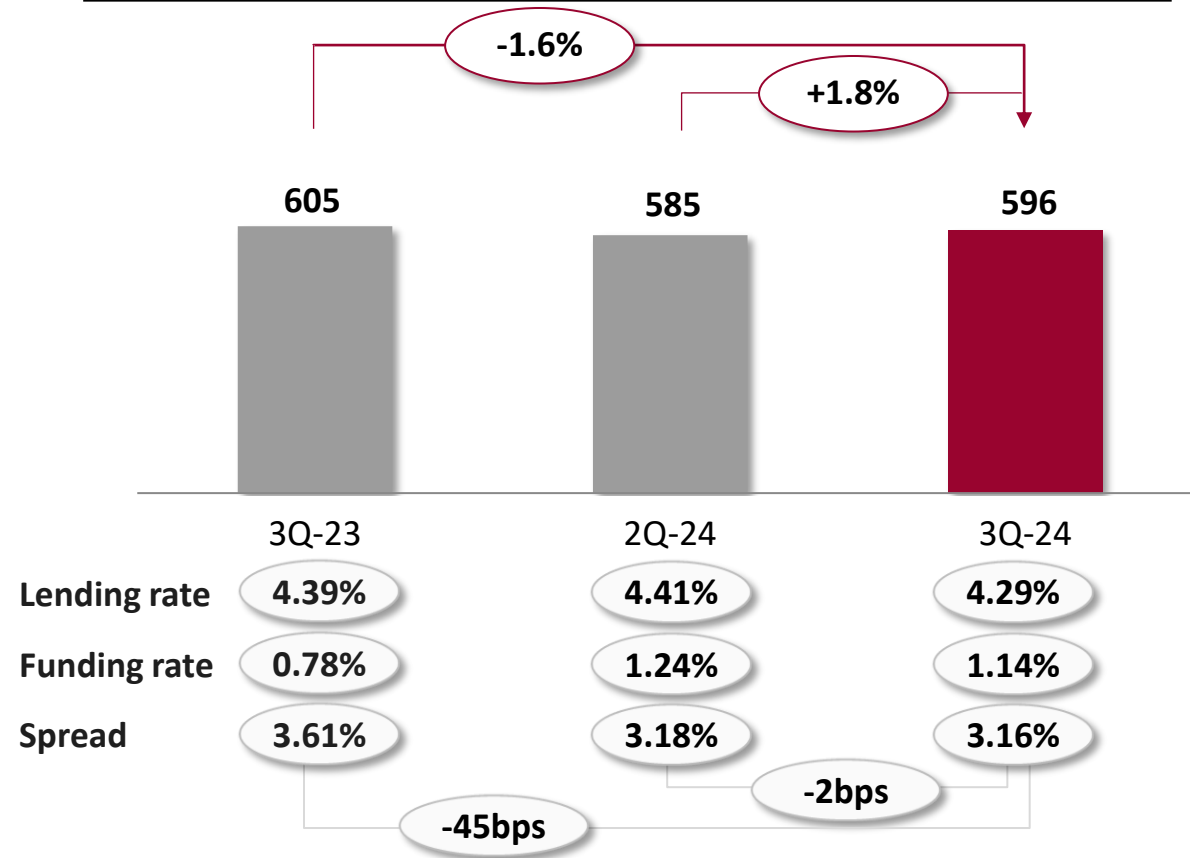
46%

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

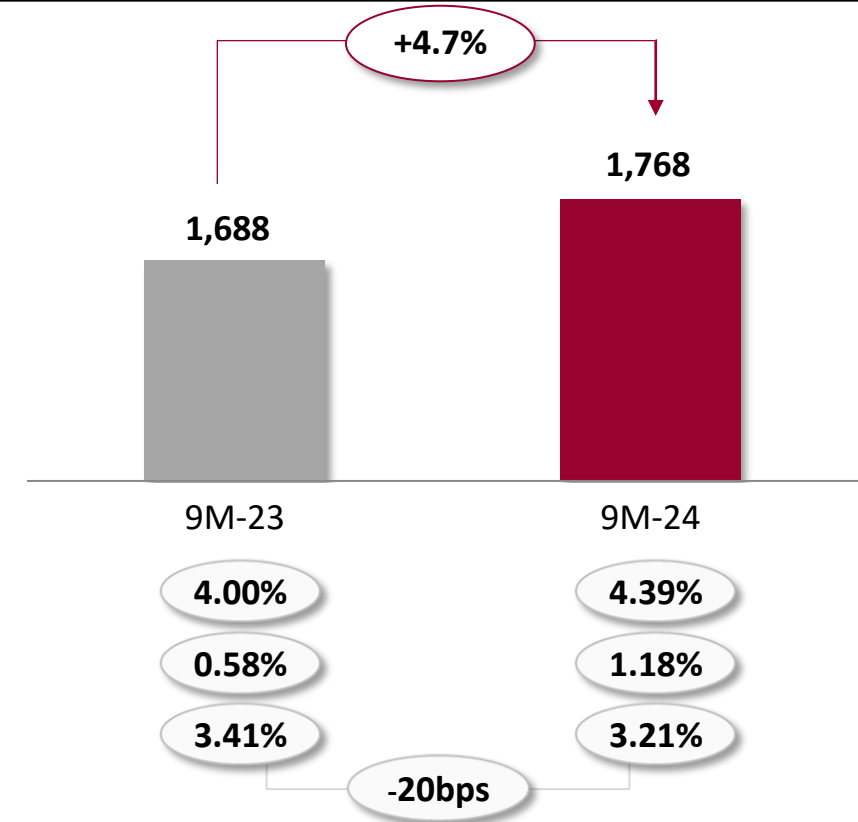


# Net Interest Income

Quarterly Evolution (€m)



Yearly Evolution (€m)



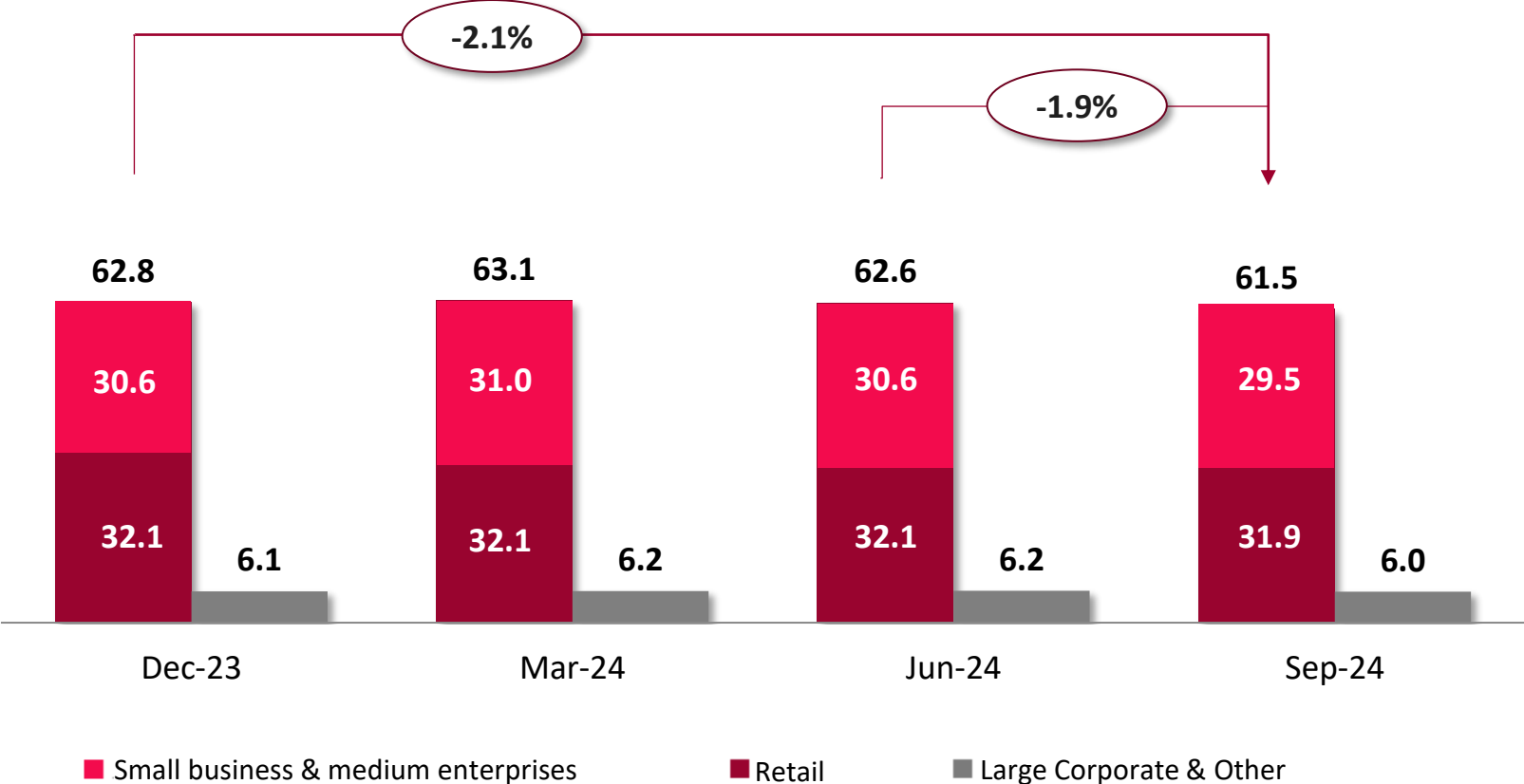
- 9M-24 NII at €1,768m up +4.7% y/y, mainly thanks to the optimization of the overall cost of funding
- 3Q-24 NII at €596m, up +1.8% q/q supported by days effect





# Net Customer Loans

Net Loans <sup>(1)</sup> (€bn)



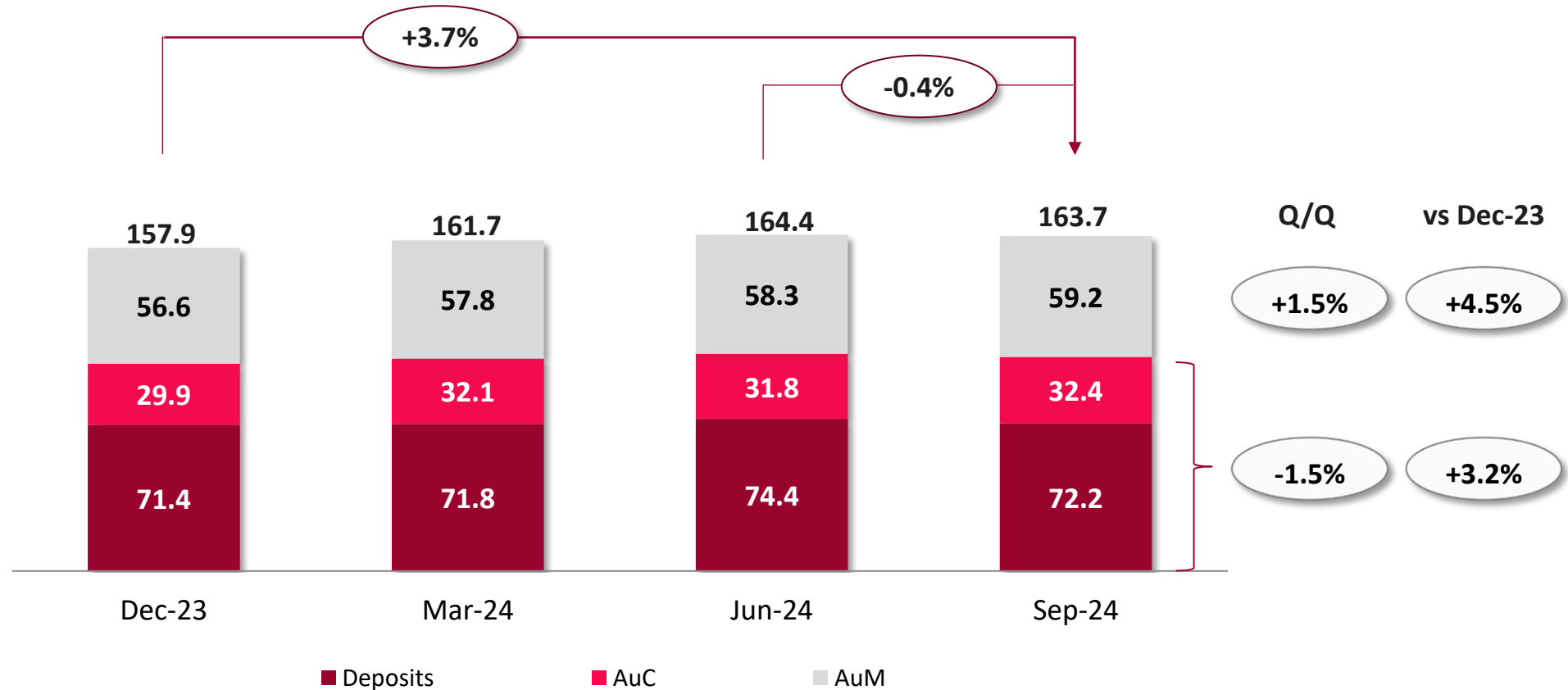
- Net customer loans volumes dynamics reflecting market trend



Notes: (1) Loans presented net of repos and NPEs. 2023 figures have been recast on the basis of a different client segmentation and including the effect of the merger of MPS CS and L&F.

# Total Commercial Savings

Total Commercial Savings<sup>(1)</sup> (€bn)

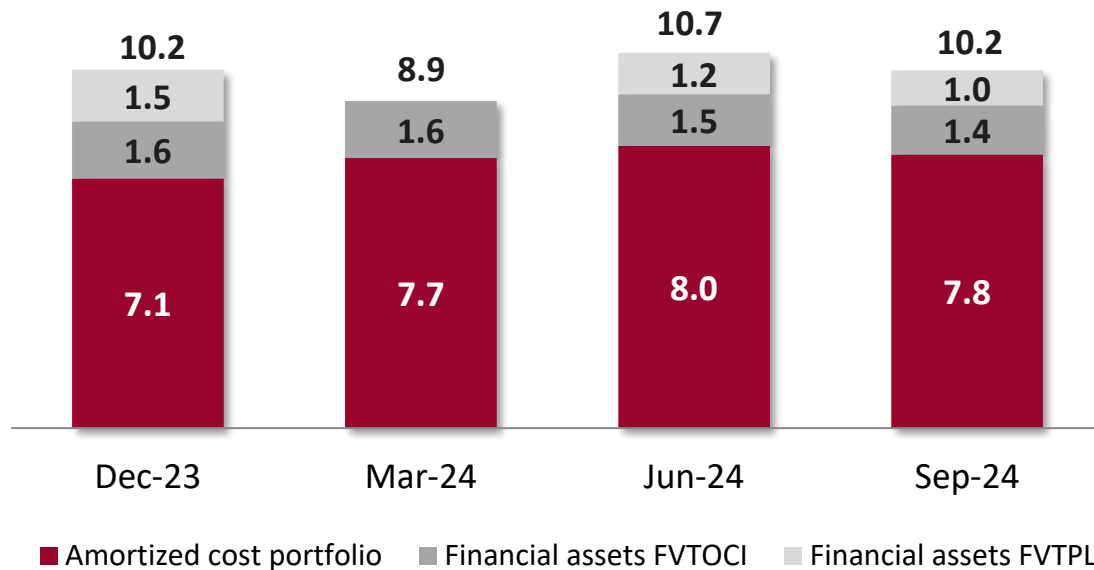


- Total commercial savings increased by €+5.8bn since Dec-23 and almost stable q/q, with a shift from deposits to AuM/AuC, in line with Business Plan strategy



# Italian Govies Portfolio

Italian Govies Portfolio Breakdown<sup>(1)</sup> (€bn)



Italian Govies Portfolio at FVTOCI

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

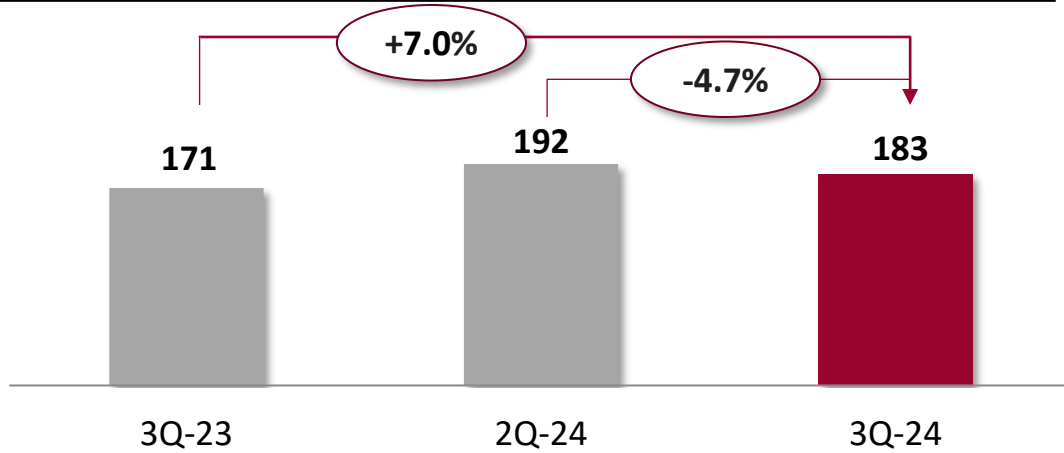
- Banking book portfolio (AC+FVTOCI) stable at €9bn level
- Q/q dynamics of FVTPL portfolio related to market-making activity on Italian government bonds



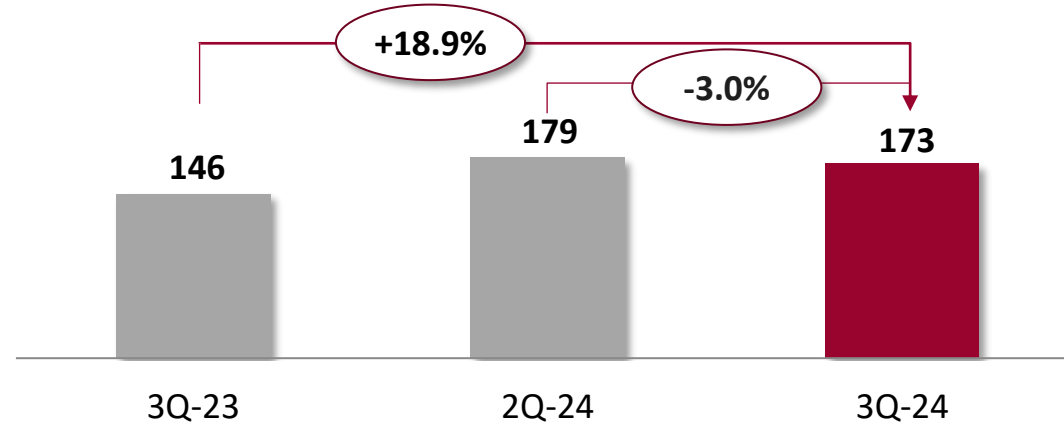
# Net Fee and Commission Income

## Quarterly Evolution

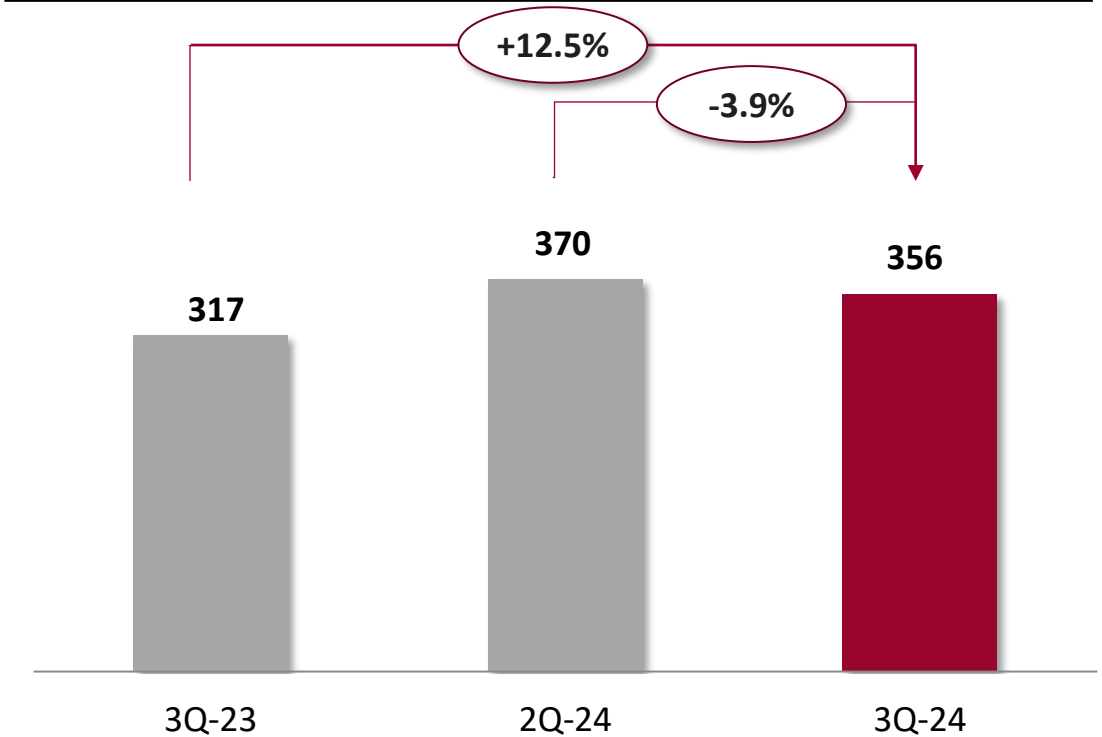
Commercial Banking Fees (€m)



Wealth Management and Advisory Fees (€m)



Total Fees (€m)



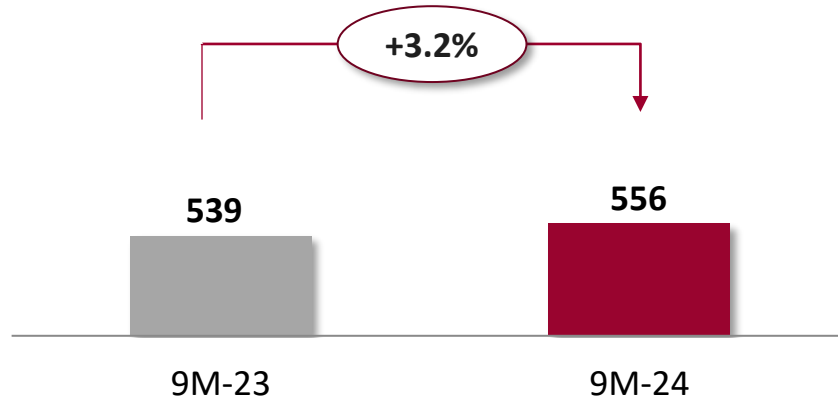
- +12.5% y/y total fees growth driven by both strong WM fees performance, with +18.9% y/y dynamics, and commercial banking fees growing +7.0% y/y
- Total fees in 3Q-24 at €356m, with -3.9% q/q dynamics reflecting the typical seasonality



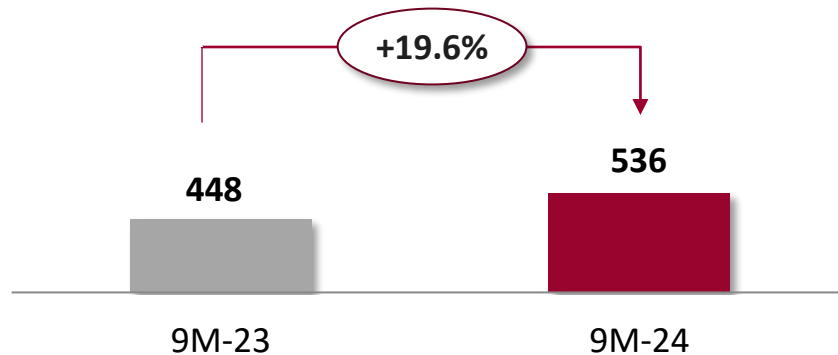
# Net Fee and Commission Income

## Yearly Evolution

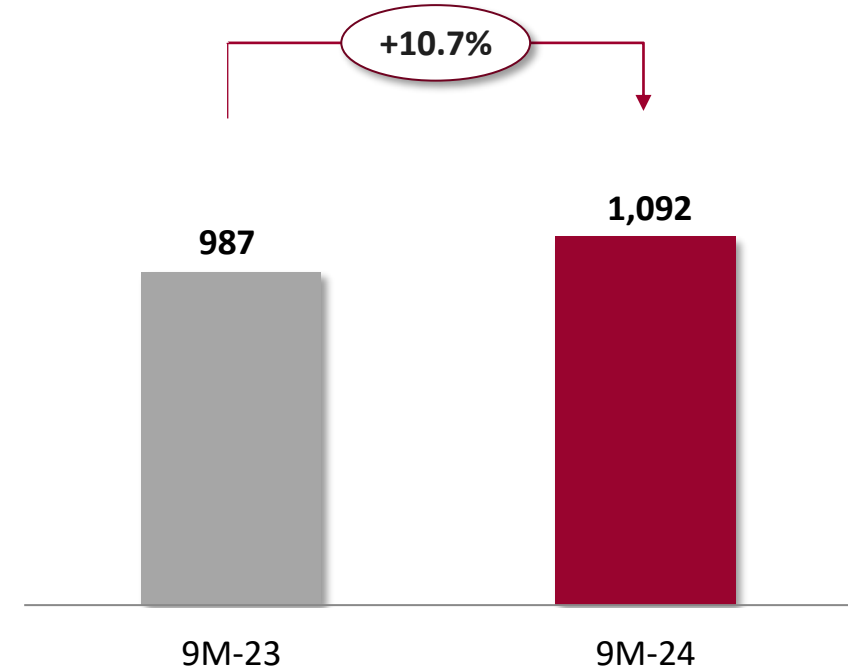
Commercial Banking Fees<sup>(1)</sup> (€m)



Wealth Management and Advisory Fees<sup>(1)</sup> (€m)



Total Fees (€m)



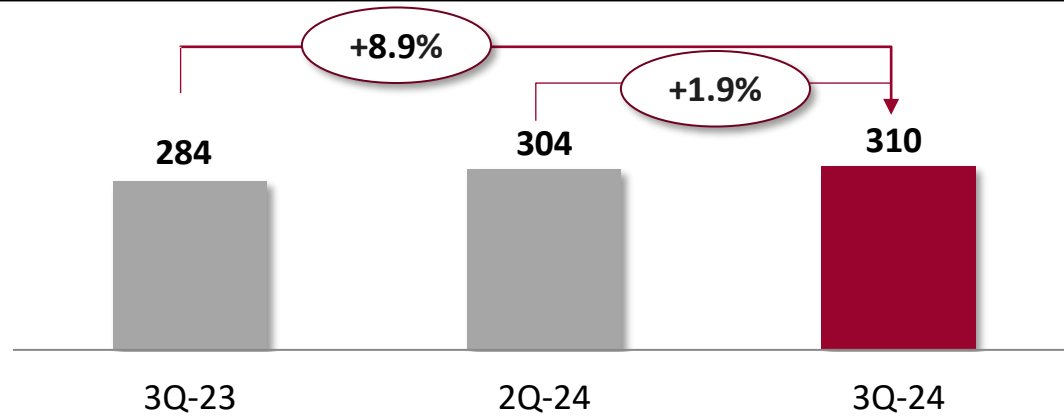
- 9M-24 total fees at €1,092m, up +10.7% y/y, thanks to almost +20% y/y growth in wealth management and advisory fees, with a positive dynamics also in commercial banking fees (+3.2% y/y), reaffirming the strength and the potential of the network



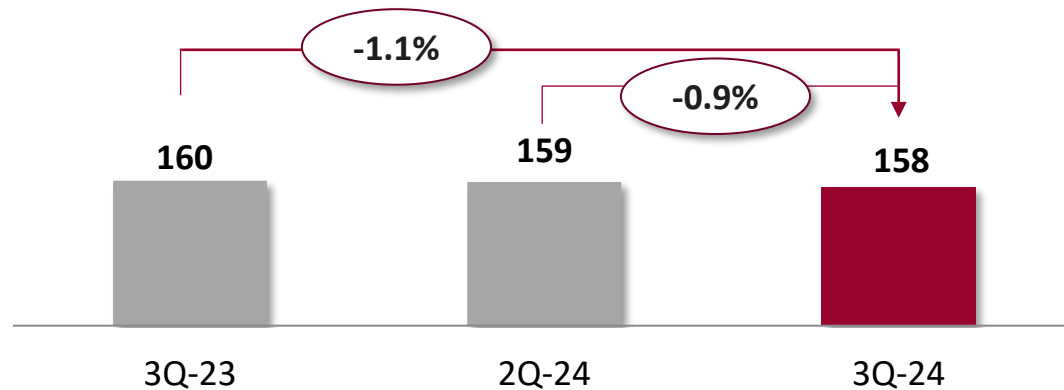
# Operating Costs

## Quarterly Evolution

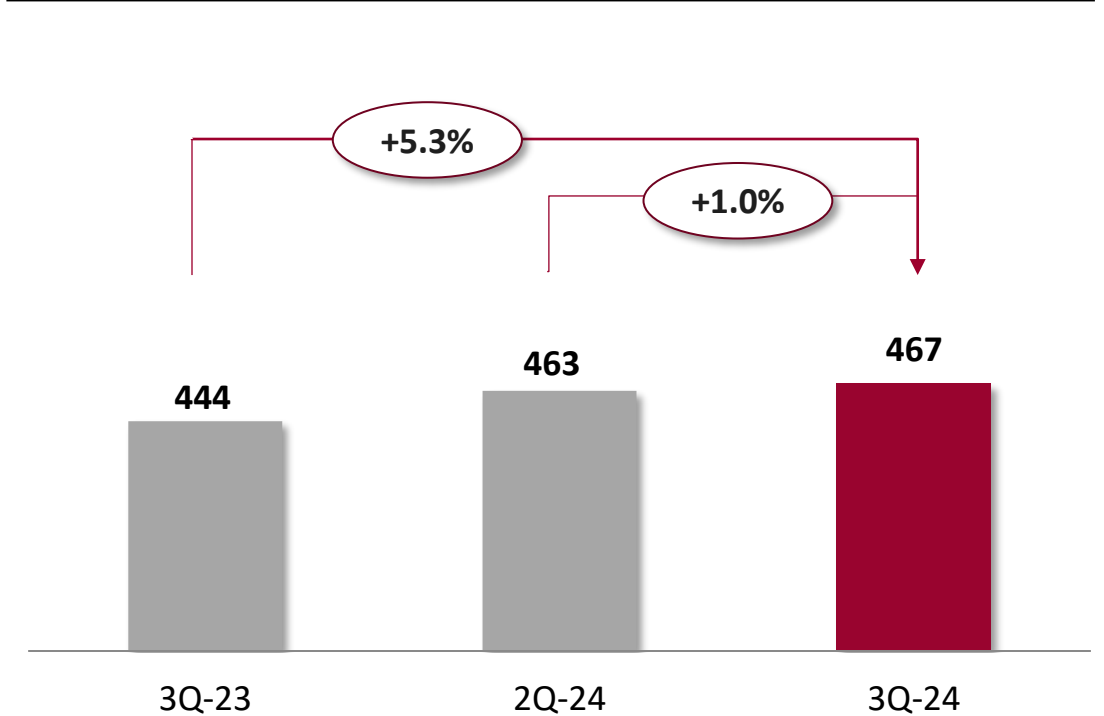
HR Costs (€m)



Non-HR Costs (€m)



Operating Costs (€m)



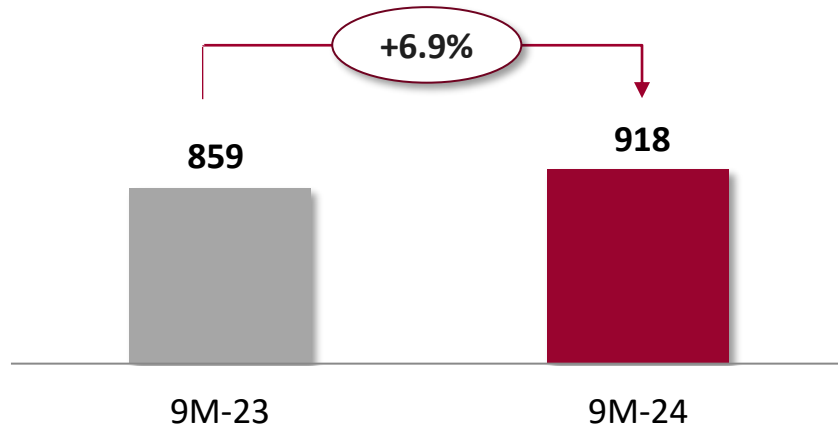
- 3Q-24 operating costs up +1.0% q/q growth mainly due to step-up in salaries outlined in the new banking contract
- Non-HR costs down both q/q and y/y despite inflation



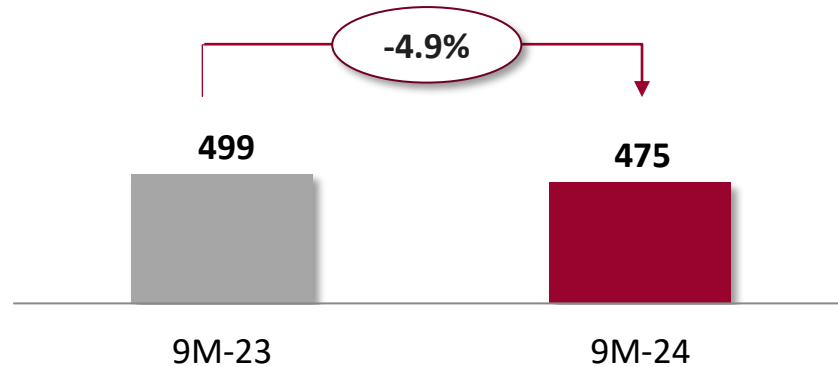
# Operating Costs

## Yearly Evolution

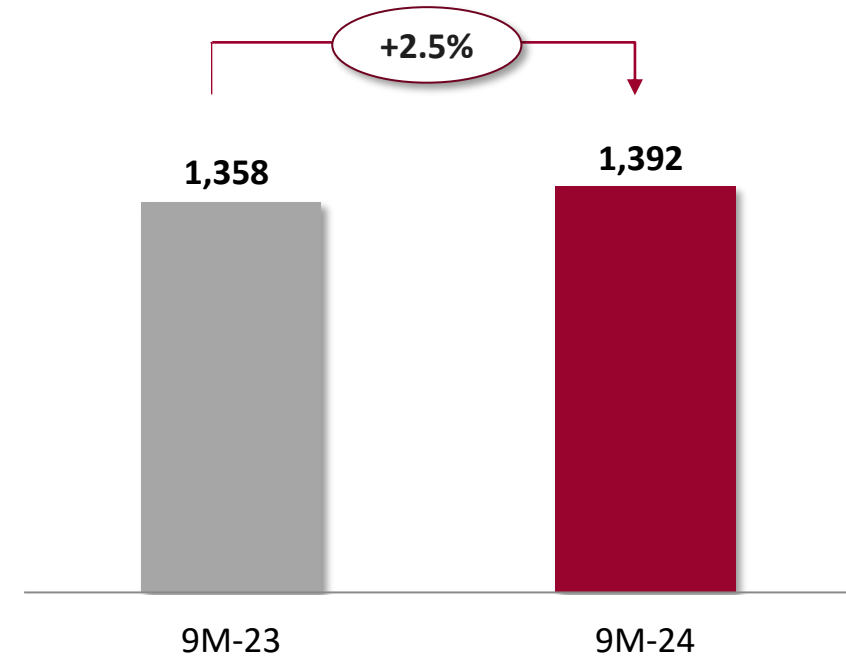
HR Costs (€m)



Non-HR Costs (€m)



Operating Costs (€m)

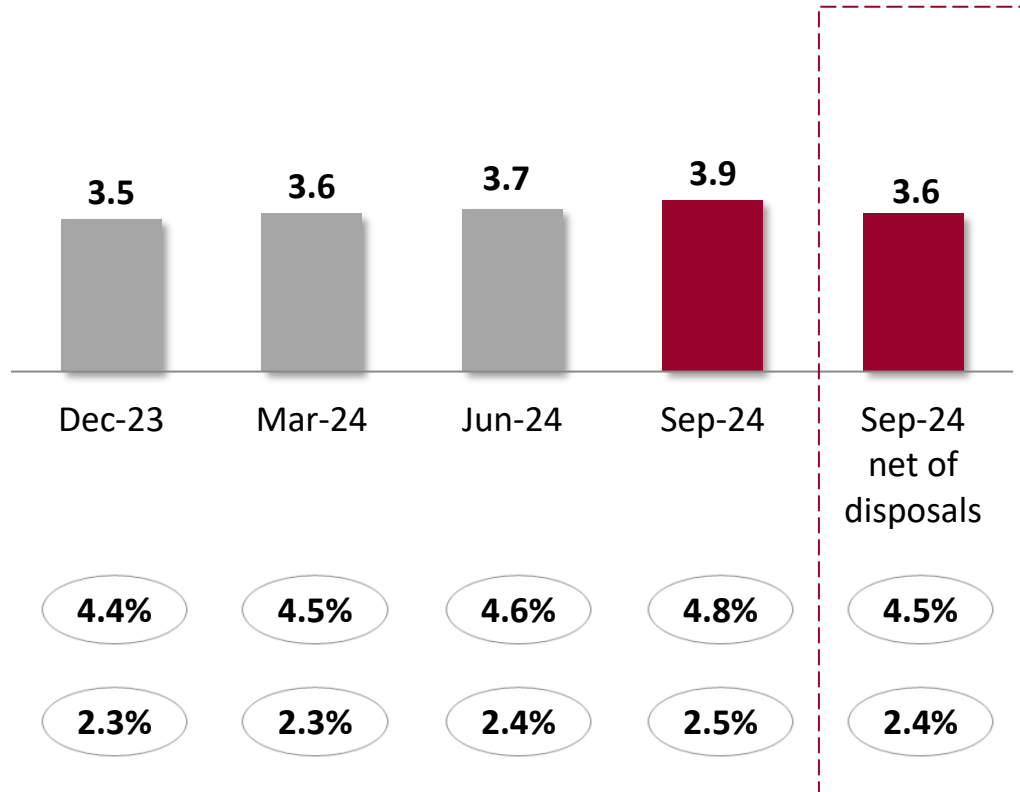


- 9M-24 operating costs at €1,392m (+2.5% y/y), with ongoing optimization of non-HR costs (-4.9% y/y) partially offsetting the impact of 2023 labour contract renewal on HR costs (+6.9% y/y)

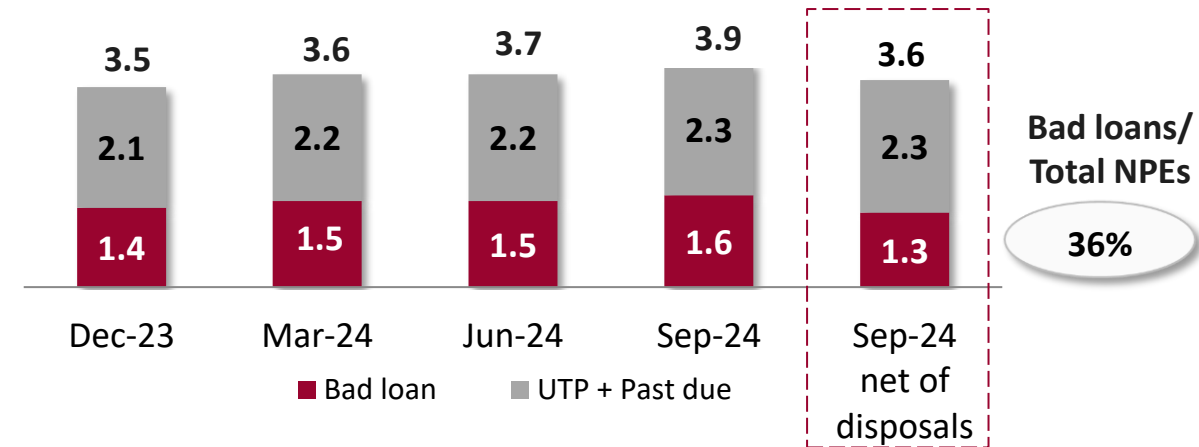


# Gross NPE Stock

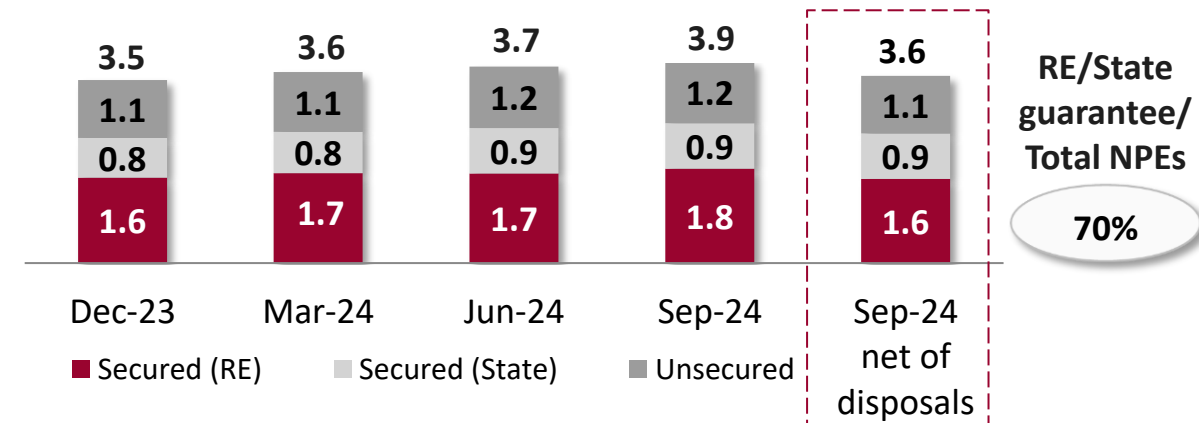
Gross NPE Stock (€bn)



Breakdown by Category (€bn)



Breakdown by type of guarantee (€bn)<sup>(2)</sup>



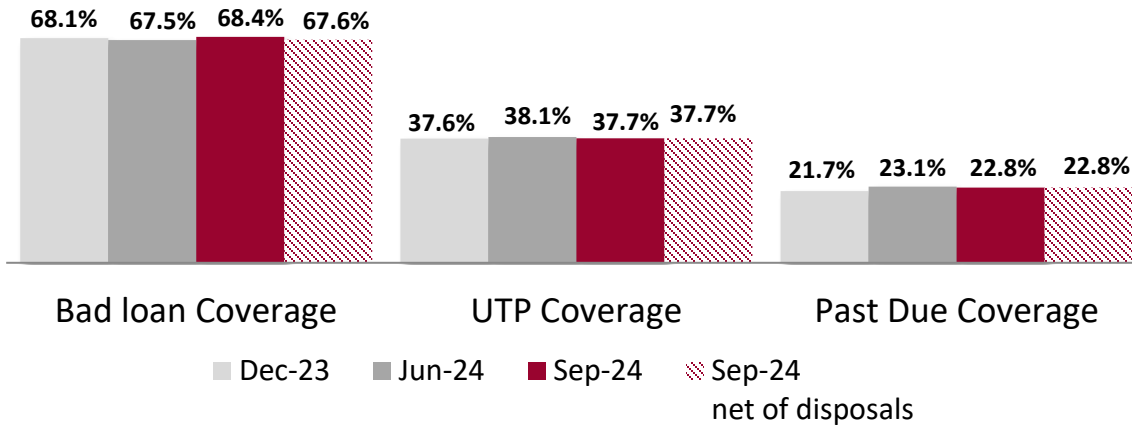
- Gross NPE stock proforma at €3.6bn, net of EUR 0.3bn portfolio disposal, with economic impacts already reflected in nine-month financial data
- Gross NPE ratio proforma at 4.5% and Net NPE ratio proforma at 2.4%



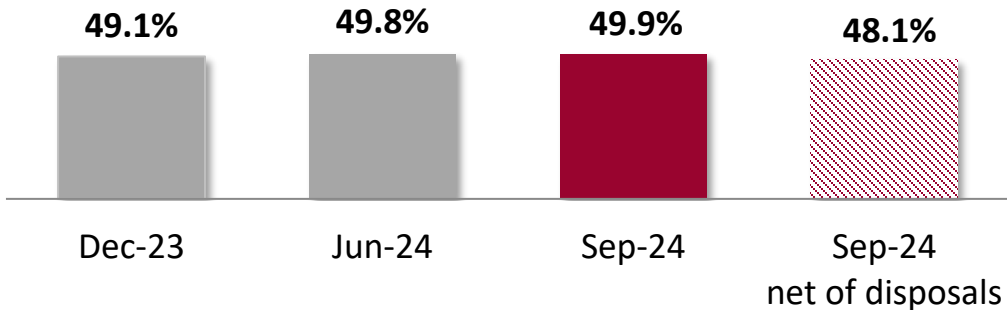


# Coverage and Cost of Risk

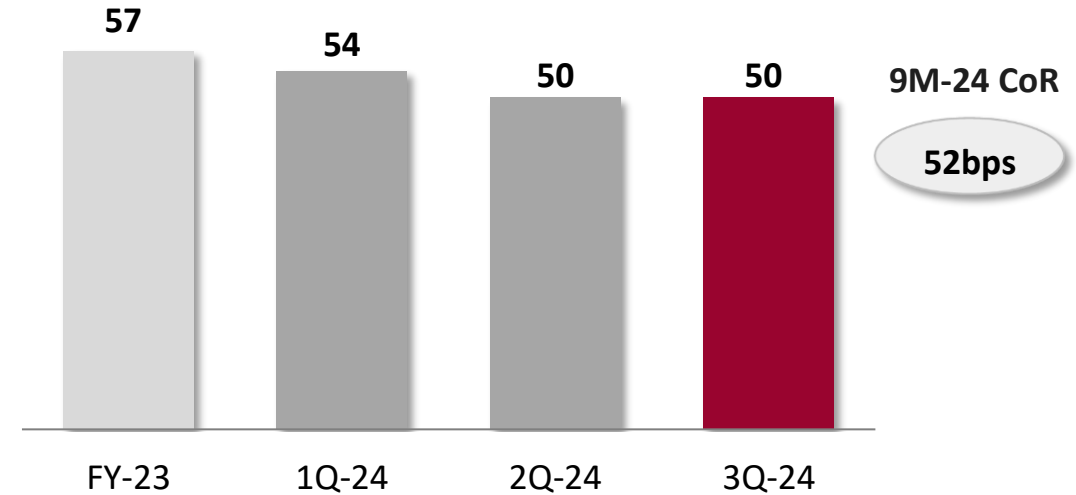
## NPE Coverage Breakdown



## Total NPE Coverage



## Cost of Risk (bps)

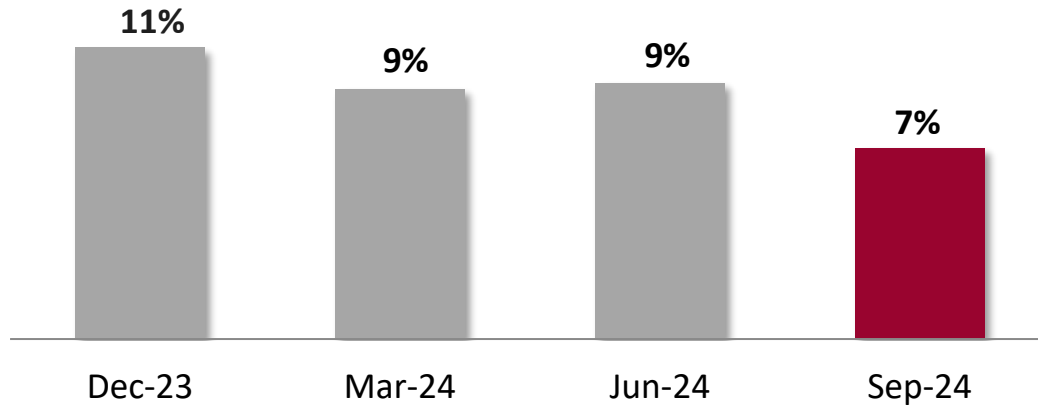


- Cost of risk at 50bps in 3Q-24, 52bps after 9 months, in line with 2024 guidance
- NPE coverage proforma at 48.1%, after EUR 0.3bn NPE disposal

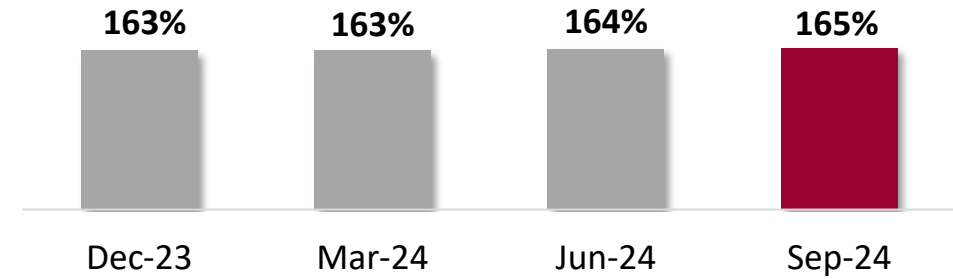


# Funding & Liquidity

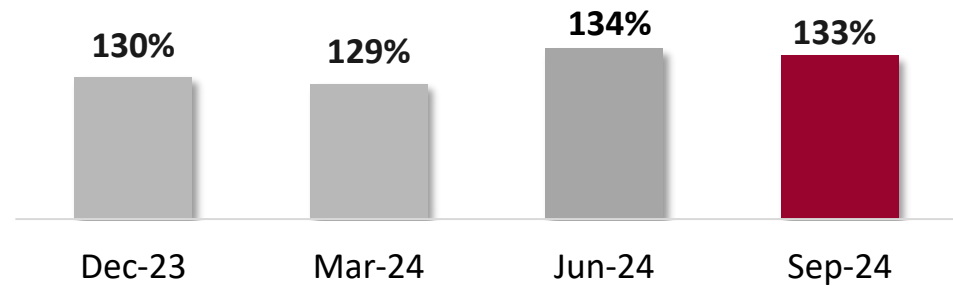
## Reduced Reliance on ECB funding (ECB Funding/Total Liabilities)



## LCR Evolution



## NSFR Evolution

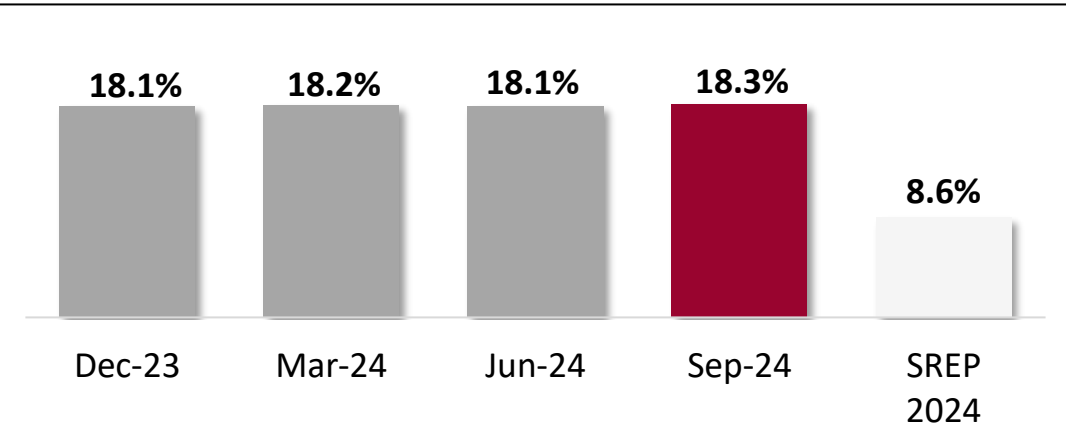


- Solid liquidity position, with unencumbered counterbalancing capacity at €32bn, LCR at 165% and NSFR at 133%
- Further reduction of reliance on ECB funding in the quarter down to 7% (ECB funding reduced by c. €-3bn in 3Q)



# Capital

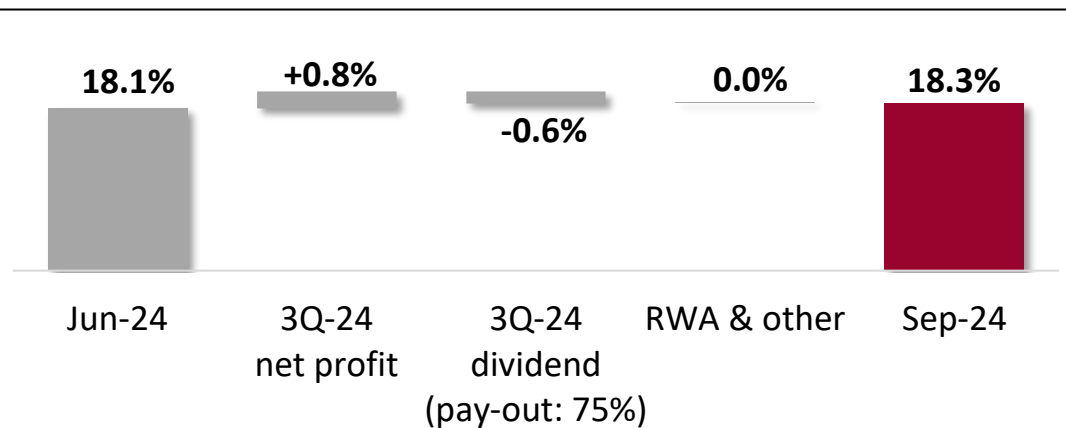
CET1 Ratio Fully Loaded<sup>(1)</sup>



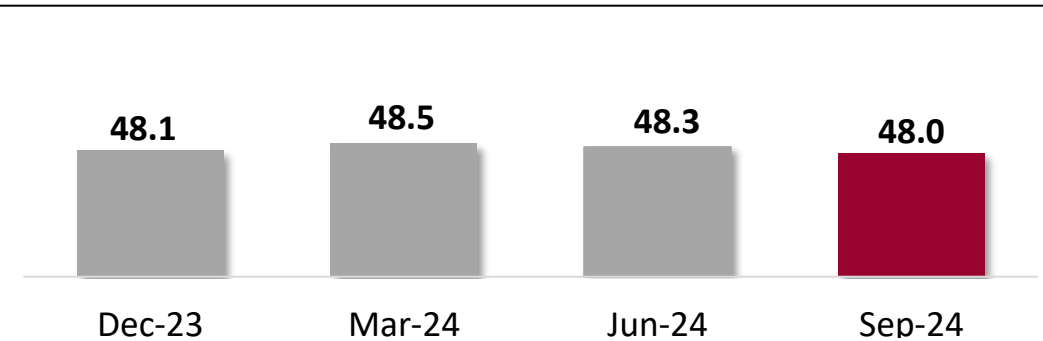
Fully Loaded Capital Ratios<sup>(1)</sup>

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

CET1 Ratio Fully Loaded: Quarterly Dynamics<sup>(1)</sup>



RWA Fully Loaded (€bn)



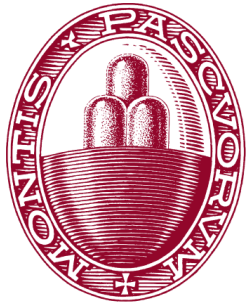
- CET1 FL ratio at 18.3%, including net profit of the period, net of dividends with a payout ratio of 75% of the pre-tax profit
- Buffer on Tier 1 ratio around 780bps



# Conclusions

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





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



# Focus on DTAs

## On and Off Balance Sheet DTAs (€bn)

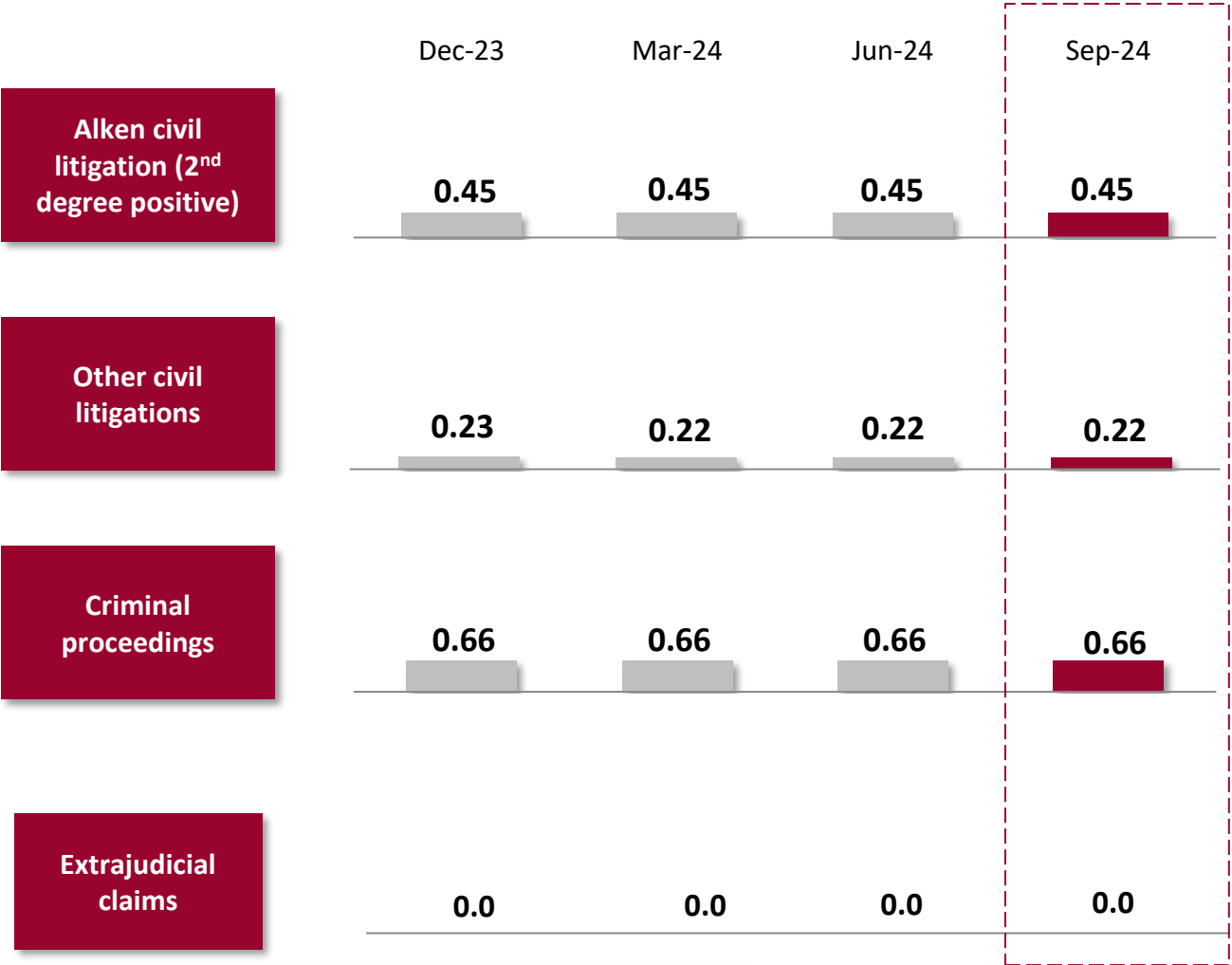
	Dec-23	Mar-24	Jun-24	Sep-24
Convertible DTAs	0.5	0.5	0.4	0.4
DTAs on Tax loss carryforwards	0.7	0.8	1.3	1.4
Other non-convertible DTAs	0.6	0.6	0.6	0.5
<b>Total on balance sheet DTAs</b>	<b>1.8</b>	<b>1.9</b>	<b>2.4</b>	<b>2.4</b>
<b>DTAs not recorded in balance sheet</b>	<b>2.6</b>	<b>2.5</b>	<b>1.9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

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



# Extraordinary Litigations and Extrajudicial Claims

Gross Petitem<sup>(1)</sup> (€bn)



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



Notes: (1) Excluding remote risk litigations, in line with IAS 37.86.

# Reclassified Income Statement

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





# Balance Sheet

## Total Assets<sup>(1)</sup> (€m)

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

## Total Liabilities<sup>(1)</sup> (€m)

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



# Lending & Direct Funding

## Total Lending (€m)

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

## Direct Funding (€m)

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

