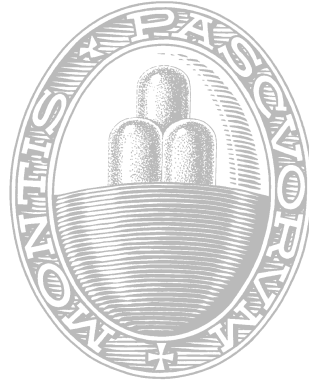


Pillar 3 Disclosure

Update as at
30 June 2024



**MONTE
DEI PASCHI
DI SIENA**
BANK SINCE 1472



Pillar 3 Disclosure

**Update as at
30 June 2024**

**Banca Monte dei Paschi di Siena SpA**

Company Head Office in Siena, Piazza Salimbeni 3, www.mps.it

Recorded in the Arezzo-Siena Company Register – Registration no. and tax code 00884060526

MPS VAT Group – VAT no. 01483500524

Member of the Italian Interbank Deposit Protection Fund. Bank Register no. 5274

Parent Company of the Monte dei Paschi di Siena Banking Group, registered with the Banking Groups Register



Index

Introduction	7
Annex I – Disclosure of key metrics and overview of risk-weighted exposure amounts	9
Annex VII – Disclosure of own funds	13
Annex IX – Disclosure of countercyclical capital buffers	18
Annex XI – Disclosure of the leverage ratio	19
Annex XIII – Disclosure of liquidity requirements	22
Annex XV – Disclosure of credit risk quality	28
Annex XVII – Disclosure of the use of credit risk mitigation techniques	33
Annex XIX – Disclosure of the use of the standardised approach (excluding counterparty risk and positions to securitization)	34
Annex XXI – Disclosure of the use of the IRB approach to credit risk	36
Annex XXIII – Disclosure of specialised lending	45
Annex XXV – Disclosure of exposures to counterparty credit risk	47
Annex XXVII – Disclosure of exposures to securitisation positions	52
Annex XXX – Disclosure of use of standardized approach and internal model for market risk	55
Annex XXXVII – Disclosure on exposures to interest rate risk on positions not held in the trading book (EBA/ITS/2021/07)	56
Annex XXXIX – Prudential disclosures on ESG risks	61
Declaration of the Financial Reporting Officer	104
List of tables	105
Appendix 1 – Details of Information provided in compliance with EBA/ ITS/2020/04	108
Appendix 2 – Details of Information provided in compliance with EBA Guidelines GL/2020/12	112
Appendix 3 – Details of Information provided in compliance with EBA ITS/2021/07	112
Appendix 4 – Details of Information provided in compliance with EBA/ITS/2022/01	113
Contacts	115



Introduction

The new Pillar 3 disclosure framework, that aims to foster the role of institutions' disclosures in promoting market discipline, entered into force as of 30 June 2021.

Pillar 3 was designed on the notion that Market Discipline can be harnessed to reinforce capital regulation to promote stability and soundness in banks and financial systems.

It thus incorporates the minimum capital requirements (Pillar I) and the prudential control process (Pillar II).

In particular, the **new Pillar 3 disclosure framework, in force since 30 June 2021**, seeks to:

- improve clarity for users of information, by provide a single comprehensive package;
- ensure consistency and comparability among the intermediaries;
- facilitate access by users of information to institutions' key prudential data by introducing the new key metrics templates;
- facilitate technical implementation for the retrieval of information;
- increase the efficiency of disclosures and reduce costs through synergies and integration of quantitative information with supervisory reporting.

The regulatory sources of reference are:

- the new EU Regulation 2019/876 (CRR2) amending EU Regulation no. 575/2013 (CRR), which, in Article 434a, mandated the EBA to develop implementing technical standards (ITS) specifying the uniform disclosure formats required under Titles II and III of Part 8 of the CRR.

The standardisation process pursued by the EBA through subsequent ITS releases (EBA/ITS/2020/04 and EBA/ITS/2021/07 – IRRBB) is not applied in the following cases, which continue to be governed by the previous guidelines:

- disclosure requirements of the IFRS 9 transitional arrangement (EBA/GL/2020/12).

As of the publication relating to June 2024, the document is supplemented by the KM2 template, which is suitable for the publication of information relating to the Total Loss-Absorbing Capacity requirement (TLAC) and the Minimum Requirement for own funds and Eligible Liabilities (MREL).

It should be noted, however, that the Group is not subject to the TLAC requirement as it has not been identified as a G-SII by the Bank of Italy.

In addition, based on the regulatory phase-in of climate/environmental, social and governance (ESG) risks in accordance with



the technical implementation standards EBA/ITS/2022/01 pursuant to Article 449 bis of the CRR, the completion of Template 1 Banking Book - Climate change transition risk: quality of exposures (columns i to h) has continued, as well as the introduction of Template 3 Banking Book - Climate change transition risk starting from this June 2024 edition: Alignment metrics.

It should also be noted that the templates related to the BTAR, originally scheduled by the ITS for 30 June 2024, have been postponed to 31 December 2024 (in accordance with Implementing Regulation 2022/2453).

Pillar 3 Disclosure is prepared at consolidated level by the Parent Company.

Further information on the Group's risk profile, pursuant to Art. 434 of the CRR, is also published in the [Consolidated Half-Year Report as at 30 June 2024](#), the [Report on Corporate Governance](#) and the [Remuneration Report](#).

Unless otherwise indicated, all the amounts in this report are stated in thousand Euros.

The Montepaschi Group regularly publishes its Pillar 3 disclosures on its website at: english.mps.it/investors.



Annex I – Disclosure of key metrics and overview of risk-weighted exposure amounts

EU OVI – Overview of total risk exposure amounts

	RWA		Capital requirements
	Jun-24	Mar-24	Jun-24
1 Credit risk (excluding CCR)	34,952,608	35,018,622	2,796,209
2 Of which the standardised approach	11,369,099	11,490,506	909,528
3 Of which the foundation IRB (FIRB) approach	-	-	-
4 Of which: slotting approach	1,108,445	1,099,759	88,676
EU 4a Of which: equities under the simple riskweighted approach	-	-	-
5 Of which the advanced IRB (AIRB) approach	22,475,064	22,428,357	1,798,005
6 Counterparty credit risk - CCR	935,812	1,031,448	74,865
7 Of which the standardised approach	455,036	496,942	36,403
8 Of which internal model method (IMM)	-	-	-
EU 8a Of which exposures to a CCP	47,886	55,682	3,831
EU 8b Of which credit valuation adjustment - CVA	333,007	372,777	26,641
9 Of which other CCR	99,882	106,048	7,991
15 Settlement risk	-	-	-
16 Securitisation exposures in the non-trading book (after the cap)*	510,519	517,602	40,842
17 Of which SEC-IRBA approach	501,397	506,586	40,112
18 Of which SEC-ERBA (including IAA)	9,039	10,935	723
19 Of which SEC-SA approach	83	81	7
EU 19a Of which 1250%	-	-	-
20 Position, foreign exchange and commodities risks (Market risk)	2,033,423	2,205,712	162,674
21 Of which the standardised approach	2,033,423	2,205,712	162,674
22 Of which IMA	-	-	-
EU 22a Large exposures	-	-	-
23 Operational risk	9,833,608	9,699,747	786,689
EU 23a Of which basic indicator approach	140,577	140,577	11,246
EU 23b Of which standardised approach	-	-	-
EU 23c Of which advanced measurement approach	9,693,031	9,559,170	775,442
24 Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	3,015,579	3,128,215	241,246
29 TOTAL	48,265,970	48,473,131	3,861,278

^(*) The amount shown does not include equivalent deducted securitizations amounting to 575 €/thousand RWA and 46 €/thousand requirement.

A slight decrease in credit risk was observed during the quarter, mainly due to exposures valued under the standardised approach. With regard to operational risks, the increase is mainly due to new provisions made during the quarter for risks and charges related to legal disputes and mediation. For market risk, the decrease was due to reduced activity and better offsetting of positions.



EU KM1 – Key metrics template

	a	b	c	d	e	
	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23	
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	8,720,728	8,659,553	8,726,677	7,867,879	7,895,855
2	Tier 1 capital	8,720,728	8,659,553	8,726,677	7,867,879	7,895,855
3	Total capital	10,329,785	10,305,533	10,407,095	9,582,195	9,648,923
Risk-weighted exposure (amounts)						
4	Total risk-weighted exposure amount	48,265,970	48,473,131	48,099,061	49,046,796	49,793,740
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	18.0681%	17.8646%	18.1431%	16.0416%	15.8571%
6	Tier 1 ratio (%)	18.0681%	17.8646%	18.1431%	16.0416%	15.8571%
7	Total capital ratio (%)	21.4018%	21.2603%	21.6368%	19.5368%	19.3778%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.7500%	2.7500%	2.7500%	2.7500%	2.7500%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.5469%	1.5469%	1.5469%	1.5469%	1.5469%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.0625%	2.0625%	2.0625%	2.0625%	2.0625%
EU 7d	Total SREP own funds requirements (%)	10.7500%	10.7500%	10.7500%	10.7500%	10.7500%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5000%	2.5000%	2.5000%	2.5000%	2.5000%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0.0210%	0.0180%	0.0170%	0.0150%	0.0140%
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer**			0.2500%	0.2500%	0.2500%
11	Combined buffer requirement (%)	2.5210%	2.5180%	2.7670%	2.7650%	2.7640%
EU 11a	Overall capital requirements (%)	13.2710%	13.2680%	13.5170%	13.5150%	13.5140%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.0056%	9.8021%	10.0806%	7.9791%	7.7946%
Leverage ratio						
13	Leverage ratio total exposure measure	130,320,326	129,994,625	125,362,536	127,978,933	126,974,590
14	Leverage ratio	6.6918%	6.6615%	6.9612%	6.1478%	6.2185%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirement (%)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	22,323,158	22,449,356	23,201,172	24,067,555	24,941,115
EU 16a	Cash outflows - Total weighted value	15,324,805	14,818,455	14,546,709	14,541,961	14,937,275
EU 16b	Cash inflows - Total weighted value	2,007,232	2,025,709	2,008,306	1,982,558	1,954,637
16	Total net cash outflows (adjusted value)	13,317,573	12,792,746	12,538,403	12,559,403	12,982,639
17	Liquidity coverage ratio (%) ⁽¹⁾	167.8687%	176.3125%	185.9576%	192.2101%	193.1076%
Net Stable Funding Ratio						
18	Total available stable funding	80,646,834	78,404,908	79,015,218	79,511,173	82,468,406
19	Total required stable funding	60,365,680	60,626,789	60,740,253	60,801,199	61,699,412
20	NSFR ratio (%)	133.5972%	129.3239%	130.0871%	130.7724%	133.6616%

⁽¹⁾ The values shown are calculated as simple averages of month-end observations in the twelve months preceding the end of each quarter, consistent with the representation provided in the EU LIQI table.

** It should be noted that from 1 January 2024, the Group is no longer required to comply with the O-SII buffer, as it has not been identified by the Bank of Italy as a nationally authorised systemically important institution in Italy for 2024.



EU KM2: Key metrics – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

		a
		Minimum requirement for own funds and eligible liabilities (MREL)
		Jun-24
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	13,306,200
EU-1a	Of which own funds and subordinated liabilities	10,546,977
2	Total risk exposure amount of the resolution group (TREA)	48,265,970
3	Own funds and eligible liabilities as a percentage of the TREA	27.568%
EU-3a	Of which own funds and subordinated liabilities	21.852%
4	Total exposure measure (TEM) of the resolution group	130,320,326
5	Own funds and eligible liabilities as percentage of the TEM	10.2104%
EU-5a	Of which own funds or subordinated liabilities	8.093%
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)	
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)	
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	24.070%
EU-8	Of which to be met with own funds or subordinated liabilities	14.710%
EU-9	MREL expressed as a percentage of the TEM	6.050%
EU-10	Of which to be met with own funds or subordinated liabilities	6.050%

There are no material differences between the reported capital amounts and the fully phased-in amount of IFRS 9 at the resolution group level, nor between the fully phased-in amount of IFRS 9 at the resolution group level and the fully phased-in amount of IFRS 9 at the prudential group level.



Template IFRS 9-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs ^(c)

	a	b	c	d	
	Jun-24	Mar-24	Dec-23	Sep-23	
Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital	8,720,728	8,659,553	8,726,677	7,867,879
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,714,858	8,652,600	8,711,212	7,858,403
3	Tier 1 capital	8,720,728	8,659,553	8,726,677	7,867,879
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,714,858	8,652,600	8,711,212	7,858,403
5	Total capital	10,329,785	10,305,533	10,407,095	9,582,195
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,323,915	10,298,580	10,391,630	9,572,718
Risk-weighted assets (amounts)					
7	Total risk-weighted assets	48,265,970	48,473,131	48,099,061	49,046,796
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	48,265,671	48,470,348	48,096,569	49,044,726
Capital Ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	18.07%	17.86%	18.14%	16.04%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.06%	17.85%	18.11%	16.02%
11	Tier 1 (as a percentage of risk exposure amount)	18.07%	17.86%	18.14%	16.04%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.06%	17.85%	18.11%	16.02%
13	Total capital (as a percentage of risk exposure amount)	21.40%	21.26%	21.64%	19.54%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.39%	21.25%	21.61%	19.52%
Leverage ratio					
15	Leverage ratio total exposure measure	130,320,326	129,994,625	125,362,536	127,978,933
16	Leverage ratio	6.69%	6.66%	6.96%	6.15%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6.69%	6.66%	6.95%	6.14%

^(c) The above model only considers the scenario "with and without the application of the transitional provisions on IFRS 9 or similar expected credit losses."

The application of the IFRS 9 fully loaded in 18.06% (instead of 18.07% transitional without taking into account the impact arrangements) and 21.39% (instead of deriving from the cohesion with he 21.40%) respectively of CET1 ratio and total transitional regime expected from 2018, capital ratio. IFRS 9 fullyloaded application would have entailed a reduction of 1 bp, respectively of CET1 ratio and total capital ratio. Such coefficients would have resulted about 0.01 bn euro.



Annex VII – Disclosure of own funds

EU CC1 - Composition of regulatory own funds (Part 1)

	(a) Jun-24	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1: instruments and reserves		
1 Capital instruments and the related share premium accounts	7,453,451	160. Share premium reserve 170. Equity
<i>of which: Paid up capital instruments</i>	7,453,451	
2 Retained earnings	2,184,265	
3 Accumulated other comprehensive income (and other reserves)	-1,964	120. Valuation reserves 150. Reserves
3a Funds for general banking risk	-	
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5 Minority interests (amount allowed in consolidated CET1)	-	
5a Independently reviewed interim profits net of any foreseeable charge or dividend	629,793	200. Profit / loss for the period
6 COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	10,265,545	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	-26,433	Value adjustments for supervisory purposes (Prudent Valuation)
8 Intangible assets (net of related tax liability) (negative amount)	-115,095	100. Intangible assets
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-1,281,606	110. Tax assets
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	5,772	120. Valuation reserves 150. Reserves
12 Negative amounts resulting from the calculation of expected loss amounts	-	Surplus of expected losses compared to total value adjustments (IRB models)
13 Any increase in equity that results from securitised assets (negative amount)	-	
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-5,543	Profit or loss of fair value deriving from the entity's own credit risk related to derivative liabilities
15 Defined-benefit pension fund assets (negative amount)	-	
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	180. Own shares
17 Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	70. Holdings
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	70. Holdings
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-7,055	
20b <i>of which: qualifying holdings outside the financial sector (negative amount)</i>	-	
20c <i>of which: securitisation positions (negative amount)</i>	-7,055	
20d <i>of which: free deliveries (negative amount)</i>	-	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	110. Tax assets
22 Amount exceeding the 17,65% threshold (negative amount)	-	
23 <i>of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities</i>	-	70. Holdings
25 <i>of which: deferred tax assets arising from temporary differences</i>	-	110. Tax assets
25a Losses for the current financial year (negative amount)	-	200. Profit / loss for the period
25b Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27 Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a Other regulatory adjustments (including IFRS 9 transitional adjustments when relevant)	-114,858	
28 TOTAL REGULATORY ADJUSTMENTS TO COMMON EQUITY TIER 1 (CET1)	-1,544,817	
29 COMMON EQUITY TIER 1 (CET1) CAPITAL	8,720,728	

**EU CC1 - Composition of regulatory own funds (Part 2)**

	(a)	(b)
	Jun-24	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	-	
31 <i>of which: classified as equity under applicable accounting standards</i>	-	
32 <i>of which: classified as liabilities under applicable accounting standards</i>	-	10. Financial liabilities valued at amortized cost -c) securities issued
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-	10. Financial liabilities valued at amortized cost -c) securities issued
EU 33a Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU 33b Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36 ADDITIONAL TIER 1 (AT1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	-	
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	
38 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	Additional capital instruments of class 1 of financial sector entities held by the entity, directly, indirectly or synthetically, when the entity does not have a significant investment in such entities
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
42 Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a Other regulatory adjustments to AT1 capital	-	
43 TOTAL REGULATORY ADJUSTMENTS TO ADDITIONAL TIER 1 (AT1) CAPITAL	-	
44 ADDITIONAL TIER 1 (AT1) CAPITAL	-	
45 TIER 1 CAPITAL (T1 = CET1 + AT1)	8.720.728	



EU CC1 - Composition of regulatory own funds (Part 3)

	(a)	(b)
	Jun-24	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: instruments		
46 Capital instruments and the related share premium accounts	1,532,808	10. Financial liabilities valued at amortized cost -c) securities issued
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50 Credit risk adjustments	142,387	Surplus of provisions compared to total value adjustments (IRB models)
51 TIER 2 (T2) CAPITAL BEFORE REGULATORY ADJUSTMENTS	1,675,195	
Tier 2 (T2) capital: regulatory adjustments		
52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	10. Financial liabilities valued at amortized cost -c) securities issued
53 Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54 Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	Tier 2 capital instruments and subordinated loans of financial sector entities held directly or indirectly, when the institution has a significant investment in such entities
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-66,138	Tier 2 capital instruments and subordinated loans of financial sector entities held directly or indirectly, when the institution has a significant investment in such entities
EU 56a Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b Other regulatory adjustments to T2 capital	-	
57 TOTAL REGULATORY ADJUSTMENTS TO TIER 2 (T2) CAPITAL	-66,138	
58 TIER 2 (T2) CAPITAL	1,609,057	
59 TOTAL CAPITAL (TC = T1 + T2)	10,329,785	
60 TOTAL RISK EXPOSURE AMOUNT	48,265,970	

**EU CC1 - Composition of regulatory own funds (Part 4)**

	(a)	(b)
	Jun-24	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of total risk exposure amount)	18.0680%	
62 Tier 1 (as a percentage of total risk exposure amount)	18.0680%	
63 Total capital (as a percentage of total risk exposure amount)	21.4020%	
64 Institution CET1 overall capital requirements	8.5679%	
65 <i>of which: capital conservation buffer requirement</i>	2.5000%	
66 <i>of which: countercyclical buffer requirement</i>	0.0210%	
67 <i>of which: systemic risk buffer requirement</i>	0.0000%	
67a <i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	0.0000%	
<i>EU-67b of which: additional own funds requirements to address the risks other than the risk of excessive leverage</i>	1.5469%	
68 COMMON EQUITY TIER 1 AVAILABLE TO MEET BUFFER (AS A PERCENTAGE OF RISK EXPOSURE AMOUNT)	10.0056%	
Amounts below the thresholds for deduction (before risk weighting)		
72 Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	176,521	
73 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	580,122	
75 Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	631,463	
Applicable caps on the inclusion of provisions in Tier 2		
76 Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	447,360	
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	142,387	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80 Current cap on CET1 instruments subject to phase out arrangements	-	
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82 Current cap on AT1 instruments subject to phase out arrangements	-	
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84 Current cap on T2 instruments subject to phase out arrangements	-	
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

The calculation of own funds is made in accordance with CRR and no restrictions are applied.

**EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements**

	Jun-24			
Items		Statutory financial statements	Regulatory financial statements	Source
ASSET				
70 Holdings		708,074	763,489	18,19,23
<i>of which implicit goodwill</i>		49,112	49,112	
100 Intangible assets		151,130	151,096	8
<i>of which goodwill</i>		7,900	7,900	8
<i>of which other intangible</i>		143,230	143,196	8
110 Tax assets		2,522,423	2,521,179	10, 21, 25
<i>of which based on future profitability but not deriving from temporary differences</i>		-1,281,606	-1,281,606	10
LIABILITY				
10 Financial liabilities valued at amortized cost -c) securities in issue		10,232,535	10,232,535	32,33,46,52
30 Financial liabilities valued at FV		113,767	113,767	
120 Valuation reserves		1,270	1,270	3,11
<i>of which FVOCI</i>		-85,537	-85,537	3
<i>of which CFH</i>		-5,772	-5,772	11
<i>of which special revaluation laws</i>		6,478	6,478	3
<i>of which others</i>		86,101	86,101	3
150 Reserves		2,181,031	2,181,031	3
160 Share premium reserve		-	-	1
170 Equity		7,453,451	7,453,451	1
180 Own shares		-	-	16
200 Profit / loss for the period		1,159,174	1,159,174	5a,25a



Annex IX – Disclosure of countercyclical capital buffers

EU CCYB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Breakdown by country	a Exposures in the banking book		c Exposures in the trading book		e Exposures in securitisation	f Total exposure value	g	h Own funds requirement		i	j Total	k Risk-weighted exposure amounts	l Weighting factors of own fund requirement	m Counter-cyclical coefficient
	Exposure value under SA approach	Exposure value under AIRB approach	Sum of long and short positions	Exposure value under internal models			of which: generic credit exposures	of which: credit exposures of the trading book	of which: securitisation positions in the banking book					
Italy	8,868,093	71,995,632	1,251,206	-	654,620	82,769,551	2,495,551	16,247	40,842	2,552,640	31,908,002	96.4148%	0.000%	
France	394,183	15,037	7,520	-	-	416,740	18,948	240	-	19,187	239,842	0.7247%	1.000%	
Ireland	49,749	2,460	239,304	-	-	291,512	3,919	714	-	4,633	57,906	0.1750%	1.500%	
Luxemburg	161,926	15,481	74,651	-	-	252,059	5,543	5,933	-	11,476	143,450	0.4335%	0.500%	
United Kingdom	88,010	8,383	24,829	-	-	121,222	5,341	680	-	6,021	75,264	0.2274%	2.000%	
Germany	52,969	6,578	1,757	-	-	61,303	3,320	130	-	3,449	43,115	0.1303%	0.750%	
South Korea	32,654	8	-	-	-	32,662	2,396	-	-	2,396	29,952	0.0905%	1.000%	
Netherlands	24,367	2,632	5,766	-	-	32,765	924	316	-	1,240	15,499	0.0468%	2.000%	
Belgium	15,742	1,623	-	-	-	17,365	879	-	-	879	10,992	0.0332%	0.500%	
Romania	14,617	485	-	-	-	15,102	509	-	-	509	6,367	0.0192%	1.000%	
Norway	7,477	320	20	-	-	7,817	261	2	-	263	3,285	0.0099%	2.500%	
Czech Republic	4,875	98	-	-	-	4,974	302	-	-	302	3,771	0.0114%	1.750%	
Sweden	3,793	200	272	-	-	4,264	156	22	-	178	2,225	0.0067%	2.000%	
Hong Kong	3,372	213	-	-	-	3,585	135	-	-	135	1,683	0.0051%	1.000%	
Slovenia	2,442	104	-	-	-	2,546	155	-	-	155	1,940	0.0059%	0.500%	
Other	1,142,693	35,823	125,309	-	-	1,303,825	34,535	9,562	-	44,098	551,219	1.6656%		
Total	10,866,963	72,085,075	1,730,635	-	654,620	85,337,293	2,572,874	33,846	40,842	2,647,561	33,094,512	100.0000%		

EU CCYB2 - Amount of institution specific countercyclical capital buffer

Jun-24

1	Total risk exposure amount (RWA)	48,265,970
2	Specific countercyclical coefficient of the institution	0.021%
3	Specific countercyclical capital buffer requirement of the institution	10,135.85



Annex XI – Disclosure of the leverage ratio

EU LR1 – LR Sum: Summary reconciliation of accounting assets and leverage ratio exposures

	Jun-24
	a
	Applicable amount
1 Total assets as per published financial statements	128,700,463
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	10,262
3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4 (Adjustment for temporary exemption of exposures to central bank (if applicable))	-
5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7 Adjustment for eligible cash pooling transactions	-
8 Adjustments for derivative financial instruments	-6,378,232
9 Adjustment for securities financing transactions (SFTs)	-7,593,719
10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	7,082,202
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12 Other adjustments	8,499,349
13 LEVERAGE RATIO TOTAL EXPOSURE MEASURE	130,320,326

**EU LR2 – LRCom: Leverage ratio common disclosure**

		CRR leverage ratio exposures	
		a	b
		Jun-24	Dec-23
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	118,298,386	113,485,606
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	0
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-524,773	-584,609
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
5	(General credit risk adjustments to on-balance sheet items)	0	0
6	(Asset amounts deducted in determining Tier 1 capital)	-1,529,452	-909,243
7	TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)	116,244,161	111,991,754
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	805,936	1,108,587
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	0
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	699,979	823,641
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	0
EU-9b	Exposure determined under Original Exposure Method	-	0
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	0
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	0
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	0
11	Adjusted effective notional amount of written credit derivatives	1,961,961	2,418,098
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-49,360	-41,038
13	TOTAL DERIVATIVES EXPOSURES	3,418,516	4,309,288
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	11,304,225	15,533,499
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-7,734,400	-13,284,485
16	Counterparty credit risk exposure for SFT assets	140,682	247,958
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	0
17	Agent transaction exposures	-	0
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	0
18	TOTAL SECURITIES FINANCING TRANSACTION EXPOSURES	3,710,506	2,496,973
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	31,340,321	31,082,551
20	(Adjustments for conversion to credit equivalent amounts)	-24,393,178	-24,518,029
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	OFF-BALANCE SHEET EXPOSURES	6,947,143	6,564,522
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(-) Excluded exposures of public development banks - Public sector investments	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(TOTAL EXEMPTED EXPOSURES)	-	-



EU LR2 – LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		^a Jun-24	^b Dec-23
<i>Capital and total exposure measure</i>			
23	TIER 1 CAPITAL	8,720,728	8,726,677
24	LEVERAGE RATIO TOTAL EXPOSURE MEASURE	130,320,326	125,362,536
<i>Leverage ratio</i>			
25	Leverage ratio	6.6918%	6.9612%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	6.6918%	6.9612%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.6918%	6.9612%
26	Regulatory minimum leverage ratio requirement (%)	3.0000%	3.0000%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0000%	0.0000%
EU-26b	<i>of which: to be made up of CET1 capital</i>	0.0000%	0.0000%
27	Required leverage buffer (%)	0.0000%	0.0000%
EU-27a	Overall leverage ratio requirement (%)	3.0000%	3.0000%
<i>Choice on transitional arrangements and relevant exposures</i>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
<i>Disclosure of mean values</i>			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	4,584,656	3,533,936
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,569,824	2,249,014
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	131,335,158	126,647,458
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	131,335,158	126,647,458
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.6401%	6.8905%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.6401%	6.8905%

EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	^a Jun-24 CRR leverage ratio exposures
EU-1 Total assets as per published financial statements	117,773,613
EU-2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	4,946,945
EU-3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	112,826,668
EU-4 (Adjustment for temporary exemption of exposures to central bank (if applicable))	613,682
EU-5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	30,515,946
EU-6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	1,379,624
EU-7 Adjustment for eligible cash pooling transactions	3,406,894
EU-8 Adjustments for derivative financial instruments	35,949,850
EU-9 Adjustment for securities financing transactions (SFTs)	9,441,321
EU-10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	20,414,897
EU-11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	1,860,625
EU-12 Other adjustments	9,243,829



Annex XIII – Disclosure of liquidity requirements

EU LIQ 1: Quantitative information of LCR

Currency and units (XXX million)		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYYY)	Jun24	Mar-24	Dec-23	Sep-23	Jun24	Mar-24	Dec-23	Sep-23
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
1	Total high-quality liquid assets (HQLA)					22,323	22,449	23,201	24,068
2	Retail deposits and deposits from small business customers, of which:	49,351	49,507	50,015	50,897	3,180	3,183	3,213	3,277
3	<i>Stable deposits</i>	39,082	39,281	39,684	40,289	1,954	1,964	1,984	2,014
4	<i>Less stable deposits</i>	10,269	10,225	10,332	10,608	1,226	1,219	1,229	1,262
5	Unsecured wholesale funding	19,781	18,736	18,051	17,732	8,757	8,228	7,944	7,845
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	19,557	18,623	17,942	17,709	8,534	8,115	7,835	7,822
8	Unsecured debt	224	113	109	22	224	113	109	22
9	Secured wholesale funding					46	54	43	63
10	Additional requirements	3,724	3,643	3,531	3,488	1,330	1,340	1,317	1,311
11	Outflows related to derivative exposures and other collateral requirements	1,048	1,081	1,078	1,075	1,048	1,081	1,078	1,075
12	Outflows related to loss of funding on debt products	-	0	3	8	-	0	3	8
13	Credit and liquidity facilities	2,676	2,561	2,450	2,405	281	259	236	229
14	Other contractual funding	2,654	2,543	2,338	2,035	25	30	41	41
15	Other contingent funding obligations	30,378	30,347	30,443	30,601	1,987	1,983	1,989	2,005
16	TOTAL CASH OUTFLOWS					15,325	14,818	14,547	14,542
	CASH – INFLOWS								
17	Secured lending (e.g. reverse repos)	5,836	5,179	4,476	3,671	84	78	79	78
18	Inflows from fully performing exposures	2,223	2,221	2,184	2,161	1,273	1,269	1,231	1,198
19	Other cash inflows	2,938	3,050	3,174	3,238	650	678	699	706
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	10,996	10,449	9,834	9,070	2,007	2,026	2,008	1,983
EU-20a	<i>Fully exempt inflows</i>	-	-	-	-	-	-	-	-
EU-20b	<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
EU-20c	<i>Inflows subject to 75% cap</i>	10,996	10,449	9,834	9,070	2,007	2,026	2,008	1,983
EU-21	LIQUIDITY BUFFER					22,323	22,449	23,201	24,068
22	TOTAL NET CASH OUTFLOWS					13,318	12,793	12,538	12,559
23	LIQUIDITY COVERAGE RATIO (%)					167.8687%	176.3125%	185.9576%	192.2101%



EU LIQB on qualitative information on LCR, which complements template EU LIQ1

The Liquidity Coverage Ratio (LCR) is the regulatory index used to monitor short-term liquidity risk. In the second quarter of 2024, the Group liquidity was characterized by the absence of any signs of strain in the short term, with the LCR (calculated according to Delegated Regulation (EU) 2015/61) remaining stable and well above the regulatory limit of 100%, with an adequate safety buffer. The indicator was stable compared to the previous quarter (variation of 1.3%, with LCR rising from 163.0% at end-March 2024 to 164.3% in June 2024) mainly due to the increase in commercial funding of EUR +2.59 billion and the issuance of the CB1 European Premium BMPS 3.5 AP29 for EUR +0.75 billion, these benefits being partially offset by the inclusion in the maturity horizon of the tranche of CB1 BMPS 2.875 JL24 placed on the market for an amount of EUR 1.32 billion.

It should be noted that no methodological changes were made to the indicator in Q2 2024. On a monthly basis, the Group monitors the risk of concentration of sources of financial and commercial funding, with a particular focus on the details of the main

non-retail counterparties.

At the end of June 2024, in accordance with what is monitored through the Additional Liquidity Monitoring Metrics (ALMM) regulatory reporting, funding through unsecured channels amounts to roughly 76% of the total, of which 8% relating to financial non-retail counterparties and 21% relating to non-financial non-retail counterparties.

In June 2024, the Liquidity buffer shows a strong prevalence of available liquidity deriving from the reserve held with the ECB (59% of the total Liquidity Buffer of which Deposit Facility accounting for 57% of the section), the Italian and European government bonds (37% of the aggregate), and other remaining items (4%), all of which are listed on the main regulated markets and easily liquidated in the short term.

It should be noted that outflows relating to derivative positions and potential requests for collateral have an impact on the reference aggregate of less than 5%.

It should also be noted that the liquidity reserves in currencies other than the Euro, as well as the outflows and inflows in currencies other than the Euro – all of which account for less than 1% each – are marginal for



the MPS Group and do not cause currency misalignments in the calculation of the LCR. Finally, it should be noted that all elements considered relevant to the institution's liquidity profile are included in the calculation of the LCR indicator.



EU LIQ2: net Stable Funding Ratio - NSFR as at 30.06.2024

	(in currency amount)	Jun-24				e
		a	b Unweighted value by residual maturity			
		No maturity	< 6 months	6 months to < 1 yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items						
1	Capital items and instruments	10,265,545	-	-	1,675,195	11,940,740
2	Own funds	10,265,545	-	-	1,675,195	11,940,740
3	Other capital instruments		-	-	-	-
4	Retail deposits		50,391,657	2,856	21,872	47,347,496
5	Stable deposits		39,410,504	759	148	37,440,847
6	Less stable deposits		10,981,153	2,097	21,724	9,906,649
7	Wholesale funding:		47,290,665	1,132,173	6,868,676	17,411,473
8	Operational deposits		-	-	-	-
9	Other wholesale funding		47,290,665	1,132,173	6,868,676	17,411,473
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	195,090	2,768,929	1,020	3,946,615	3,947,125
12	NSFR derivative liabilities	195,090				
13	All other liabilities and capital instruments not included in the above categories		2,768,929	1,020	3,946,615	3,947,125
14	Total available stable funding (ASF)					80,646,834
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					22,478
EU-15a	Assets encumbered for more than 12m in cover pool		47,057	56,897	3,803,272	3,321,143
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		24,989,226	4,728,656	47,309,171	43,471,512
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		8,098,616	31,097	281,894	297,443
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		2,555,593	37,143	406,862	684,866
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		12,009,620	3,335,552	24,512,888	39,559,561
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,513,969	1,592,294	12,894,397	23,054,438
22	Performing residential mortgages, of which:		572,180	692,764	19,395,539	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		558,032	675,277	18,831,137	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		1,753,218	632,100	2,711,987	2,929,643
25	Interdependent assets		-	-	-	-
26	Other assets:		1,355,030	297,070	11,993,026	12,609,496
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	984,464	836,794
29	NSFR derivative assets		98,510			98,510
30	NSFR derivative liabilities before deduction of variation margin posted		760,926			38,046
31	All other assets not included in the above categories		495,594	297,070	11,008,562	11,636,145
32	Off-balance sheet items		4,022,449	2,724,555	5,899,100	941,052
33	Total RSF					60,365,680
34	Net Stable Funding Ratio (%)					133.5972%



EU LIQ2: net Stable Funding Ratio - NSFR as at 31.03.2024

	(in currency amount)	Mar-24				e
		a	b		d	
		No maturity	Unweighted value by residual maturity		≥ 1yr	Weighted value
			< 6 months	6 months to < 1 yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	9,659,358	-	-	1,712,696	11,372,053
2	Own funds	9,659,358	-	-	1,712,696	11,372,053
3	Other capital instruments		-	-	-	-
4	Retail deposits		49,584,862	6,065	22,459	46,611,086
5	Stable deposits		39,134,740	1,113	414	37,179,475
6	Less stable deposits		10,450,121	4,952	22,045	9,431,611
7	Wholesale funding:		44,972,070	462,096	6,816,313	16,188,497
8	Operational deposits		-	-	-	-
9	Other wholesale funding		44,972,070	462,096	6,816,313	16,188,497
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	217,133	4,910,964	990	4,232,777	4,233,272
12	NSFR derivative liabilities	217,133				
13	All other liabilities and capital instruments not included in the above categories		4,910,964	990	4,232,777	4,233,272
14	Available Stable Funding (ASF)					78,404,908
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					32,899
EU-15a	Assets encumbered for more than 12m in cover pool		36,983	44,417	2,998,482	2,617,899
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		25,554,146	4,474,405	48,735,250	44,677,260
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		7,834,154	1,059	248,156	248,686
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		2,833,050	14,783	426,832	716,631
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		12,630,840	3,192,342	20,211,018	40,659,043
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,639,892	1,556,264	8,799,996	24,083,076
22	Performing residential mortgages, of which:		681,286	780,843	24,920,542	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		664,649	762,295	24,293,226	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		1,574,816	485,378	2,928,702	3,052,900
25	Interdependent assets		-	-	-	-
26	Other assets:		1,296,423	420,964	11,775,201	12,370,473
27	Physical traded commodities					-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	1,107,144	941,072
29	NSFR derivative assets		87,550			87,550
30	NSFR derivative liabilities before deduction of variation margin posted		773,978			38,699
31	All other assets not included in the above categories		434,895	420,964	10,668,057	11,303,151
32	Off-balance sheet items		3,932,983	2,807,550	5,295,627	928,258
33	Total RSF					60,626,789
34	Net Stable Funding Ratio (%)					129.3239%



The Net Stable Funding Ratio (NSFR) is a structural 12-month liquidity indicator. In the second quarter of 2024, the Group liquidity showed no signs of strain and, in this context, the NSFR registered an increase compared to the end of March 2024 (+4.3%, from 129.3% of March 2024 to 133.6% in June 2024). This was due an increase in commercial funding, the issuance of the European Covered Bond (Premium), as well as the effect of capital generation, which raised the equity level.

It should also be noted that no interdependent assets or liabilities are reported within the NSFR.



Annex XV – Disclosure of credit risk quality

EU CR1: Performing and non-performing exposures and related provisions.

	a				b				c				d		e		f				g				h				i				j				k				l				m		n		o	
	Gross carrying amount/nominal amount																Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *																Collateral and financial guarantees received																	
	Performing exposures				Non-performing exposures				Performing exposures – accumulated impairment and provisions				Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Accumulated partial write-off		On performing exposures		On non-performing exposures																													
	of which STAGE 1	of which STAGE 2	of which STAGE 2	of which STAGE 3	of which STAGE 2	of which STAGE 3	of which STAGE 1	of which STAGE 2	of which STAGE 2	of which STAGE 3	of which STAGE 2	of which STAGE 3																																						
Cash balances at central banks and other demand deposits	16,916,356	16,916,356	0	357	0	357	-109	-109	0	-201	0	-201																					0	0																
Loans and advances	79,005,200	68,470,194	10,349,469	3,667,778	0	3,656,119	-474,312	-101,804	-372,507	-1,805,787	0	-1,798,140	-23,501	60,759,920	1,656,050																																			
Central banks	31,529	31,529	0	0	0	0	0	0	0	0	0	0	0	6,528	0																																			
General governments	1,689,549	1,631,434	58,115	21,969	0	21,969	-1,295	-1,062	-232	-12,146	0	-12,146	-7	158,507	26																																			
Credit institutions	2,662,021	2,660,215	1,806	14,424	0	14,424	-324	-236	-87	-6,396	0	-6,396	0	1,316,331	0																																			
Other financial corporations	8,629,840	8,437,312	192,528	6,397	0	6,397	-5,071	-3,092	-1,979	-4,205	0	-4,205	0	7,277,403	1,825																																			
Non-financial corporations	32,405,897	26,185,903	6,049,596	2,346,210	0	2,335,451	-285,644	-58,010	-227,633	-1,231,108	0	-1,223,771	-22,931	20,459,964	974,689																																			
Of which SMEs	19,209,066	14,559,491	4,604,027	1,604,971	0	1,595,652	-231,883	-37,706	-194,176	-756,989	0	-750,337	-14,043	14,916,676	751,796																																			
Households	33,586,365	29,523,802	4,047,424	1,278,778	0	1,277,879	-181,978	-39,404	-142,575	-551,931	0	-551,621	-563	31,541,188	679,510																																			
Debt securities	13,193,466	13,079,463	57,890	22,131	0	0	-12,324	-8,040	-4,284	-18,700	0	0	0	0	0																																			
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																			
General governments	10,835,856	10,830,779	5,077	0	0	0	-6,932	-6,894	-38	0	0	0	0	0	0																																			
Credit institutions	1,028,356	1,028,356	0	0	0	0	-451	-451	0	0	0	0	0	0	0																																			
Other financial corporations	1,066,463	1,025,554	2,713	21,400	0	0	-547	-479	-68	-18,700	0	0	0	0	0																																			
Non-financial corporations	262,791	194,774	50,100	731	0	0	-4,393	-216	-4,177	0	0	0	0	0	0																																			
Off-balance-sheet exposures	32,685,163	31,579,690	1,101,890	567,985	0	559,289	33,271	11,130	22,141	95,786	0	87,967		3,344,860	11,346																																			
Central banks	4,864	4,864	0	0	0	0	0	0	0	0	0	0	0	4,804	0																																			
General governments	1,052,459	1,052,417	42	1,016	0	1,016	9	9	0	0	0	0	0	15,561	0																																			
Credit institutions	1,732,148	1,731,399	0	13,510	0	13,510	242	242	0	0	0	0	0	23,562	0																																			
Other financial corporations	3,286,641	3,279,782	4,726	1,432	0	1,432	211	147	64	204	0	204	2,284,297	4																																				
Non-financial corporations	24,728,463	24,016,609	711,153	534,760	0	526,064	29,594	9,078	20,516	95,016	0	87,197	906,867	10,074																																				
Households	1,880,588	1,494,619	385,969	17,267	0	17,267	3,216	1,654	1,561	567	0	567	109,770	1,268																																				
Total	141,800,186	130,045,703	11,509,249	4,258,251	0	4,215,765	-519,907	-120,974	-398,932	-1,920,273	0	-1,886,107	-23,501	64,104,780	1,667,396																																			

(*) It should be noted that for columns (g) to (l), the total does not include adjustments related to Cash balances at central banks and other demand deposits.

Customer Loans stood at EUR 79 billion as at 30 June 2024, broadly in line with the figures as at 31 December 2023.



EU CR1-A – Maturity of exposures

	a	b	c		d	e	f
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	Net exposure value	No stated maturity	Total
1 Loans and advances	2,688,980	21,740,300	14,378,557	41,584,012	-	-	80,391,848
2 Debt securities	-	284,355	5,317,524	7,580,058	-	-	13,181,936
3 Total	2,688,980	22,024,655	19,696,080	49,164,069	-	-	93,573,784

Loans and Advances does not include loans and advances classified as held for sale, central bank holdings and other demand deposits.

The supervisory reporting for template apply to Montepaschi Group since, as of 30 June 2024, the NPL ratio is below the 5% threshold. EU CR2 'Changes in the stock of non-performing loans and advances' does not

As at 30 June 2024, gross nonperforming loans were less than 5%, therefore the information reported below is limited to the tables required when this parameter is not exceeded. In addition, Table CQ4 is not applicable because the international originating exposures are less than 10% of the total.

EU CQ1: Credit quality of forborne exposures

	a	b		c	d	e		f	g	h
	Performing forborne	Non-performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Collateral received and financial guarantees received on forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which defaulted	Of which impaired							
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-
Loans and advances	1,076,023	1,202,331	1,202,331	1,200,248	-61,804	-476,224	1,529,475	676,755		
<i>Central banks</i>	0	0	0	0	0	0	0	0	0	0
<i>General governments</i>	19,208	0	0	0	-118	0	0	0	0	0
<i>Credit institutions</i>	0	0	0	0	0	0	0	0	0	0
<i>Other financial corporations</i>	28,350	496	496	496	-1,075	-263	27,460	198		
<i>Non-financial corporations</i>	625,213	614,942	614,942	613,205	-37,649	-262,686	783,186	319,235		
<i>Households</i>	403,251	586,893	586,893	586,546	-22,962	-213,274	718,828	357,322		
Debt securities	17,918	731	731	0	0	0	0	0		
Loan commitments given	18,804	7,641	7,641	7,641	18	0	4,073	382		
Total	1,112,745	1,210,703	1,210,703	1,207,889	-61,822	-476,224	1,533,548	677,137		



EU CQ3: Credit quality of performing and non-performing exposures by past due days

	Performing exposures		Gross carrying amount/nominal amount										
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted			
Cash balances at central banks and other demand deposits	16,916,356	16,916,356	0	357	357	0	0	0	0	0	0	0	357
Loans and advances	79,005,200	78,901,799	103,401	3,667,778	1,340,995	421,750	437,009	511,006	359,472	152,545	445,002	3,667,778	
<i>Central banks</i>	31,529	31,529	0	0	0	0	0	0	0	0	0	0	0
<i>General governments</i>	1,689,549	1,687,480	2,068	21,969	16,913	5	807	1,075	199	2,229	740	21,969	
<i>Credit institutions</i>	2,662,021	2,662,021	0	14,424	14,424	0	0	0	0	0	0	14,424	
<i>Other financial corporations</i>	8,629,840	8,629,799	41	6,397	494	967	1,072	1,101	2,043	334	386	6,397	
<i>Non-financial corporations</i>	32,405,897	32,356,010	49,887	2,346,210	689,431	304,587	288,885	330,702	245,042	118,832	368,730	2,346,210	
<i>Of which SMEs</i>	19,209,066	19,173,547	35,519	1,604,971	567,211	223,154	217,205	227,111	123,981	49,947	196,362	1,604,971	
<i>Households</i>	33,586,365	33,534,959	51,406	1,278,778	619,733	116,191	146,245	178,128	112,187	31,150	75,145	1,278,778	
Debt securities	13,193,466	13,193,466	0	22,131	731	0	0	0	21,400	0	0	22,131	
<i>Central banks</i>	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>General governments</i>	10,835,856	10,835,856	0	0	0	0	0	0	0	0	0	0	0
<i>Credit institutions</i>	1,028,356	1,028,356	0	0	0	0	0	0	0	0	0	0	0
<i>Other financial corporations</i>	1,066,463	1,066,463	0	21,400	0	0	0	0	21,400	0	0	21,400	
<i>Non-financial corporations</i>	262,791	262,791	0	731	731	0	0	0	0	0	0	731	
Off-balance-sheet exposures	32,685,163			567,985								567,985	
<i>Central banks</i>	4,864			0								0	
<i>General governments</i>	1,052,459			1,016								1,016	
<i>Credit institutions</i>	1,732,148			13,510								13,510	
<i>Other financial corporations</i>	3,286,641			1,432								1,432	
<i>Non-financial corporations</i>	24,728,463			534,760								534,760	
<i>Households</i>	1,880,588			17,267								17,267	
Total	141,800,186	109,011,621	103,401	4,258,251	1,342,083	421,750	437,009	511,006	380,872	152,545	445,002	4,258,251	



EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

	a	b	c	d	e	f
	Gross carrying amount					
		Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
1 Agriculture, forestry and fishing	1,172,382	89,242	89,242	1,170,349	-54,836	-52
2 Mining and quarrying	70,320	5,865	5,865	70,320	-1,988	0
3 Manufacturing	10,813,496	561,423	561,423	10,644,015	-329,202	-2,074
4 Electricity, gas, steam and air conditioning supply	753,249	64,166	64,166	753,249	-43,530	0
5 Water supply	829,499	18,523	18,523	829,499	-16,604	0
6 Construction	2,652,852	260,296	260,296	2,652,852	-235,419	0
7 Wholesale and retail trade	7,099,455	414,716	414,716	7,097,583	-268,133	-380
8 Transport and storage	1,136,530	58,612	58,612	1,136,530	-47,626	0
9 Accommodation and food service activities	1,753,071	181,340	181,340	1,752,872	-101,805	0
10 Information and communication	1,319,116	46,283	46,283	1,319,116	-32,307	0
11 Financial and insurance activities	199,318	18	18	199,318	-590	0
12 Real estate activities	3,432,034	396,572	396,572	3,431,685	-236,031	-213
13 Professional, scientific and technical activities	1,147,658	92,429	92,429	1,147,658	-55,364	0
14 Administrative and support service activities	917,878	60,064	60,064	917,878	-34,030	0
15 Public administration and defence, compulsory social security	1,889	0	0	1,889	-7	0
16 Education	40,844	2,071	2,071	40,844	-1,343	0
17 Human health services and social work activities	488,088	44,664	44,664	488,088	-20,805	0
18 Arts, entertainment and recreation	214,579	18,537	18,537	211,814	-9,100	-2,658
19 Other services	709,846	31,390	31,390	709,846	-22,656	0
20 Total	34,752,106	2,346,210	2,346,210	34,575,407	-1,511,376	-5,377

**EU CQ7: Collateral obtained by taking possession and execution processes**

	a	b
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
1 Property, plant and equipment (PP&E)	0	0
2 Other than PP&E	78,831	-43,415
3 Residential immovable property	0	0
4 Commercial Immovable property	54,572	-26,243
5 Movable property (auto, shipping, etc.)	0	0
6 Equity and debt instruments	24,259	-17,172
7 Other	0	0
8 Total	78,831	-43,415



Annex XVII – Disclosure of the use of credit risk mitigation techniques

EU CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	a	b	c	d	e	
	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives	
1	Loans and advances	34,893,311	62,415,970	48,843,923	13,572,047	-
2	Debt securities	13,184,574	-	-	-	-
3	Total as at 30/06/2024	48,077,885	62,415,970	48,843,923	13,572,047	-
4	Of which non-performing exposures	209,372	1,656,050	1,072,129	583,921	-
EU-5	Of which defaulted	209,372	1,656,050			

As at 30 June 2024, 64.1% of loans and advances were secured compared to 66.3% as at 31 December 2023, of which more than 78% was attributable to collateral (real estate or financial).



Annex XIX – Disclosure of the use of the standardised approach

EU CR4: Credit risk exposure and CRM effects

Exposures class	a		b		c		d		e		f	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density	RWAs	RWA density	RWAs	RWA density
1 Central governments or central banks	30,240,361	248,122	43,558,762	366,812	2,030,355	4.6223%						
2 Regional governments or local authorities	883,241	585,786	896,143	147,618	208,205	19.9475%						
3 Public sector entities	496,382	410,524	480,049	76,648	398,142	71.5188%						
4 Multilateral development banks	64,041	15,000	64,041	-	-	0.0000%						
5 International organisations	183,261	-	183,261	-	-	0.0000%						
6 Institutions	2,421,486	1,236,847	2,454,130	175,446	619,763	23.5689%						
7 Corporates	2,930,413	2,039,543	2,654,431	231,095	2,167,576	75.1189%						
8 Retail	261,635	341,843	162,678	31,417	120,553	62.1101%						
9 Secured by mortgages on immovable property	301,758	1,254	299,112	251	126,493	42.2539%						
10 Exposures in default	72,550	44,549	61,202	942	68,851	110.7925%						
11 Higher-risk categories	34,341	31,100	34,341	9,107	65,172	150.0000%						
12 Covered bonds	613,682	-	613,682	-	73,726	12.0138%						
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.0000%						
14 collective investments undertakings	267,466	-	267,466	-	308,347	115.2844%						
15 Equity	880,822	-	880,822	-	1,742,976	197.8805%						
16 Other items	4,922,188	-	4,922,188	-	3,438,940	69.8661%						
17 Total as at 30/06/2024	44,573,628	4,954,568	57,532,308	1,039,335	11,369,099	19.4106%						
17 Total as exposure		49,528,195		58,571,643		11,369,099	19.4106%					



EU CR5: Standardised approach

Exposures classes	Classes of credit worthiness (Weighting Factors)															Total	Without rating
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1 Central governments or central banks	42,838,759	-	-	-	-	-	11,224	-	-	439,195	4,933	631,463	-	-	-	43,925,574	14,585,331
2 Regional governments or local authorities	-	-	-	-	1,043,762	-	-	-	-	-	-	-	-	-	-	1,043,762	1,043,762
3 Public sector entities	-	-	-	-	174,551	-	37,827	-	-	344,319	-	-	-	-	-	556,696	476,484
4 Multilateral development banks	64,041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64,041	64,041
5 International organisations	183,261	-	-	-	-	-	-	-	-	-	-	-	-	-	-	183,261	183,261
6 Institutions	44,762	497,537	-	-	1,588,000	-	412,233	-	-	87,045	-	-	-	-	-	2,629,576	757,959
7 Corporates	1,112	-	-	-	761,158	-	119,796	-	-	1,953,622	49,838	-	-	-	-	2,885,525	1,683,969
8 Retail	-	-	-	-	-	2	-	-	194,093	-	-	-	-	-	-	194,095	97,615
9 Secured by mortgages on immovable property	-	-	-	-	-	57,317	242,046	-	-	-	-	-	-	-	-	299,363	236,541
10 Exposures in default	-	-	-	-	-	-	-	-	-	48,730	13,414	-	-	-	-	62,144	37,780
11 Higher-risk categories	-	-	-	-	-	-	-	-	-	-	43,448	-	-	-	-	43,448	43,448
12 Covered bonds	-	-	-	490,099	123,583	-	-	-	-	-	-	-	-	-	-	613,682	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Collective investment undertakings	34	-	-	-	13,339	-	1,083	-	-	153,055	99,760	-	-	195	-	267,466	267,466
15 Equity	-	-	-	-	-	-	-	-	-	306,053	-	574,769	-	-	-	880,822	777,901
16 Other items	711,500	-	-	-	967,392	-	31	-	-	3,238,902	4,363	-	-	-	-	4,922,188	4,883,910
17 Total	43,843,470	497,537	-	490,099	4,671,783	57,319	824,239	-	194,093	6,570,921	215,755	1,206,232	-	195	-	58,571,643	25,139,467



Annex XXI – Disclosure of the use of the IRB approach to credit risk (Excluding Counterparty Risk)

EU CR6: IRB Approach: Exposures to or secured by corporates - SMEs

Corporates - SME AIRB	PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	h	l	m
	0.00 to < 0.15	7,137	6,408	33.0310%	9,254	0.0690%	3	51.5140%	1	1,124	12.1446%	3	-1
	0.00 to < 0.10	7,137	6,408	33.0310%	9,254	0.0690%	3	51.5140%	1	1,124	12.1446%	3	-1
	0.10 to < 0.15	-	-	0.0000%	-	0.0000%	-	0.0000%	-	-	0.0000%	-	-
	0.15 to < 0.25	73,464	93,035	21.9230%	94,398	0.1900%	69	32.9260%	2	21,411	22.6812%	59	-102
	0.25 to < 0.50	950,980	870,736	11.9080%	1,057,100	0.4270%	1,199	32.4860%	2	346,930	32.8191%	1,468	-1,396
	0.50 to < 0.75	110,786	27,418	12.9300%	114,563	0.6520%	199	23.2350%	4	35,415	30.9129%	172	-375
	0.75 to < 2.50	3,454,594	1,224,111	14.1470%	3,646,462	1.4040%	3,574	31.1330%	3	1,860,397	51.0192%	15,711	-19,483
	0.75 to < 1.75	2,841,041	1,145,382	13.8990%	3,013,428	1.2130%	2,890	31.5990%	3	1,482,052	49.1816%	11,475	-12,983
	1.75 to < 2.5	613,554	78,729	17.7600%	633,034	2.3150%	684	28.9170%	4	378,346	59.7670%	4,236	-6,499
	2.50 to < 10.00	2,088,037	402,532	17.4850%	2,172,319	4.7140%	2,153	30.4640%	3	1,557,114	71.6798%	30,630	-54,291
	2.5 to < 5	1,579,197	341,056	17.6240%	1,651,026	3.7980%	1,701	31.3010%	3	1,145,800	69.3992%	19,522	-34,058
	5 to < 10	508,841	61,476	16.7110%	521,293	7.6130%	452	27.8120%	3	411,314	78.9027%	11,108	-20,233
	10.00 to < 100.00	466,492	52,613	15.9180%	476,554	19.9430%	338	28.2120%	4	513,072	107.6629%	26,823	-53,578
	10 to < 20	246,688	30,161	20.9600%	253,696	13.1560%	193	29.0320%	4	262,740	103.5649%	9,668	-20,344
	20 to < 30	164,719	13,783	5.6790%	165,968	21.5240%	96	27.0130%	4	189,164	113.9760%	9,711	-24,714
	30.00 to < 100.00	55,085	8,669	14.6530%	56,889	45.5980%	49	28.0550%	4	61,167	107.5198%	7,443	-8,519
	100.00 (Default)	893,254	115,707	18.3130%	914,443	100.0000%	481	47.1680%	3	456,262	49.8950%	440,472	-492,146
Total		8,044,744	2,792,561	14.4264%	8,485,094	13.7715%	8,016	32.6299%	3	4,791,724	56.4723%	515,338	-621,371



EU CR6: IRB approach: Exposures to or secured by corporates – Other companies

Corporates - Other AIRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	h	l	m
	0.00 to < 0.15	201,375	967,656	12.5730%	323,476	0.0580%	227	39.3180%	2	50,680	15.6675%	73	-75
	0.00 to < 0.10	201,375	967,656	12.5730%	323,476	0.0580%	227	39.3180%	2	50,680	15.6675%	73	-75
	0.10 to < 0.15	-	-	0.0000%	-	0.0000%	-	0.0000%	-	-	0.0000%	-	-
	0.15 to < 0.25	196,237	612,560	14.3770%	284,722	0.1900%	267	37.4910%	2	84,021	29.5099%	203	-60
	0.25 to < 0.50	2,811,640	6,657,812	17.2480%	3,962,100	0.3630%	1,022	40.0970%	2	1,932,576	48.7766%	5,748	-4,600
	0.50 to < 0.75	659,872	938,846	15.4360%	804,792	0.6000%	97	40.5410%	2	508,179	63.1441%	1,958	-1,449
	0.75 to < 2.50	3,502,035	3,656,895	22.7450%	4,339,895	1.3260%	1,491	37.8840%	2	3,566,269	82.1741%	21,677	-12,992
	0.75 to < 1.75	3,181,066	2,960,579	13.7780%	3,595,070	1.1060%	1,447	38.2410%	2	2,752,399	76.5604%	15,242	-8,940
	1.75 to < 2.5	320,969	696,316	60.8710%	744,825	2.3890%	44	36.1650%	3	813,869	109.2699%	6,435	-4,053
	2.50 to < 10.00	1,226,472	966,465	25.6170%	1,474,543	4.0620%	468	39.9270%	1	1,808,378	122.6399%	24,192	-21,458
	2.5 to < 5	973,479	696,711	23.8230%	1,139,952	3.2990%	376	39.4200%	1	1,267,849	111.2195%	14,860	-7,163
	5 to < 10	252,992	269,754	30.2490%	334,591	6.6630%	92	41.6530%	2	540,529	161.5492%	9,333	-14,295
	10.00 to < 100.00	159,762	70,293	19.3370%	173,411	18.9000%	65	40.3540%	2	345,007	198.9529%	12,085	-13,360
	10 to < 20	117,891	59,349	16.4250%	127,684	12.0460%	45	42.2080%	1	256,637	200.9947%	6,476	-7,842
	20 to < 30	15,404	4,407	36.7080%	17,022	21.5700%	10	43.7530%	1	40,717	239.2064%	1,606	-889
	30.00 to < 100.00	26,467	6,538	34.0630%	28,706	47.8020%	10	30.0890%	3	47,653	166.0027%	4,003	-4,628
	100.00 (Default)	243,255	301,617	30.4080%	334,970	100.0000%	186	55.2720%	1	152,676	45.5791%	186,066	-215,436
Total		9,000,647	14,172,145	18.9642%	11,697,909	4.3181%	3,823	39.6385%	2	8,447,786	72.2162%	252,001	-269,430

The following table shows a breakdown by PD band with quantitative details for the advanced IRB approach of the Portfolio “Retail Exposures” divided by asset class:

- Secured by real estate - SMEs,
- Secured by real estate - Individuals,
- Qualifying revolving,
- Other retail exposures - SMEs,
- Other retail exposures – Individuals



EU CR6: IRB Approach: Retail exposures secured by real estate - SMEs

Retail - Secured by immovable property SME - AIRB

PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
a	b	c	d	e	f	g	h	i	j	h	l	m
0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to < 0.25	17,530	-	0.0000%	17,563	0.2190%	19	20.3470%	-	1,401	7.9768%	8	-105
0.25 to < 0.50	62,386	3,280	13.5450%	63,331	0.4320%	275	23.2390%	-	8,744	13.8064%	64	-88
0.50 to < 0.75	270,729	2,062	12.5220%	271,704	0.6690%	2,359	19.8770%	-	43,756	16.1043%	360	-873
0.75 to < 2.50	1,663,592	19,481	1.1010%	1,668,774	1.6540%	13,600	20.9060%	-	510,479	30.5901%	5,774	-9,293
0.75 to < 1.75	1,378,664	11,512	1.6480%	1,382,477	1.5180%	12,246	20.3740%	-	388,688	28.1154%	4,222	-5,779
1.75 to < 2.5	284,928	7,969	0.3110%	286,297	2.3100%	1,354	23.4770%	-	121,791	42.5401%	1,552	-3,513
2.50 to < 10.00	817,552	13,705	1.9970%	820,581	4.9220%	5,900	21.8220%	-	489,756	59.6840%	8,867	-20,024
2.5 to < 5	551,477	6,541	1.6060%	553,356	3.7720%	4,097	21.7600%	-	291,347	52.6509%	4,565	-9,812
5 to < 10	266,075	7,163	2.3550%	267,225	7.3020%	1,803	21.9480%	-	198,409	74.2478%	4,302	-10,212
10.00 to < 100.00	218,105	4,362	2.3830%	219,089	19.8550%	1,589	21.6870%	-	217,131	99.1060%	9,579	-16,415
10 to < 20	141,166	2,510	3.5230%	141,735	13.9860%	1,119	21.0900%	-	129,944	91.6811%	4,158	-8,452
20 to < 30	43,455	1,713	0.0000%	43,622	22.2920%	238	22.4170%	-	48,771	111.8046%	2,179	-4,191
30.00 to < 100.00	33,484	140	11.1090%	33,733	41.3640%	232	23.2500%	-	38,416	113.8822%	3,242	-3,772
100.00 (Default)	422,013	707	0.0000%	422,013	100.0000%	1,949	45.5320%	-	209,131	49.5556%	202,034	-265,120
Total	3,471,906	43,597	2.9695%	3,483,055	15.3783%	25,691	24.1140%	-	1,480,398	42.5028%	226,687	-311,918



EU CR6: IRB Approach: Retail exposures secured by real estate - Individuals

Retail - Secured by immovable property non-SME - AIRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	h	l	m
	0.00 to < 0.15	235,445	2,158	2.0700%	235,498	0.0900%	2,465	16.5470%	-	9,504	4.0356%	35	-210
	0.00 to < 0.10	235,014	1,237	1.7120%	235,044	0.0900%	2,300	16.5350%	-	9,475	4.0310%	35	-208
	0.10 to < 0.15	431	920	2.5500%	454	0.1100%	165	22.4920%	-	29	6.3974%	0	-1
	0.15 to < 0.25	2,770,407	7,473	1.6920%	2,770,537	0.1700%	33,211	16.6760%	-	182,764	6.5967%	785	-2,803
	0.25 to < 0.50	17,086,174	12,297	1.5700%	17,086,443	0.3580%	227,544	16.9400%	-	1,967,011	11.5121%	10,353	-22,058
	0.50 to < 0.75	567	2	87.0330%	569	0.5000%	8	19.4390%	-	96	16.8653%	1	-1
	0.75 to < 2.50	3,706,654	3,053	1.9990%	3,706,892	1.4380%	56,485	16.1530%	-	1,054,068	28.4353%	8,733	-18,655
	0.75 to < 1.75	1,756,057	2,252	1.9480%	1,756,121	0.9900%	28,131	15.3200%	-	372,760	21.2263%	2,663	-4,964
	1.75 to < 2.5	1,950,596	801	2.1400%	1,950,771	1.8400%	28,354	16.9040%	-	681,307	34.9250%	6,069	-13,692
	2.50 to < 10.00	1,589,067	2,617	1.3390%	1,589,368	5.4820%	22,800	16.6570%	-	988,083	62.1683%	14,419	-49,394
	2.5 to < 5	808,151	881	1.8580%	808,229	3.9190%	11,270	16.9250%	-	440,377	54.4867%	5,361	-16,646
	5 to < 10	780,916	1,736	1.0760%	781,138	7.0990%	11,530	16.3790%	-	547,705	70.1163%	9,059	-32,748
	10.00 to < 100.00	337,323	777	0.1010%	337,699	23.4420%	4,499	16.2970%	-	344,316	101.9592%	12,942	-29,236
	10 to < 20	226,778	304	0.2580%	226,918	18.5310%	3,142	16.1800%	-	226,218	99.6912%	6,804	-17,486
	20 to < 30	47	-	0.0000%	47	29.5200%	1	23.4870%	-	72	152.6898%	3	-2
	30.00 to < 100.00	110,498	473	0.0000%	110,734	33.5020%	1,356	16.5350%	-	118,026	106.5851%	6,135	-11,748
	100.00 (Default)	776,583	1,286	0.0000%	776,583	100.0000%	9,201	23.3100%	-	302,834	38.9957%	189,097	-304,696
Total		26,502,220	29,664	1.5588%	26,503,589	4.0080%	356,213	16.9604%	-	4,848,674	18.2944%	236,364	-427,054



EU CR6: IRB Approach: Retail Exposures - Qualifying revolving

Retail - Qualifying revolving - AIRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	h	l	m
	0.00 to < 0.15	11,436	7,728	1.4520%	11,548	0.1090%	19,689	45.3590%	-	378	3.2747%	6	-83
	0.00 to < 0.10	602	50	1.2840%	603	0.0900%	669	25.4520%	-	9	1.5614%	0	-1
	0.10 to < 0.15	10,834	7,679	1.4530%	10,945	0.1100%	19,020	46.4550%	-	369	3.3690%	6	-82
	0.15 to < 0.25	4,747	840	1.5150%	4,760	0.1700%	6,667	25.5740%	-	127	2.6578%	2	-4
	0.25 to < 0.50	15,362	3,120	1.3290%	15,405	0.3590%	22,415	27.5840%	-	824	5.3460%	16	-38
	0.50 to < 0.75	5,059	1,362	1.3410%	5,078	0.5000%	6,376	43.7580%	-	552	10.8668%	11	-40
	0.75 to < 2.50	210,074	9,464	1.2190%	210,194	0.9380%	307,037	48.3890%	-	40,170	19.1108%	933	-1,866
	0.75 to < 1.75	193,979	2,694	1.2120%	194,013	0.8410%	292,119	49.2600%	-	35,577	18.3376%	802	-1,741
	1.75 to < 2.5	16,095	6,770	1.2220%	16,181	2.0990%	14,918	37.9540%	-	4,593	28.3822%	131	-125
	2.50 to < 10.00	46,550	18,659	1.0100%	46,748	5.3070%	30,060	42.3460%	-	27,598	59.0350%	1,065	-671
	2.5 to < 5	16,676	8,971	1.1660%	16,786	3.3970%	12,268	39.8270%	-	6,919	41.2165%	225	-173
	5 to < 10	29,874	9,688	0.8660%	29,963	6.3770%	17,792	43.7570%	-	20,679	69.0174%	841	-498
	10.00 to < 100.00	5,281	3,501	0.9180%	5,314	20.9740%	3,524	42.7660%	-	6,597	124.1389%	474	-196
	10 to < 20	4,614	3,257	0.9400%	4,645	19.1440%	3,144	43.4180%	-	5,778	124.3773%	386	-166
	20 to < 30	475	233	0.6190%	476	29.5200%	269	40.6710%	-	640	134.2445%	57	-23
	30.00 to < 100.00	192	11	0.5900%	192	44.0020%	111	32.2120%	-	180	93.3421%	30	-7
	100.00 (Default)	4,383	1,490	0.0000%	4,383	100.0000%	2,127	47.8370%	-	3,923	89.4964%	2,097	-2,622
Total		302,891	46,165	1.1278%	303,431	3.3128%	397,895	45.7446%	-	80,168	26.4204%	4,603	-5,520



EU CR6: IRB Approach: Retail Exposures - SMEs

Retail - Other SME - AIRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	h	l	m
	0.00 to < 0.15	2	18,150	18.6750%	3,391	0.0350%	3	48.4970%	-	156	4.6147%	1	-1
	0.00 to < 0.10	2	18,150	18.6750%	3,391	0.0350%	3	48.4970%	-	156	4.6147%	1	-1
	0.10 to < 0.15	-	-	0.0000%	-	0.0000%	-	0.0000%	-	-	0.0000%	-	-
	0.15 to < 0.25	15,516	354,697	12.8210%	60,991	0.1720%	406	43.0880%	-	8,095	13.2729%	45	-35
	0.25 to < 0.50	413,961	2,589,550	12.5960%	740,207	0.3990%	14,633	41.1270%	-	159,298	21.5208%	1,197	-2,328
	0.50 to < 0.75	243,363	599,648	23.7280%	385,733	0.6580%	20,812	35.7260%	-	97,638	25.3124%	906	-1,127
	0.75 to < 2.50	1,768,491	2,534,341	17.0430%	2,201,398	1.3890%	85,864	38.4770%	-	809,931	36.7917%	11,752	-8,910
	0.75 to < 1.75	1,536,314	2,287,789	16.4550%	1,913,332	1.2620%	59,713	37.7080%	-	669,595	34.9963%	9,018	-5,483
	1.75 to < 2.5	232,177	246,551	22.5020%	288,067	2.2320%	26,151	43.5920%	-	140,335	48.7163%	2,734	-3,427
	2.50 to < 10.00	1,109,202	732,547	19.0920%	1,250,588	4.8080%	45,504	38.9930%	-	609,277	48.7193%	23,336	-23,370
	2.5 to < 5	781,464	580,959	18.9060%	892,057	3.6920%	31,489	39.2650%	-	426,389	47.7984%	12,890	-10,523
	5 to < 10	327,738	151,588	19.8050%	358,531	7.5870%	14,015	38.3150%	-	182,888	51.0103%	10,445	-12,847
	10.00 to < 100.00	196,735	65,465	23.9030%	214,016	20.1140%	16,499	38.5460%	-	146,220	68.3219%	16,599	-14,574
	10 to < 20	129,630	45,301	17.4680%	138,618	13.9880%	12,392	39.8610%	-	90,200	65.0707%	7,751	-8,227
	20 to < 30	39,438	11,891	39.7160%	44,292	23.1820%	1,843	35.8250%	-	31,790	71.7738%	3,669	-3,588
	30.00 to < 100.00	27,667	8,272	36.4050%	31,106	43.0470%	2,264	36.5560%	-	24,230	77.8952%	5,179	-2,758
	100.00 (Default)	607,218	100,594	29.5010%	636,895	100.0000%	17,456	69.4410%	-	212,375	33.3454%	448,035	-472,808
Total		4,354,488	6,994,991	16.2179%	5,493,220	14.1310%	201,177	42.4085%	-	2,042,992	37.1912%	501,870	-523,153



EU CR6: IRB Approach: Retail Exposures - Individuals

Retail - Other non-SME - AIRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	h	l	m
	0.00 to < 0.15	4,443	318,156	54.7700%	178,705	0.1100%	65,120	45.7520%	-	24,171	13.5258%	90	-360
	0.00 to < 0.10	2,585	1,210	38.6540%	3,055	0.0900%	127	22.3820%	-	175	5.7188%	1	-2
	0.10 to < 0.15	1,858	316,946	54.8310%	175,650	0.1100%	64,993	46.1590%	-	23,997	13.6616%	89	-359
	0.15 to < 0.25	35,471	112,233	14.3730%	51,636	0.1700%	4,413	24.4110%	-	5,083	9.8433%	21	-33
	0.25 to < 0.50	203,181	176,572	30.1050%	256,508	0.3740%	22,573	28.7810%	-	50,102	19.5323%	282	-532
	0.50 to < 0.75	69,366	88,840	56.5360%	119,983	0.5000%	20,283	39.2430%	-	37,687	31.4100%	235	-554
	0.75 to < 2.50	285,741	268,935	50.8710%	427,708	1.6680%	76,325	36.0670%	-	200,302	46.8315%	2,546	-2,532
	0.75 to < 1.75	73,593	150,250	50.2830%	151,257	0.8350%	41,897	37.5080%	-	58,234	38.5000%	460	-632
	1.75 to < 2.5	212,148	118,685	51.6140%	276,451	2.1230%	34,428	35.2790%	-	142,068	51.3900%	2,087	-1,900
	2.50 to < 10.00	605,136	126,696	37.7340%	659,418	4.9850%	91,990	34.8560%	-	376,798	57.1410%	11,417	-12,483
	2.5 to < 5	215,780	60,013	44.8840%	244,846	3.3980%	23,445	35.2860%	-	136,247	55.6460%	2,913	-2,376
	5 to < 10	389,356	66,683	31.2990%	414,572	5.9220%	68,545	34.6030%	-	240,551	58.0239%	8,504	-10,107
	10.00 to < 100.00	49,780	4,914	35.2940%	53,985	23.0710%	25,285	28.6770%	-	37,762	69.9492%	3,572	-2,111
	10 to < 20	38,191	4,447	35.3980%	41,501	18.9460%	22,577	30.5770%	-	30,620	73.7805%	2,384	-1,674
	20 to < 30	8,542	295	25.4490%	8,767	29.5200%	1,280	18.3690%	-	4,562	52.0312%	475	-274
	30.00 to < 100.00	3,047	172	49.4700%	3,717	53.8990%	1,428	31.7720%	-	2,581	69.4340%	712	-163
	100.00 (Default)	122,272	4,855	13.2700%	122,916	100.0000%	17,697	52.9080%	-	53,256	43.3269%	65,704	-81,176
Total		1,375,391	1,101,200	43.6582%	1,870,860	9.4727%	323,686	36.3415%	-	785,161	41.9679%	83,868	-99,780



EU CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques

A-IRB	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs		
	Total exposures	Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)			
a	b	c	d	e	f	g	h	i	j	k	l	m	n		
1 Central governments and central banks	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	
2 Institutions	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-		
3 Corporates	21,614,240	1.25%	26.22%	22.56%	0.00%	3.66%	0.00%	0.00%	0.00%	0.00%	5.91%	0.00%	14,351,632	14,346,118	
3.1 Of which Corporates – SMEs	8,485,094	0.74%	53.84%	47.89%	0.00%	5.95%	0.00%	0.00%	0.00%	0.00%	4.10%	0.00%	4,795,204	4,791,724	
3.2 Of which Corporates – Specialised lending	1,431,237	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,106,607	1,106,607	
3.3 Of which Corporates – Other	11,697,909	1.77%	9.39%	6.95%	0.00%	2.44%	0.00%	0.00%	0.00%	0.00%	7.95%	0.00%	8,449,821	8,447,786	
4 Retail	37,654,154	0.39%	80.65%	79.67%	0.00%	0.98%	0.00%	0.00%	0.00%	0.00%	1.34%	0.00%	9,239,516	9,237,392	
4.1 Of which Retail – Immovable property SMEs	3,483,055	0.03%	100.31%	100.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	1,480,732	1,480,398	
4.2 Of which Retail – Immovable property non-SMEs	26,503,589	0.01%	100.01%	100.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4,848,674	4,848,674	
4.3 Of which Retail – Qualifying revolving	303,431	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	80,168	80,168	
4.4 Of which Retail – Other SMEs	5,493,220	1.85%	6.40%	0.00%	0.00%	6.40%	0.00%	0.00%	0.00%	0.00%	8.74%	0.00%	2,044,780	2,042,992	
4.5 Of which Retail – Other non-SMEs	1,870,860	2.36%	0.82%	0.00%	0.00%	0.82%	0.00%	0.00%	0.00%	0.00%	1.19%	0.00%	785,162	785,161	
Total	59,268,394	0.71%	60.80%	58.85%	0.00%	1.95%	0.00%	0.00%	0.00%	0.00%	3.00%	0.00%	23,591,148	23,583,510	

**EU CR8: RWEA flow statements of credit risk exposures under the IRB approach**

	RWA
1 Risk weighted exposure amount as at the end of the previous reporting period	23,750,761
2 Asset size	-57,719
3 Asset quality	-
4 Model updates	59,834
5 Methodology and policy	-
6 Acquisitions and disposals	-4,254
7 Foreign exchange movements	-
8 Other	-17,515
9 Risk weighted exposure amount as at the end of the reporting period	23,731,107

The information in this template includes counterparty credit risk (CCR) exposures and specialised lending.

In 2Q 2024, the estimates of the ELBE LGD ELBE, reducing the difference between component for the LGD Defaulted Asset LGD ELBE and LGD downturn resulting in models were updated by including the most a reduction of RWA on the Non-Performing recent information from the macroeconomic portfolio. time series; this resulted in an increase in



Annex XXIII – Disclosure of specialised lending

EU CR10.1 - Specialised lending and equity exposures under the simple risk-weighted approach: Project finance (Slotting approach)

		Specialised lending : Project finance (Slotting approach)					
Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	1,201	9,107	50%	5,854	2,648	-
	Equal to or more than 2.5 years	58,112	6,935	70%	61,471	36,332	246
Category 2	Less than 2.5 years	12,658	14,460	70%	19,888	12,237	80
	Equal to or more than 2.5 years	291,079	59,288	90%	320,723	274,363	2,566
Category 3	Less than 2.5 years	1,060	11,123	115%	2,772	2,766	78
	Equal to or more than 2.5 years	18,616	44,289	115%	40,761	39,418	1,141
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	4,168	-	-	4,168	-	2,084
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	19,087	34,690		32,682	17,652	2,241
	Equal to or more than 2.5 years	367,807	110,512		422,954	350,112	3,953



EU CR10.2 – Specialised lending and equity exposures under the simple risk-weighted approach: Income-producing real estate and high volatility commercial real estate (Slotting approach)

Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)

Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-
Category 2	Less than 2.5 years	205,924	71,159	70%	243,818	154,583	975
	Equal to or more than 2.5 years	385,964	280,372	90%	519,745	398,060	4,158
Category 3	Less than 2.5 years	9,435	2,769	115%	10,511	9,835	294
	Equal to or more than 2.5 years	122,494	65,350	115%	155,169	143,939	4,345
Category 4	Less than 2.5 years	48	65	250%	48	99	4
	Equal to or more than 2.5 years	14,907	660	250%	15,237	30,617	1,219
Category 5	Less than 2.5 years	12,531	223	-	12,754	-	7,242
	Equal to or more than 2.5 years	15,783	292	-	15,929	-	8,039
Total	Less than 2.5 years	227,938	74,215		267,130	164,516	8,516
	Equal to or more than 2.5 years	539,148	346,674		706,080	572,616	17,761

EU CR10.3 – Specialised lending and equity exposures under the simple risk-weighted approach: Object finance (Slotting approach)

Specialised lending: Object finance (Slotting approach)

Regulatory categories	Remaining maturity	On-balancesheet exposure	Off-balancesheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		a	b	c	d	e	f
Category 1	Less than 2.5 years	-	-	50%	-	-	-
	Equal to or more than 2.5 years	-	-	70%	-	-	-
Category 2	Less than 2.5 years	-	-	70%	-	-	-
	Equal to or more than 2.5 years	4,903	-	90%	4,903	3,549	39
Category 3	Less than 2.5 years	-	-	115%	-	-	-
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-	-
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	-	-	-	-	-	-
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	-	-		-	-	-
	Equal to or more than 2.5 years	4,903	-		4,903	3,549	39

Tables EU CR10.4 and EU CR10.5 are not shown, as the Group as at 30.06.2024 does not have the cases.



Annex XXV – Disclosure of exposures to counterparty credit risk

EU CCR1 - Analysis of CCR exposure by approach

	a	b	c	d	e	f	g	h
	Replacement cost (RC)	Potential future exposure (PFÉ)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-	1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-	1.4	-	-	-	-
1	SA-CCR (for derivatives)	116,578	368,928	1.4	1,849,251	679,708	678,317	455,036
2	IMM (for derivatives and SFTs)	-	-	-	-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>	-	-	-	-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>	-	-	-	-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>	-	-	-	-	-	-	-
3	Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)	-	-	-	1,925,929	345,868	345,848	104,226
5	VaR for SFTs	-	-	-	-	-	-	-
6	Total as at 30/06/2024	-	-	-	3,775,181	1,025,576	1,024,165	559,261



EU CCR2 – Transactions subject to own funds requirements for CVA risk

	Exposure value	RWAs
1 Total portfolios subject to the advanced method	-	-
2 (i) VaR component (including the 3× multiplier)		-
3 (ii) SVaR component (including the 3× multiplier)		-
4 All portfolios subject to the standardised method	574,976	333,007
EU4 Based on the original exposure method	-	-
5 Total subject to the CVA capital charge	574,976	333,007

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposures classes	Classes of credit worthiness (Weighting Factors)											Total exposure value
	a	b	c	d	e	f	g	h	i	j	k	
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1 Central governments or central banks	0	-	-	-	-	-	-	-	-	-	-	0
2 Regional governments or local authorities	-	-	-	-	3,146	-	-	-	-	-	-	3,146
3 Public sector entities	-	-	-	-	1,446	636	-	-	1,013	0	-	3,095
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	0	1,892,553	-	-	190,346	124,585	-	-	4,259	-	-	2,211,743
7 Corporates	-	-	-	-	2,800	15,973	-	-	296,125	-	-	314,897
8 Retail	-	-	-	-	-	-	-	1,729	-	-	-	1,729
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	29	-	29
11 Total	0	1,892,553	-	-	197,738	141,194	-	1,729	301,397	29	-	2,534,640



EU CCR4.1 – IRB approach – CCR exposures by exposure class and PD scale: corporate

		a	b	c	d	e	f	g
		Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity	RWEA	Density of risk weighted exposure amount
Class 01	0.00 to <0.15	7,997	0.0390%	17	50.0910%	2	1,177	14.7113%
Class 02	0.15 to <0.25	5,556	0.1892%	38	42.7175%	2	2,010	36.1695%
Class 03	0.25 to <0.50	21,266	0.3800%	279	42.5466%	2	11,555	54.3361%
Class 04	0.50 to <0.75	27,887	0.6005%	33	23.2826%	1	9,714	34.8329%
Class 05	0.75 to <2.50	70,340	1.1834%	656	36.7399%	2	52,136	74.1194%
Class 06	2.50 to <10.00	233,710	5.5268%	256	8.2504%	0	62,696	26.8263%
Class 07	10.00 to <100.00	1,177	20.3353%	31	44.2520%	3	2,267	192.6282%
Class 08	100.00 (Default)	784	100.0000%	32	49.8780%	2	489	62.2946%
Total as at 30/06/2024		368,718	4.0775%	1,342	18.4304%	1	142,042	38.5233%

The total amount for columns (a), (c), (f), and (g) includes the “Specialised lending”

EU CCR4.2 – IRB approach – CCR exposures by exposure class and PD scale: retail

		a	b	c	d	e	f	g
		Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity	RWEA	Density of risk weighted exposure amount
Class 01	0.00 to <0.15	3	0.1100%	1	54.9800%	-	1	16.2709%
Class 02	0.15 to <0.25	46	0.1710%	15	43.5750%	-	6	13.6608%
Class 03	0.25 to <0.50	2,222	0.3773%	256	43.9481%	-	493	22.1791%
Class 04	0.50 to <0.75	492	0.6374%	195	38.4700%	-	133	26.9652%
Class 05	0.75 to <2.50	5,725	1.4155%	1,143	33.5509%	-	1,847	32.2688%
Class 06	2.50 to <10.00	1,842	4.6700%	518	40.2080%	-	930	50.4885%
Class 07	10.00 to <100.00	279	16.0140%	110	39.8330%	-	189	67.5710%
Class 08	100.00 (Default)	239	100.0000%	97	45.7710%	-	119	49.7756%
Total as at 30/06/2024		10,848	4.2647%	2,335	37.5148%	-	3,717	34.2663%



EU CCR5 - Composition of collateral for CCR exposures

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	a	b	c	d	e	f	g	h
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash – domestic currency	-	1,753,122	-	1,239,359	-	-	-	-
2 Cash – other currencies	-	154	-	5,184	-	-	-	-
3 Domestic sovereign debt	-	487,060	-	-	-	10,606,306	-	21,775,681
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	-	-	-	15,625	-	14,340
7 Equity securities	-	-	-	-	-	64,245	-	760
8 Other collateral	-	-	-	-	-	32,818	-	-
9 Total	-	2,240,336	-	1,244,543	-	10,718,995	-	21,790,781

EU CCR6 - Credit derivatives exposures

	Jun-24	
	a	b
	Protection bought	Protection sold
Notionals		
1 Single-name credit default swaps	-	-
2 Index credit default swaps	91,000	22,800
3 Total return swaps	-	-
4 Credit options	-	-
5 Other credit derivatives	148,851	1,939,842
6 Total notionals	239,851	1,962,642
Fair values		
7 Positive fair value (asset)	16	681
8 Negative fair value (liability)	-37,116	-62,931

**EU CCR8 – Exposures to CCPs**

	Jun-24	
	a	b
	Exposure value	RWEA
1 Exposures to QCCPs (total)		47,886
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,892,553	37,851
3 (i) OTC derivatives	1,095,815	21,916
4 (ii) Exchange-traded derivatives	286	6
5 (iii) SFTs	796,451	15,929
6 (iv) Netting sets where cross-product netting has been approved	-	-
7 Segregated initial margin	-	
8 Non-segregated initial margin	899,678	4,344
9 Prefunded default fund contributions	284,592	5,692
10 Unfunded default fund contributions	-	-
11 Exposures to non-QCCPs (total)		-
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13 (i) OTC derivatives	-	-
14 (ii) Exchange-traded derivatives	-	-
15 (iii) SFTs	-	-
16 (iv) Netting sets where cross-product netting has been approved	-	-
17 Segregated initial margin	-	
18 Non-segregated initial margin	-	-
19 Prefunded default fund contributions	-	-
20 Unfunded default fund contributions	-	-

¹QCCP: Qualifying Central Counterparty



Annex XXVII – Disclosure of exposures to securitisation positions

EU SEC1 – Securitisation exposures in the non-trading book

	a	Institution acts as originator					Institution acts as sponsor			Institution acts as investor						
		b STS	c Traditional		e Synthetic of which SRT	f Sub- total	h STS	i Non-STS		k Sub- total	l STS	m Non-STS		n Synthetic	o Sub- total	
			Non-STS					Synthetic				Synthetic				
			of which SRT	of which SRT				of which SRT	of which SRT			of which SRT	of which SRT			
1	Total exposures	-	-	1,349,501	35,561	628,112	616,662	1,977,613	-	-	-	-	-	2,973	-	2,973
2	Retail (total)	-	-	1,313,940	-	293,837	283,119	1,607,778	-	-	-	-	-	2,973	-	2,973
3	residential mortgage	-	-	917,824	-	-	-	917,824	-	-	-	-	-	2,973	-	2,973
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	396,116	-	293,837	283,119	689,953	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	35,561	35,561	334,274	333,543	369,835	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	35,005	35,005	333,552	333,543	368,557	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	556	556	722	-	1,278	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MPS Group does not have within their traditional securitisations, ABCP programmes.



EU SEC2 – Securitisation exposures in the trading book

	a			b			c			d			e			f			g			h			i			j			k			l																								
	Institution acts as Originator									Institution acts as Sponsor									Institution acts as Investor																																							
	Traditional			Synthetic			Sub-total			Traditional			Synthetic			Sub-total			Traditional			Synthetic			Sub-total																																	
	STS	Non-STS				STS	Non-STS		STS	Non-STS		STS	Non-STS		STS	Non-STS		STS	Non-STS		STS	Non-STS		STS	Non-STS		STS	Non-STS																														
1	Total exposures																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,635	-	32,635			
2	Retail (total)																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,357	-	7,357		
3	residential mortgage																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,357	-	7,357		
4	credit card																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	other retail exposures																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	re-securitisation																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Wholesale (total)																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,278	-	25,278	
8	loans to corporates																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,278	-	25,278	
10	lease and receivables																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EU SEC3 – Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

	a				b				c				d				e				f				g				h				i				j				k				l				m				n				o				EU-p	EU-q
	Exposure values (by RW bands/deductions)																Exposure values (by regulatory approach)								RWEA (by regulatory approach)								Capital charge after cap																													
	RW ≤20%	RW >20% to 50%	RW >50% to 100%	RW >100% to <1250%	RW 1250% / deduc- tions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	EU-p	EU-q																																			
1	Total exposures																														617,218	-	-	35,005	575	651,667	-	556	575	501,397	-	83	-	40,112	-	7	-															
2	Traditional transactions																														556	-	-	35,005	575	35,005	-	556	575	408,898	-	83	-	32,712	-	7	-															
3	Securitisation																														556	-	-	35,005	575	35,005	-	556	575	408,898	-	83	-	32,712	-	7	-															
4	Retail underlying																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
5	Of which STS																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
6	Wholesale																														556	-	-	35,005	575	35,005	-	556	575	408,898	-	83	-	32,712	-	7	-															
7	Of which STS																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
8	Re-securitisation																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
9	Synthetic transactions																														616,662	-	-	-	-	616,662	-	-	92,499	-	-	-	7,400	-	-	-																
10	Securitisation																														616,662	-	-	-	-	616,662	-	-	92,499	-	-	-	7,400	-	-	-																
11	Retail underlying																														283,119	-	-	-	-	283,119	-	-	42,468	-	-	-	3,397	-	-	-																
12	Wholesale																														333,543	-	-	-	-	333,543	-	-	50,031	-	-	-	4,003	-	-	-																
13	Re-securitisation																														-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																



EU SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

	a					b			c			d		EU-p	EU-q		
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)			RWEA (by regulatory approach)			Capital charge after cap					
	RW ≤20%	RW >20% to 50%	RW >50% to 100%	RW >100% to <1250%	RW 1250% /deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1.250 % RW/ deduzioni	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	RW 1250% /deductions
1 Total exposures	-	-	395	2,577	-	-	2,973	-	-	-	9,039	-	-	-	723	-	-
2 Traditional transactions	-	-	395	2,577	-	-	2,973	-	-	-	9,039	-	-	-	723	-	-
3 Securitisation	-	-	395	2,577	-	-	2,973	-	-	-	9,039	-	-	-	723	-	-
4 Retail underlying	-	-	395	2,577	-	-	2,973	-	-	-	9,039	-	-	-	723	-	-
5 <i>Of which STS</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 <i>Of which STS</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EU SEC5 – Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

	a	b	c
	Exposures securitised by the institution - Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
		<i>Of which exposures in default</i>	
1 Total exposures	19,709,788	17,735,636	-362,437
2 Retail (total)	1,682,298	108,644	6,761
3 residential mortgage	917,824	59,808	3,782
4 credit card	-	-	-
5 other retail exposures	764,473	48,835	2,979
6 re-securitisation	-	-	-
7 Wholesale (total)	18,027,490	17,626,993	-369,198
8 loans to corporates	18,023,814	17,626,993	-369,191
9 commercial mortgage	-	-	-
10 lease and receivables	-	-	-
11 other wholesale	3,676	-	-7
12 re-securitisation	-	-	-



Annex XXX – Disclosure of use of standardized approach and internal model for market risk

EU MR1 - Market risk under the standardised approach

	Jun-24	
	a RWA	b Capital requirements
Interest rate risk (generic and specific)	1,354,524	108,362
Equity risk (generic and specific)	453,625	36,290
Exchange risk	-	-
Commodity risk	61,848	4,948
Options		
Simplified Method	-	-
Delta-Plus Method	33,707	2,697
Scenario Method	-	-
Securitisation (specific risk)	129,719	10,378
Total	2,033,423	162,674



Annex XXXVII – Disclosure on exposures to interest rate risk on positions not held in the trading book (EBA/ITS/2021/07)

EU IRRBBA – Qualitative information on interest rate risk of non-trading book activities.

The Group adopts an interest rate risk governance and management system known as the 'IRRBB Framework' which uses of:

- a quantitative model, which provides the basis for monthly calculation of the exposure of the Group and the individual companies to interest rate risk in terms of risk indicators;
- risk monitoring processes, aimed at periodically verifying compliance with the operational limits assigned to the Group overall and to the individual legal entities;
- risk control and management processes finalized to adequate initiatives for optimising the risk profile and activating any necessary corrective actions.

Within the above system, definition of policies for managing the Group's Banking Book and controlling its interest rate risk are centralised in the Parent Company:

The Banking Book consists of all exposures not included in the Trading Book and, in accordance with international best practices, identifies the set of the Group's commercial trades connected to the transformation of

maturities in the assets and liabilities and ALM financial activities (treasury and risk hedging derivatives).

The strategic objectives for the management of interest rate risk in the Banking Book, based on interest rate measures (express in terms of variation in both economic value and in net interest income) in compliance with the operational limits and strategic KRIs, are set, at least once a year, in the IRRBB Strategy document submitted by the Finance Function – subject to the prior opinion of the Finance and Liquidity Committee and of the Risk and Sustainability Committee – for the approval of the Board of Directors of the Parent Company, as established by corporate regulations. The pursuit of the objectives is operationally managed by the Finance Function, which reports periodically to the Finance and Liquidity Committee on any changes in the metrics, the market situation, any transactions performed as well as the situation regarding existing hedges.

Risk Appetite and Risk Tolerance thresholds on IRRBB metrics are set within the Risk Appetite Statement. Operational limits are



then defined in terms of internal capital and IRRBB metrics (Delta EVE, Delta NII, and Basis Risk).

From July 2022, in addition to NII sensitivities, internal measures will also include fair value changes of the interest rate component of instruments accounted for at FVOCI and FVTPL.

Specific limits are also set at individual level. A formalized escalation process ensures verification of compliance with the delegated limits and adequate information to top management in the event of any breach.

The Bank also defines strategic KRIs for the management of IRRBB, expressed in terms of “appetite” and approved by the Board of Directors, to monitor the proper pursuit of the strategy.

The metrics and limits are monitored monthly and, together with ongoing monitoring of the market situation, represent the main tool for defining operational asset and liability management choices.

Moreover, the IRRBB framework is periodically and regularly subjected to internal audits and validation checks, to guarantee the continuous pursuit of correctness of the processes, calculation methods and estimation of the behavioural models.

The periodicity of calculation of internal

metrics is monthly, while for regulatory metrics it is quarterly (STE). In both cases, the discounting curve is the EUR6M curve, while the specific curves for each benchmark are used for the forecasting process. In the Group’s IRRBB framework, the economic value sensitivity measures are processed by clearing the origination of the cash flows of the components not directly relating to interest rate risk. Non-performing loans entries are considered net of their credit impairment.

In the development of internal metrics, the Montepaschi Group applies a predefined set of interest rate scenarios to capture a wide range of curve dynamics, including both parallel shift of different magnitudes and changes in the shape of the yield curve.

With reference to the regulatory measures, the scenarios are constructed in accordance with the provisions of the EBA Guidelines (EBA/GL/2022/04). In particular, for the sensitivity measures of the economic value, six scenarios of Parallel up, Parallel down, Steepener, Flattener, Short rates up and Short rates down are used.

Also, with reference to the calculation of internal metrics, an additional set of scenarios constructed from historical rate data is used. The internal scenarios differ from the regulatory scenarios in terms of different magnitudes and minimum rate



levels. The analysis of net interest income, given that the measure focuses on the short term, exclusively involves the application of parallel scenarios with reference to both the regulatory and internal measures.

Regarding the differences between internal and regulatory measures, it should be noted that, with reference to the economic value, the sensitivity of the various currencies (moreover, the concentration is almost exclusively on euros), produced within the scope of internal metrics, are aggregated without applying any weighting.

IRRBB is managed through the hedging of asset and liability items.

Hedges are carried out on fixed-rate mortgages, the optional components of floating-rate mortgages, bonds on the assets side, fixed-rate paper funding and fixed-rate deposit accounts at maturity. By managing these hedges, the Finance department pursues the risk objective (in terms of delta EVE, delta NII, Basis Risk) established by the IRRBB strategy approved by the Board of Directors. The hedges are linked by hedge accounting to the items covered: the approach is of a macro type for commercial items and of a micro type for paper liabilities and securities in the assets.

Risk metrics are calculated by using a model for the valuation of demand items (Non-Maturity Deposits, NMDs) whose

characteristics of stability and partial insensitivity to interest rate changes are described in the systems with a statistical approach based on the time series of customer behaviours.

The methodology is divided into two profiles to which correspond two distinct and integrated analyses:

- Rate Analysis: to describe the relationship between the remuneration rates of the on-demand items with respect to a short-term market parameter (elasticity)
- Volume analysis: to represent the behavioural maturity of the on-demand items, highlighting the high degree of persistence of the aggregates (stability). The volume analysis translates the amount of on-demand items into a portfolio of amortising items at maturity.

The model for on-demand items is developed through econometric analyses relating to individual customer clusters defined through an appropriate segmentation analysis. The average duration of repricing aggregated for total on-demand deposits (for retail and wholesale non-financial counterparties) is 2.21 years (5.45 years considering only the inelastic core component).

Modelled on-demand funding has a maximum maturity of 21 years.

The Montepaschi Group also uses:



- a scenario-dependent behavioural model based on survival analysis for the cluster of Banca MPS fixed-rate performing retail residential mortgages and a simplified CPR (Constant Prepayment Rate);
- a behavioural model based on TDRR (Time Deposits Redemption Rate) survival analysis to factor the phenomenon of early repayment on the Parent Company's fixed-rate deposits;
- as of December 2022, a statistical methodology to estimate future drawdowns of margins available for credit lines granted and not yet drawn (loan commitments).

Starting last July, in internal metrics, changes in fair value per interest rate component of instruments accounted for in FVOCI and FVTPL.

It should be noted that the Group:

- continuously and carefully monitors the various characteristics of the overall

risk profile, partly due to the presence of contractual optionality, which makes the risk profile more dependent on market trends and on interest rates and the related volatility,

- is committed to the constant updating of risk measurement methods, through the progressive refinement of estimation models, to capture the main phenomena that gradually modify the interest rate risk profile of the banking book.

Based on the above, and noting that the Group's exposure is almost entirely allocated to the euro, below is the Group's position (in euros) as at June 2024 compared to its position as at December 2023.

Compared to December 2023, changes in sensitivity, which increase for economic value measurements and decrease for interest margin measurements, are related to hedge accounting transactions.

**EU IRRBBI – Interest rate risks of non-trading book activities**

Supervisory shock scenarios	a		b		c		d	
	Changes of the economic value of equity (*)				Changes of the net interest income			
	Jun-24		Dec-23		Jun-24		Dec-23	
1 Parallel up	-707,234	-334,666	182,484	207,106				
2 Parallel down	171,687	1,881	-240,836	-266,255				
3 Steepener	100,192	84,134						
4 Flattener	-236,083	-250,638						
5 Short rates up	-377,978	-294,028						
6 Short rates down	184,969	138,706						

^(*) It should be noted that the value shown in columns A and B (Changes of the economic value) uses the currency aggregation rules provided for in the STE template. In internal metrics, this weighting is not applied.



Annex XXXIX – Prudential disclosures on ESG risks

The purpose of this Annex is to describe – in accordance with Article 449*bis* of CRR2 – the state of the art with respect to the identification, management and mitigation of risks related to environmental, social and governance (ESG) issues according to the guidance provided by the EBA in the “Implementing Technical Standards (ITS) on Pillar-3 disclosures on environmental, social and governance (ESG) risks”, as implemented and amended by the “Implementing Regulation (EU) 2021/637”. The disclosure is divided, as required by the aforementioned Regulation, into a first part of qualitative information on environmental risks, social risk, and those related to aspects of Governance. It then provides quantitative tables on exposures to the Climate Change risks, which constitute a subset of Environmental risks that are particularly urgent for financial intermediaries to address and mitigate, due to relevance they may assume in the risks related to their respective activities, as well as the role that intermediaries themselves are called upon to play in the economic system in order to support and stimulate stakeholders towards the so-called transition to a zero-emission economy, in accordance with the international agreements on the reduction of greenhouse gas (GHG) emissions and the consequent containment of the rise in temperature to a level that is sustainable for the planet.

Following the phase-in guidelines set out in the EBA ITS, in addition to the five tables already required since the first publication at the end of 2022, and the three new tables related to the Green Asset Ratio (GAR) required as of December 31, 2023, the publication of template 3 - alignment metrics - will be added by 30 June 2024. By 31 December 2024, template 9 - the Banking Taxonomy Alignment Ratio (BTAR) - will also be published.

For further information on climate risk management, please refer to the 2023 Non-Financial Statement, available on the Group’s corporate website under [Sustainability/ Reports - Banca MPS \(gruppomp.it\)](https://www.gruppomp.it/Reports-Banca-MPS), section 3.2 Sustainable Finance Climate Change.



Qualitative Information on Environmental Risks

Environmental Risks - Business Strategy and processes [ref. ITS qualitative table 1 – (a-d)]

The MPS Group, which has always been committed to conducting its business in such a way as to limit its direct impact on the environment, is focusing on a broader and more structured approach based on the assessment of all direct and indirect impacts on the environment resulting from the objectives set by the international community in terms of climate change mitigation/adaptation and other environmental protection targets, as set out in the European Taxonomy of Sustainability. In particular, with regard to the decarbonisation of economic activity, MPS embraces the role assigned by the European Community to financial intermediaries to support and guide all stakeholders (clients, employees, counterparties in any capacity involved in their supply chain) in the transition to a low-carbon economy. In terms of strategic, medium and long-term action, the Bank has long since embarked on a structured path to progressively integrate ESG criteria into its strategy and business model, the main objectives of which have also been included in the 2022-2026 Business Plan and further reinforced in the most recent update of the 2024-2028 Industrial Plan. Internally, the Group has set itself the objectives of:

- a 60 per cent reduction in its direct Scope

1 emissions compared to 2017, through thermal efficiency initiatives and the purchase of carbon offset credits to offset emissions from the use of natural gas;

- the use of 100% renewable energy and energy efficiency measures to reduce electricity consumption;
- Achieve net zero Scope 1 and 2 (market-based) emissions from our own operations by 2030;
- a reduction in Scope 3 emissions, mainly related to digitisation initiatives.

For more details on the approach already adopted and the strategies to reduce direct environmental impacts, please refer to the dedicated section 3.2.2 within the 2023 Non-Financial Statement.

With regard to the external dimension, the Group aims to support the transition and decarbonise its financing portfolio, while managing related risks, through cross-cutting initiatives designed to achieve the objectives of the Business Plan and the UN voluntary commitments on sustainable development (Global Compact and PRB) and decarbonisation (NZBA). These initiatives are grouped under the broader 'ESG Programme'. Established in 2022 and updated annually in line with external,



internal and regulatory developments, this programme is structured with dedicated project management, sponsored by the CFO and CRO, and divided into specific project streams covering the five pillars of the Group's evolving ESG framework (strategy, governance, business model, risk & regulation, and reporting & communication). A key tool in the Group's lending activities to support this transition is the adoption of credit policies and lending processes that integrate the Group's ESG guidelines and objectives with the client's ESG profile. This profile is established through questionnaires completed with the involvement of the client, supported by the relationship manager, or through information independently gathered by the Bank from public databases or specialised data providers.

The objectives of the plan include: defining interim decarbonisation targets for credit exposures in high emitting sectors and the corresponding support strategy; achieving at least 30% of new loans with ESG objectives by 2026 (10% by 2024 and 20% by 2026); distributing investment products linked to ESG sustainability (with a target of maintaining 40% of total assets under management during the plan period); and developing green products and services. In line with these objectives, the following products and services have been added to the

retail product range:

- mortgages for the purchase of highly energy-efficient properties (Energy Class A and B);
- active mortgage refinancing from other institutions for the purchase of energy class A and B properties;
- unsecured loans (so-called Eco Presto) to support energy efficiency improvements or energy class upgrades for residential buildings;
- loans for companies to improve energy efficiency, backed by SACE guarantees;
- generic loans linked to the achievement of ESG key performance indicators (Sustainability Linked Loans, SLL), with differentiated pricing, for all service models in the Corporate segment;
- tailored green loans and SLLs for the Corporate - Large Companies and Major Groups segment.

As part of the decarbonisation strategy, in 2022 the Bank joined the Net-Zero Banking Alliance (NZBA), a UN-backed initiative that aims to accelerate the sustainable transition of the global banking sector and promote the achievement of net-zero greenhouse gas emissions by 2050. As part of this commitment, the Bank has pledged to set interim 2030 GHG emission reduction targets for its loan portfolio, and to monitor



and report progress against these targets in high-emitting economic sectors relevant to the Group.

During 2023 and the first half of 2024, the following activities were carried out within this context:

1. definition of the baseline of financed emissions for the corporate portfolio as at 31/12/2022;
2. identification of the most relevant available emissions metrics for each sector;
3. identification of high emitting sectors of relevance to the Group;
4. selection of reference and target climate scenarios;
5. simulation of emissions pathways for high emitting sectors based on the selected reference scenario and definition of NZBA targets;
6. screening and comparison of high emitting sectors to identify priority sectors for the first set of NZBA targets.

Based on the findings and the guidelines of the Memorandum of Understanding supporting the initiative, the priority sectors identified for target setting are Iron & Steel, Power Generation, and Oil and Gas.

Specifically, compared to the 2022 baseline of financed emissions, the Group aims to achieve the following sectoral targets by 2030:

- Iron & Steel: 29% reduction in Scope 1 and 2 emissions;
- Power Generation: 77% reduction in Scope 1 and 2 emissions;
- Oil & Gas: 40% reduction in Scope 1, 2 and 3 emissions.

To achieve these targets, the Group has defined key levers and strategic actions for each sector and integrated these strategies into its credit and commercial processes to support companies in the identified sectors on their decarbonisation journey. The Group has produced its first NZBA report, which outlines the strategic decarbonisation actions for the sectors subject to the NZBA targets and tracks their progress to 31 December 2023.

In March 2024, the Group also confirmed its phase-out from the coal mining sector, which will be monitored based on the value of exposures in thousands of euros. Although the Group had no exposure at the 2022 baseline and only minimal exposure in previous years, it has formalised and introduced an exclusion policy to support this objective with its Sustainability and ESG Directive. For further details, please refer to the 2024 NZBA Report, available in the Sustainability section of the MPS Group website, as well as the 2023 Non-Financial Statement - section 3.2.1 <https://www.gruppomps.it/sustainability/index.html>

**Environmental Risks - Governance [ref. ITS qualitative table 1 – (e-i)]**

With regard to the Group's sustainability governance on all ESG issues, the By-Laws of Banca MPS have been amended to include a specific reference to environmental, social and governance sustainability profiles.

The "Group Sustainability and ESG Directive", updated to March 2024, defines the areas of ESG commitment and the organisational model adopted to achieve them, while pursuing the interests of all stakeholders. In defining its areas of commitment, the Group has adopted the global objectives set by European and international bodies to safeguard the environment, society and the interests of future generations and all stakeholders. To reinforce these commitments, the Group has voluntarily joined international sustainability initiatives. As part of its ongoing transformation and in line with current and future sustainability challenges, BMPS regularly updates this Directive to take account of internal developments and to formalise the strategic directions to be followed throughout the Group. Key updates in the first half of 2024 included the:

- definition of a decarbonisation strategy with the identification of differentiated strategic actions consistent with the findings of the materiality assessment of climate and environmental risks and the

Bank's broader strategy based on short, medium and long-term climate scenarios;

- introduction of phase-out criteria and/or specific due diligence for certain sectors with high environmental and social impacts;
- integration of credit and commercial strategies with ESG phase-out and transition guidelines;
- creation of tools to support and monitor these actions and objectives;
- integration of differentiated guidelines for climate risk factors, by type of sector, risk exposure and impact, to guide lending activities in support of sustainable transition;
- establishment of guidelines for defining products, services and financing with ESG characteristics;
- integration of sustainability factors, risks, and preferences into credit standards and processes for customer profiling, product offerings, and related portfolio adequacy assessment and reporting, along with the progressive introduction of investment and insurance products with ESG characteristics. The aim is to generate positive environmental, social, and governance (ESG) impacts for the benefit of customers and society as a whole;



- establishment of the ESG Funding Team, which is responsible for defining and monitoring the ESG eligibility criteria for bonds issued, as well as creating the Group's Green, Social, and Sustainability (GSS) bond framework;
- creation of dedicated energy roles to support customer relationship managers in helping customers transition to greater use of renewable energy sources.

Further details and documents on sustainability governance can also be found in the Policy and Governance Documents section of the MPS Group website: <https://www.gruppomps.it/sostenibilita/policy-e-governance.html>

The **Board of Directors** is responsible for incorporating sustainable objectives into the business plan, the internal control and risk management system and the remuneration policy.

The Board of Directors approves the sustainability strategies and policies, the Sustainability Plan, the policy and coordination of non-financial disclosure, the Group Sustainability and ESG Policy, the Materiality Matrix and the Non-Financial Statement (NFS). It also determines compliance with national and supranational sustainability initiatives.

The Board of Directors defines the Risk Appetite Framework (RAF) and approves

the Risk Appetite Statement (RAS) at least once a year, including the risk appetite and KRI limits defined for ESG risks.

The **Risk and Sustainability Committee (RSC)**, which is part of the Board of Directors, is specifically focused on the monitoring of sustainability issues, with assessment, proposal-making and advisory functions, in the context of assessments and decisions relating to the Group's positioning, policies and macro-objectives on ESG topics, and monitors their implementation over time. The RSC also makes a significant contribution to the definition of strategic guidelines and ESG risk management policies, with particular reference to the impact of climate and environmental risks on the business model and corporate strategy. In particular, the RSC is responsible for assessing the adequacy of the Risk Appetite Framework, including ESG risk appetite levels and relative risk tolerance thresholds, monitoring the overall effectiveness of the controls in place and the Group's positioning on sustainability.

With particular reference to communication, monitoring and reporting on sustainability, the **Board of Statutory Auditors** supervises compliance with the provisions of Legislative Decree No. 254 of 30 December 2016 on the preparation of Non-Financial Statements.

The **Chief Executive Officer** oversees the



activities related to sustainability and the actions to be implemented, monitoring and ensuring the achievement of the objectives set.

Through the ESG and Sustainability sessions of its meetings, the **Management Committee** (“Comitato Direttivo”) supports the CEO in defining strategic guidelines and sustainability policies and in finalising the Sustainability Plan initiatives. The Committee also monitors the development of the Sustainability Plan initiatives, ensuring appropriate sponsorship of the initiatives and addressing critical issues in order to achieve the Group’s strategic objectives.

The **Chief Financial Officer**, as head of the Sustainability and ESG function, and the **Sustainability and ESG Staff Unit**, which reports to the CFO, formulate ESG strategy proposals by gathering and integrating the input from all business functions into the **Group Sustainability Plan**, which they then edit and update. The CFO and the Sustainability Staff Unit then ensure the consistent implementation of all the Group’s ESG initiatives and assess their positioning in relation to international best practice. They are also responsible for coordinating the non-financial disclosure and reporting activities that result from compliance with sustainability principles and standards, with the support of the **Permanent Sustainability Work Group**, an inter-functional group

with representatives from all business and control functions, with the aim of facilitating dialogue between business functions and reporting on the policies implemented and results achieved.

The **Chief Risk Officer** and the **Risk Management Function** are tasked with integrating ESG risk factors into the risk management framework and defining methodologies to measure the impact of ESG risks, with a particular focus on climate and environmental (C&E) risks. The Risk Management Function supports the definition of the risk appetite in the Group’s Risk Appetite Statement (RAS) and regularly prepares and executes specific reports aimed at quantifying the Montepaschi Group’s exposure to ESG risks, which are submitted to the corporate bodies.

The **Compliance function** monitors the consistency of ESG developments (both in terms of strategic initiatives and controls) with external national and European regulations, in particular the ECB, EBA and ESMA guidelines on ESG risks. It also assesses the potential impact of changes in the legal and regulatory environment in the area of sustainability on the Group’s activities and compliance framework, and monitors/supervises the correct application of internal and external regulations in the area of sustainability.



The **Audit Function** is responsible for assessing the adequacy of the internal controls system, in particular the models used to measure ESG risks and, more generally, the controls put in place to manage sustainability issues.

The **Permanent Sustainability Work Group**, made up of representatives from all corporate functions, is the point of reference between the Sustainability and ESG functions and the representatives' respective functions, with the aim of promoting dialogue with the corporate structures, identifying, managing and monitoring initiatives to achieve the corporate sustainability objectives, and gathering useful information for reporting on the policies implemented and results achieved in the area of sustainability.

Of particular importance is the Group Sustainability Plan, which sets out the medium- and long-term objectives that the Bank intends to set itself in relation to all ESG issues, both in terms of supporting the environmental transition, not only in terms of climate, but also in relation to all the other

objectives of the European Environmental Sustainability Taxonomy.

With regard to the remuneration policy, variable remuneration linked to 2023 ESG performance was paid in the first half of 2024. In addition, with the aim of encouraging greater responsibility in the pursuit of the Group's ESG strategy and related performance, ESG targets for 2024 have been further refined and tailored to different roles and activities. These targets are used to determine the variable remuneration of the Group's banking staff, as detailed in the Remuneration Report published on the official website, which can be referred to for further information: <https://www.gruppomps.it/corporate-governance/remunerazione.html>. The report is also accessible via the "Policy and Governance Documents" section of the MPS Group website: <https://www.gruppomps.it/sostenibilita/policy-e-governance.html>



Environmental Risks - Risk Management [ref. ITS qualitative table 1 – (j-r)]

Risks related to the environment are defined as “generated” when they arise from the Bank’s own activities, while they are “suffered” when they result from the characteristics or actions of parties that have some kind of relationship with the Bank (customers, employees, suppliers, etc.), or even from exogenous events, such as physical events, that arise from particular environmental stress conditions, for example as a result of climate change, or from stresses on other relevant factors as indicated in the EU Taxonomy of Sustainable Activities (2020/852), which, in addition to Climate Change Mitigation

/ Adaptation, also identifies the protection of water and marine resources, the transition to a circular economy and waste treatment, pollution reduction and the protection of biodiversity.

The Bank’s approach, based on the aforementioned Taxonomy and its ongoing specification, has been to map the risks associated with the different items of the taxonomy in order to clearly define the next steps of analysis and treatment applicable to each risk. The table below shows the mapping that has been introduced.

MAP OF ENVIRONMENTAL THEMES AND ENVIRONMENTAL RISKS

Main Topics	Potential risks	Financial / Not Financial	Treatment Status
> Climate Change Mitigation & Adaptation			> RISK IDENTIFICATION > EXPOSURE: MEASURED > RISK IMPACT: MEASURED IN STRESS SCENARIOS
> Sustainable use and protection of water and marine resources	> RISK INCURRED: transition and physical risks on core risks > GENERATED: Direct Impacts of Bank’s activities on Environment	> FINANCIAL (credit, operational, liquidity and market risk) > NON-FINANCIAL (reputational and business risk)	> RISKS ANALYZED > EXPOSURE: MEASURED > RISK IMPACT: IN PROGRESS
> Circular economy, waste treatment, reduction, recycling			
> Pollution prevention and control			
> Protection and restoration of biodiversity and ecosystems			
> TUTTI GLI ARGOMENTI SOPRA		> NON-FINANCIAL	

Given the urgency of the issue, climate-related Environmental risks (or C&E risks) have been addressed in a set of guidelines for financial intermediaries (Guide on Climate-related and Environmental Risks, ECB November 2020), which aim to:

- introduce a process for identifying, measuring, managing and mitigating risks that is coherent to those already known and managed;
- identify the impact on the so-called core financial risks (credit, operational, market,



liquidity).

The aim is to enable banks to view and manage climate risks holistically at corporate level. This will allow them to monitor ongoing risks and to develop medium- to long-term strategic responses that will make banks and their business environment resilient to possible changes in the climate situation.

As part of the multifunctional ESG programme the Montepaschi Group is pursuing a series of activities related to the integration of C&E risk factors into the Group's risk management framework and governance and strategic processes. In particular, the "ESG Risk Action" is specifically aimed at identifying, measuring and managing ESG risks (with priority given to climate and environmental risks).

The process of identifying and verifying the materiality and priority of C&E risks in preparation for the definition of the Risk Appetite Statement examined climate-related risk factors from the perspective of analysing the so-called "transmission channels", according to which such risks become relevant when they impact on traditional financial risks (credit, operational, market and liquidity risks), which are already known and managed within the Group's risk management framework.

Materiality analyses have been extended to

medium-term ("MT") and long-term ("LT") horizons, while the approach already used for the single materiality assessment introduced in 2022 is now used for short-term ("BT") assessments. The BT-MT-LT time horizons have been defined taking into account both the usual planning horizons (RAS budget) and the wide range of scenarios typically used to analyse the likely evolution of the transition and physical risks associated with climate change and its mitigation pathways.

The BT horizon extends from the present to 1 year, with the specific reference bucket being the date of analysis (or cut-off, time 0); the MT horizon extends from 1 to 5 years from the cut-off date, with the specific reference bucket being 3 years; finally, the LT horizon extends beyond 5 years, with the specific reference bucket being 10 years from the cut-off date.

Materiality analyses are carried out over these defined horizons using "risk maps" for transition and physical risks, which are obtained by applying current (short-term) maps to the evolutionary trends of the phenomena analysed, as indicated by sectoral and scientific studies. In this way, medium and long-term materiality is based on moderately adverse scenarios of physical and transition risk conditions (for physical risk, developments follow a "current policy" or "Hot House World" scenario, and for transition risk, the "Net Zero 2050"



scenario).

The approach adopted has led to the identification of the C&E risks for the Montepaschi Group as material in the areas of credit and operational risks (including reputational risks), in line with what had already emerged from the initial qualitative analyses carried out in 2023. The credit risks, on the basis of the plausible exposure based on the analysis of the possible transmission channels, as shown in the table below, were also considered to be “very high” (transition risk) and “high” (physical risk), depending on the potential exposure associated with each C&E risk factor.

Since C&E risks associated with credit risk are material and high priority, they are subject to exposure monitoring as RAS KRIs and are used in ICAAP and ILAAP assessments.

For the 2024 RAS exercise, four climate risk KRIs were defined within the credit risk area: two for transition risk (related to credit exposures to non-financial corporations and private individuals) and two for physical risk (related to mortgage exposures to private individuals and credit exposures to non-financial corporations). Operational limits have been set for these KRIs, cascading from the CEO down to the business units most involved in the operations/perimeters concerned, in order to enable more precise monitoring.

The transmission of the analysed C&E risk factors to other “core” risks (market, liquidity and some operational risks) was based on what-if analyses, aimed at stress testing:

- for liquidity risk, the liquidity buffers provided by the deposits of retail customers, SMEs and PSEs, as well as the drawdowns on credit lines of all customers, depending on the occurrence of physically concentrated risk events within the three specified time horizons (short, medium and long term) and geographical impact zones corresponding to the regional territory for all the risks analysed (flood, landslide, fire, earthquake and wind). Run-off scenarios for deposits and credit lines were hypothesised on the basis of similar events that have actually occurred (in particular, the floods that affected the Marche region in September 2022, the Emilia-Romagna region in May 2023 and the province of Prato in November 2023, and the landslide that affected the municipalities of the island of Ischia in November 2022);
- for market risk, the market value of non-financial corporate bond and equity portfolios and the exposure to non-financial and uncollateralised counterparties related to derivative positions;
- For operational risk, business continuity based on a number of scenario drivers such



as customers' inconvenience (based on deposit pools), employees' inconvenience (based on the number of non-operational employees in the scenario), operational inconvenience (based on the number of branches closed), economic loss (based on the loss of profitability of the bank at risk in the scenario), physical value loss (based on the loss of value of owned properties). These risks, which were not considered to be material at the time of the initial review, will be subject to periodic materiality reviews based on indicators and thresholds capable of incorporating changes in the structure of the positions and activities involved. In the event that a future materiality review identifies the above risks as material with at least "medium" significance, the risk identification process includes the activation of all necessary safeguards (implementation of Key Risk Indicators, operational limits and related monitoring) in the Risk Management Framework. The analysis of the transmission channels of climate risks, their potential impact on traditional banking risks, their relevance to the Group and the main management and mitigation measures are summarised in the tables below for transition risks and physical risks.



	Risk factor	Transmission channels	Traditional risks concerned	Potential impacts	Materiality for GMPS	Priority for GMPS	management/mitigation controls	
Transition	direct	> changes in environmental regulations and environmental standards to which the Group adheres	> unexpected additional compliance costs > penalties for non-compliance	> business risk > operational risk	> economic impact due to higher costs > operational losses due to penalties	NO	low	> Monitoring regulatory developments with ready adapting to new requirements
	Indirect	> transition policies that accelerate, interrupt or abruptly change the sustainability path of corporate customers	> unexpected additional transition costs for a funded entity with solvency implications	> credit risk	> deterioration in credit quality > impairment losses on receivables in adverse transition scenarios	YES	high	> Measurement of outstanding exposures through KRI RAS and other risk indicators > Operational limits placed on exposures > <i>In progress</i> : Definition of impact models and integration into stress test programs
		> transition policies (on energy efficiency) that impose measures and/or reduce the value of real estate assets	> poor energy efficiency of properties securing mortgages (residential and commercial), affecting the value of the collateral	> credit risk	> impairment of collateral > impairment losses on receivables in adverse transition scenarios	YES	high	> <i>In progress</i> : Integration of commercial-credit processes based on individual customer C&E risk profile (where possible) or sector classifications.
		> high transition risk or environmentally controversial activities of issuers of financial instruments in client portfolios	> significant ESG inadequacies in existing portfolio > ineffective ESG screening of new portfolios > presence of financial instruments from controversial issuers or with high transition risk in the customer portfolios > impairment of customer portfolios due to issuer transition risk	> operational risk > reputational risk	> loss of market share and profitability in investment services > losses from claims and litigations	YES	medium	> ESG component in the reputational risk indicators monitored in RAS > Integration of ESG variables into the advisory process for the provision of investment services by collecting Customer preferences > Mapping investment products based on ESG variables and verifying the alignment of portfolios to preferences.
		> as above for Proprietary portfolios	> impairment of Proprietary portfolios related to issuer transition risk	> market and counterparty risk	> economic losses due to capital losses on financial instruments	NO	Low	> Periodic materiality assessment based on the size of the portfolio component potentially subject to risk (in terms of securities/issuers)
		high transition risk or environmentally controversial activities of issuers of financial instruments used as liquidity buffers	> reduced capacity to meet sudden liquidity needs	> liquidity risk	> Liquidity strains affecting operations > economic losses due to higher liquidity procurement costs	NO	medium-low	> Periodic materiality assessment for short, medium and long term based on liquidity buffer potentially subject to impairment due to transition risk



	Risk factor	Transmission channels	Traditional risks concerned	Potential impacts	Materiality for GMPS	Priority for GMPS	management/mitigation controls
direct	> climate-related acute physical risk events	> Possible damage to the Bank's infrastructure > Business interruptions	>operational risk (business continuity)	> Losses due to damage to property structures and their restoration > Economic losses related to business interruption	NO	medium-low	>Periodic materiality assessment for short, medium and long term based on aggregates subject to impact in the event of business interruption due to physical risk. > C&E risk strengthening (where necessary) of Business Continuity Plans and of actions for reducing physical damage to facilities > Preventive assessment of the hydrogeological risk of buildings with related mitigation plans
	> climate-related chronic physical risk such as variations in weather conditions or increased frequency of weather events	> Higher costs for heating/cooling the premises in use > Decrease in productivity due to Climate Change	>operational risk > business risk	> Impact on profitability of higher operating costs and/or lower productivity	NO	low	> Energy efficiency actions for heating/cooling buildings in use > Increase in use of energy from renewable sources, revision of supply policy > Pooled mobility policies, awareness-raising initiatives, environmental education
physical	> climate-related acute physical risk events	> Damage to collaterals (residential and commercials immovable properties)	> credit risk	>Loss of collateral value > Impairment losses on loans in acute physical risk scenarios	YES	medium-high	> Measurement of outstanding exposures through KRI RAS and other risk indicators > Operational limits on exposures > In progress: definition of impact models and integration in stress test programmes
	> Acute and chronic physical risks events (climate related)	> Damage to capital goods and production facilities of customer companies (acute physical risk) > Impacts of (chronic) climate change on productive activities	> credit risk	> Deterioration in credit quality > Impairment losses on loans in acute and chronic physical risk scenarios	YES	medium-high	> In progress: integration of commercial and credit processes based on the individual C&E customer risk profile (where possible) or on sector-related classifications
indirect	> Acute physical risks events(climate-related)	> Damage to real estate (acute physical risk) that trigger claims for reimbursement of deposits	> liquidity risk	> Impact on operating liquidity > Economic losses due to higher costs of funding compared to customer deposits	NO	low	> Periodic materiality assessment for short, medium and long term, based on deposits potentially subject to massive reduction due to physical risk events
	> Acute and chronic physical risks events(climate-related)	> Damage to capital goods and production plants of issuers which impact on their value and productivity	> market risk	> Economic losses due to losses of financial instruments	NO	low	> The outcome of the verification was "non- material". No models or studies on the transmission of the physical risk to the market value of the financial instruments readily applicable to the specific context (Italy) were identified



Key Risk Indicators (KRIs) are monitored within the Group's Risk Appetite Framework for material risk exposures (credit and operational/reputational):

- physical risk KRI focuses on the perimeter of residential mortgages secured by real estate. The KRI consists of the proportion of mortgages secured by real estate located in areas at high physical risk due to factors such as flooding, landslides, wind or fire.
- transition risk KRI relates to the perimeter of non-financial corporate counterparties. The KRI focuses on risk factors specifically connected to the reduction of greenhouse gas emissions and is based on sector assessments supplemented by customer-specific elements.
- transitional risk exposure for retail customers, based on the energy performance of properties used as collateral for residential mortgages;
- physical risk exposure for non-financial corporations, based on acute and chronic physical risks, geolocated on the basis of the counterparties' production facilities (for larger companies, i.e. with a turnover of more than EUR 20 million or an exposure to the MPS Group of more than EUR 250,000) or on the basis of the reference municipality of the company's

registered office (for smaller companies).

The physical risk model takes into account:

- the precise location of the properties used as collateral for mortgages (where possible and for some risk factors down to the "census unit", otherwise to the municipality);
- additional acute physical risk factors beyond Landslide and Flood (Fire, Extreme Wind) for the risk associated with properties used as collateral for mortgages;
- additional physical risk factors beyond those already listed for mortgages related to physical risks affecting economic activities (acute: Heat Waves, Frost; chronic: Heat, Drought, Soil Erosion, Coastal Erosion, Sea Level Rise).

The data used for the physical risk model, as well as for the analyses in this report (Template 5), was acquired from a specialised data provider and integrated according to an internally developed model (see the quantitative section of Template 5 for more details on the model).

With regard to transition risk ("the financial loss that a company may incur, directly or indirectly, as a result of the adjustment process towards a low-carbon and more environmentally sustainable economy¹") for non-financial corporate clients, the MPS

¹ As defined in the Guidelines on Climate and Environmental Risks November 2020.



Group introduced a new risk indicator in 2024, calculated internally by the Risk Management function. This indicator takes into account specific aspects of production activities related to the reduction of greenhouse gas (GHG) emissions and is called the Transition Exposure Coefficient or TEC CCM (Climate Change Mitigation). It is inspired by the similar coefficient in the study by Battiston Alessi et al. ('Two sides of the same coin: Green Taxonomy alignment versus transition risk in financial portfolios', 2021 and subsequent studies).

The newly introduced transition risk indicator, TEC CCM, focuses on factors specifically related to the reduction of greenhouse gas emissions and thus to energy transition, and can be interpreted as the portion of an exposure exposed to transition risk. To calculate the TEC CCM, BMPS integrates sector-specific elements of a company's economic activity with specific elements of each customer, collected through a questionnaire addressed to corporate customers. In order to quantify financed GHG emissions (reported in Template 1 of this report), data from non-financial Statements or estimated Scope 1, 2 and 3 were obtained from an external provider for the companies, resulting in estimated emissions covering approximately 81.3% of the loans to non-financial counterparties. Financed emissions, despite unavoidable

approximations due to the lack of reported and/or certified data, represent key information for the assessment of transition risk related to climate change in the narrow sense, i.e. with respect to the first item of the EU taxonomy.

Finally, the environmental sustainability of each credit exposure will be analysed on the basis of all the variables collected both at the client level – through an ESG questionnaire – and at the sector level, as well as specific but independent variables identified by the Bank through proprietary analysis, mining of public information or acquisition from specialised data providers. The environmental risk profile thus defined will be used to guide the type of services and products offered to support the transition with respect to each item of the Taxonomy and, more generally, for sustainability with respect to all ESG issues. The ESG variables collected in the profile will also act as drivers (where relevant) for the determination of credit risk parameters according to their ability to affect the economic soundness and solvency of the client.

In order to assess these impacts, credit risk analyses have proceeded along two main lines:

- in regulatory models, the inclusion of some physical and transition risk variables in the re-evaluation of default-based



PD/LGD/EAD parameters to test their significance (despite the limitations of the relatively short history of factors more closely related to climate change);

- in the management and IFRS9 models and for stress testing purposes, the introduction of ESG variables and related scenarios in simulations aimed at determining risk add-ons (through PD and/or LGD) due to transition and physical risk aspects of the analysed counterparties.

The results obtained, enhanced with adverse

scenarios for each risk area, have been integrated into the 2024 ICAAP framework to calculate the overall impact of adverse scenarios. With regard to liquidity risk, the Group's C&E risk framework has been updated with the introduction of new ESG risk factors covering all time horizons and the extension of the geographical scope of materiality analyses, also in line with ILAAP's internal adequacy processes.

Qualitative information on Social Risks

Social Risks - Business Strategy and processes [ref. ITS qualitative table 2 – (a-c)]

The Group aims to implement social risk analysis within its business, while continuing to play a proactive role in the areas in which it operates, encouraging the development of business models based on inclusion and the protection and development of human resources, employment protection, resource protection, community support initiatives, the enhancement of artistic and cultural heritage, as well as financial education and professional guidance.

Internally, the Group is currently focusing on developing initiatives aimed at improving the working environment by making it more inclusive. To this end, the Group Sustainability and ESG Directive has been integrated to reflect the Bank's commitments to social equity, gender equality and inclusion. In addition, in line with the Code of Ethics, the Group has published the Inclusion Rules to further the Diversity & Inclusion programme, which aims to have 40% of positions of responsibility held by women. Concurrently, the Group has issued the "Rules for Preventing and Countering Gender Harassment in the Workplace" and obtained the Gender Equality Certification (Law 162/2021), an important milestone achieved by the Group ahead of the schedule set out in the Business Plan. This certification, attained through accredited certification bodies operating on the basis of the UNI/PdR 125:2022 reference standard,



confirms the organisation's compliance with the principles of gender equality.

The main initiatives in the area of social factors also include the adoption of an agile working method to reconcile personal and professional needs, the implementation of an attractive benefits system that responds to emerging needs, and the dissemination of an "ESG culture" through the promotion of corporate awareness and training programmes.

Externally, the Group has equipped itself with tools for analysing the sustainability profile of counterparties – including the assessment of social factors and their exposure to social risks, which can impact credit and commercial guidelines – and proposing specific solutions.

The Group has also set itself the target of issuing EUR 2.5 billion of **Green and Social**

Bonds by 2026. In this context, Banca Monte dei Paschi di Siena has successfully completed the placement of a Social Conditional Pass Through (CPT) European Covered Bond with a maturity of 6 years (16 July 2030), aimed at Italian and international institutional investors, for a total amount of EUR 750 million.

This is the Bank's first issue of a Social European Covered Bond (Premium). The income from the Social Covered Bond will support social sustainability projects by financing and/or refinancing Eligible Social Assets as defined in the Green, Social and Sustainability Bond Framework approved by the Bank in June 2024. This framework has received a Second Party Opinion from DNV, an independent organisation specialising in sustainability, social and environmental matters.

Social Risks - Governance [ref. ITS qualitative table 2 – (d)-(g)]

Please refer to the previous section: that section, these aspects are presented for all ESG topics as a whole.

Qualitative Information on Environmental Risks\ Environmental Risks – Governance, for the governance aspects of Social Risks. In

Social Risks - Risk Management [ref. ITS qualitative table 2– (h-m)]

The analysis of potential risks related to social factors is carried out in the same way as for the other risks related to ESG themes, with an initial "mapping" between social issues and potential vulnerabilities that could arise from them, highlighting the



cases where these vulnerabilities, through specific “transmission channels”, could materialise into quantifiable and manageable risks (financial or non-financial). Due to the nature of social issues, which are not “new” compared to the past, but have been implicit in the Bank’s activities for a long time, the risks associated with them often consist in insufficient or incorrect attention to the social “issue”, with repercussions on the communities – both internal to the company and external – such as those of the customers or of the area in which the Bank operates (“generated” risk), and on the Bank, as a risk “suffered” as a result of operational risks related to penalties for non-compliance with external regulations and legislation, or as a reputational risk. Social risks are seen by BMPS as those related to the possible impact of the Bank’s management of social issues, while those related to the social behaviour of its counterparties are included in the category of governance risks.

Unlike environmental risks, social risks are difficult to quantify in monetary terms, but are more amenable to monitoring through processes and mechanisms designed to avoid behaviours that may be detrimental to the communities with which the Bank works, and therefore directly aimed at mitigating such potential impacts.

To mitigate the risks “generated” on internal and external communities, the Bank engages in initiatives, both related to its own activities

and more generally community-focused, that promote the well-being and growth of communities, their financial culture, and the digitisation and simplification of its services and products.

The potential risks ‘suffered’ by the Bank arise mainly from the impact on operational risks and the impact on reputational risks. With regard to operational risks, the possibility of incurring losses as a result of penalties or disputes relating to labour or customer issues are potential risks that have always been taken into account in the management and mitigation measures have been already implemented by the Bank, but they are now being reviewed, taxonomically mapped and mitigated or reinforced. With regard to reputational risks, they may arise from the impact on the Bank’s reputation of any controversial conduct that may have been adopted towards the internal or external communities relative to the corporate perimeter.

Ongoing refinements and in-depth studies are planned in relation to developments in ESG themes (including the development of a ‘social taxonomy’ and the availability of specific related data).

With regard to social aspects, the table below maps the potential vulnerabilities identified, the associated envisaged risks, the impact on traditional, financial and non-financial risks, and the safeguards currently in place to manage and mitigate them.



MAP OF SOCIAL THEMES AND SOCIAL RISKS

Subject	Main Topics	Potential Vulnerabilities	Risk Type	Management and Mitigation Principles
> Diversity and Inclusion	 <ul style="list-style-type: none"> > Inclusive work environment, capable of valuing diversity > Equal treatment of employees with respect to characteristics of different gender, age, orientation of thought, religion, sexual orientation 	<ul style="list-style-type: none"> > Unequal treatment > Anomalous distribution of resources on roles/responsibilities based on gender or other elements of diversity > Disputes > Damage to corporate reputation 	<p>OPERATIONAL</p> <p>REPUTATIONAL</p>	<ul style="list-style-type: none"> > Corporate strategy designed to enhance the value of all employees, drawing inspiration from the principles of transparency, fairness and inclusion throughout all company processes - from selection to career development, succession plans, access to training and remuneration policies ensuring fair distribution of applications and career development across genders and any other element of diversity > Increased support to ensure appropriate and inclusive development of employees with disabilities > oversight of the Gender Equality Management System in order to maintain the UNI / PdR 125:2022 Certification > reaffirming the bank's zero tolerance towards violence and harassment in the workplace through targeted regulatory and training/communication interventions
> Protection of human resources	 <ul style="list-style-type: none"> > Health and safety of employees, compliance with relevant standards and requirements 	<ul style="list-style-type: none"> > Accidents in the workplace > Increase in absences due to illness > Disputes 	<p>OPERATIONAL</p> <p>REPUTATIONAL</p>	<ul style="list-style-type: none"> > Mapping all possible dangers to workers' health and safety > Planning measures and actions to eliminate or reduce the risks detected
> Relations with Customers and Environmental commitment	 <ul style="list-style-type: none"> > Attention to customers' needs > Commercial practices and communication in the offer of products/services > Social effects on the reference communities 	<ul style="list-style-type: none"> > Loss of market share and competitiveness > Economic and reputational losses > Complaints and disputes > Fines and sanctions 	<p>BUSINESS RISK</p> <p>REPUTATIONAL</p>	<ul style="list-style-type: none"> > Media monitoring activities > Assessment of reputational risk before releasing new projects and products > Monitoring disputes with customers > Monitoring customers' portfolios to ensure consistency between the risk profile of customers and the risk characteristics of the products and portfolio > Analysing security and control measures for the protection of personal data in implementation of the GDPR regulation and Data Protection Authority provisions > Actions to support households and businesses with extraordinary actions both on the basis of government provisions and following specific Bank initiatives (Eg. for customers in difficulty in paying mortgage installments; due to the Russia-Ukraine crisis: loan products adapted to the new eligible MCC/SACE guarantees temporary aid schemes authorized by the European Commission, respectively Temporary Framework and Temporary Crisis Framework). > Enhance the offer of protection solutions dedicated to corporate health and welfare > Developing products and services with environmental benefits (e.g. "Building Bonus" structured offer) > Financial inclusion solutions by enriching the commercial offer with products in favor of the weaker segments of the population (eg Basic Current Account, Pension Account, ISEE Account...) also through the activity of Solidarity Microcredit. > Commission facilitations on insurance products dedicated to specific disadvantaged categories (e.g., customers with severe disabilities) > Commission facilitations on insurance products (Multi-branch Policies) for specific categories of customers (In case of Contractor/Insured) with severe disabilities as indicated by Law 104/92.
> Support for the Community	 <ul style="list-style-type: none"> > Provide fair support to the development of the reference communities, promoting the themes of sustainable growth, digitalization and financial culture. 	<ul style="list-style-type: none"> > Unfair initiatives in the definition of accessibility and usability by the reference communities > Adherence to initiatives that prove to be controversial for purposes, entities and/or actors involved 	<p>OPERATIONAL</p> <p>REPUTATIONAL</p>	<ul style="list-style-type: none"> > Participation in cultural initiatives > Sponsorships and local events > Training orientation initiatives open to young people
> Digitalization and IT security	 <ul style="list-style-type: none"> > Expectations of customers regarding the digitalization of banking and financial services > Direct contact with customers > Privacy and IT security related to the offer of digitised product and service 	<ul style="list-style-type: none"> > Disintermediation in favor of new digital players (open banking) and consequent loss of market share > Loss of customers less inclined to use digitalization > Disputes and complaint > IT malfunctions, loss or leak of data > Fines and sanctions 	<p>BUSINESS RISK</p> <p>REPUTATIONAL</p>	<ul style="list-style-type: none"> > Improving customer experience by investing in new digital technologies and offering sustainable products and services in the interest and for the well-being of customers > Promoting the digitalization of payments and e-commerce by encouraging the process, especially for micro-merchants > Designing, developing and implementing inclusive solutions, with special focus on use and access for customers with visual impairments and limited digital literacy > Intercepting and fighting cyber attacks through specific prevention and protection systems, which allow digital services to be used in a secure manner and cyber crime insurance coverage > Implementing security measures on digital payments envisaged by the PSD2 directive > Issuing awareness-raising campaigns for customers on the dangers of certain viral phenomena such as spamming and phishing, and how to defend themselves



Qualitative information on Governance Risks

Governance Risks - Governance [ref. ITS qualitative table 3 – (a)-(c)]

Please refer to the previous section: these aspects are presented for all ESG issues as a whole.






Qualitative Information on Environmental Risks\ Environmental Risks – Governance,
for the governance aspects. In that section,

Governance Risks - Risk Management [ref. ITS qualitative table 3 – (d)]]

The management of governance-related risks associated with the “non-social” behaviour of its customers and counterparties in general comprises two priority areas, one relating to the Group’s internal governance and the other relating to the social and governance aspects of the counterparties with which the Group operates. As mentioned above in the Social Risk Management section, the MPS Group has chosen to address the risks associated with the “non-social” behaviour of its customers and counterparties in general (e.g. suppliers) by addressing the issues and related risks of its own governance in its relationships with such counterparties. The table below shows the mapping of governance risks to the material ESG themes that the Bank has prioritised.



MAP OF GOVERNANCE THEMES AND GOVERNANCE RISKS

Subject	Main topics	Potential Vulnerabilities	Risk Type	Management and Mitigation Principles
> Performance and Economic Soundness	 <ul style="list-style-type: none"> > Ability to generate value on an ongoing basis and sufficient to support the business model and its future development > Maintain capital strength sufficient to be resilient against adverse scenarios of the business environment 	<ul style="list-style-type: none"> > Reduced ability to withstand adverse scenarios due to exogenous contingencies > Reduced ability to modify/adapt the business model according to changes in the reference context > Stock price performance worse than the sector average, loss of investors and customers 	BUSINESS REPUTATIONAL	<ul style="list-style-type: none"> > Medium-long term strategic planning > Stress test programs (institutional and internal) to verify and possibly adjust the Bank's resilience in adverse scenarios, with scenarios used in internal assessments (ICAAP ILAAP) and in the context of the RAS > Risk Appetite Statement e Framework > The MPS Group draws up and constantly updates Recovery Plan and a Resolution Plan programmes, as well as having adopted the Code of Self-Regulation on Corporate Governance > The Sustainability plan bases the evolution of the business model on the present and prospective reference context, with particular attention to ESG issues
> Human resource development	 <ul style="list-style-type: none"> > Maintenance and growth of the level and breadth of internal skills in a context of profound changes > Ability to attract and retain talent and key figures 	<ul style="list-style-type: none"> > Difficulties in guaranteeing business continuity following reorganisations, outsourcing or staff reductions > Dissatisfaction, degradation of internal climate and motivation > Disputes > Difficulties in suitably filling certain roles > High turnover, loss of key resources 	OPERATIONAL REPUTATIONAL	<ul style="list-style-type: none"> > Managing risks preventively through preliminary impact analyses, procedures for discussions with trade unions > Management continuity plans > Training activities based on the taxonomy of business risks and processes > "tailor-made" training based on role risk rating and the results of the annual individual skill gaps carried out by all employees > Actively listening to people, with a constant and structured approach, also through issue-specific questionnaires and other forms of contact > Specific retraining programs for resources affected by professional mobility with training calibrated on the basis of the characteristics of the positions to be filled and the skills already acquired > Using risk-adjusted performance indicators in staff remuneration and incentive policies > Training campaigns on risk culture through targeted initiatives on specific risks and disseminated to all personnel > Internal selections to enhance existing professional levels, onboarding and listening activities dedicated to new hires
> Integrity in business conduct	 <ul style="list-style-type: none"> > Compliance with external regulations, agreements, standards and self-regulatory codes 	<ul style="list-style-type: none"> > Fines and sanctions > Damage to corporate reputation 	OPERATIONAL REPUTATIONAL	<ul style="list-style-type: none"> > Code of Ethics > Adoption of an updated 231-Model with indication of risk mitigation measures and controls > Adoption of an Anti-Corruption Policy and Whistleblowing tools > Planned training activities on 231-Model, Code of Ethics and Anti-Corruption delivered to all Group employees
> Responsible supply chain management	 <ul style="list-style-type: none"> > Suppliers' conduct compliant with applicable external legislation > Supplier conduct compliant with the Group's ethical, ESG principles 	> Damage to corporate reputation due to suppliers' conduct	REPUTATIONAL	<ul style="list-style-type: none"> > Selection of suppliers through an evaluation process which, in the pre-selection, awarding and contracting phases of the supply, explicitly takes into account compliance with labour legislation, application of the national collective labour agreement as well as regular payment of contributions (DURC certificate) through specific scores. > Acquisition, during the tender phase, of 231 Statement (with references to anti-corruption and anti-mafia legislation) with specific questions regarding the certifications held
		> Damages due to disputes with supplier	OPERATIONAL	
> Relations with Customers and Environmental commitment	 <ul style="list-style-type: none"> > Characteristics or conduct of customers compliant with the Group's Social and Governance principles towards the reference communities 	> Organizational structure, internal relationships of noncompliant or controversial Counterparties (Customer Governance)	OPERATIONAL	<ul style="list-style-type: none"> > The Group already adopts adequate anti-money laundering and countering the financing of terrorism (AML & CFT) safeguards > Definition of a "social" and "governance" profile of the customer through specific questionnaires, independent analyzes and certifications, scores and ratings provided by third parties > Offer products with conditions (pricing) and other characteristics (purposes, covenants) linked to compliance with principles or social objectives towards the community, the reference communities, the stakeholders > Initiated development of Sustainability Linked Loans (SLL) and new Green Loans solutions to support companies in the transition process
		<ul style="list-style-type: none"> > Negative impacts of customer activities on the community or reference communities > Damage to corporate image 	REPUTATIONAL	



The first three material topics and related controls listed in the table (“Performance and Economic Soundness”, “Human Resources Development” and “Integrity of Business Conduct”) are core governance issues to which the Bank has always been sensitive, both on a voluntary basis and in terms of compliance with internal and external regulations. With regard to the two additional topics listed in the table (“Supply Chain Management” and “Customer Relations and Relations with the Territory”), we would like to highlight some new elements linked to the increased awareness that recent developments in ESG issues and related risks have led to a more precise and specific focus than in the past. We could combine both topics, as far as related risks are concerned, in a single topic related to the governance aspects of the “bank’s supply chain”, including all actors with which the bank has relationships in order to carry out its activities:

- *downstream*: customers (especially of credit), customers of other fiduciary services such as depositors and investors, customers of investment services, etc.
- *upstream*: suppliers of all types of productive factors used by the bank to carry out its activities, such as product factories, consultants, etc.

Relationships with credit counterparties are

of particular importance, as any inappropriate corporate governance and social behaviour on the part of these counterparties may have an impact on the reliability and solvency of the counterparties themselves. In this case, the impact on the Bank relates both to credit risk towards such counterparties and to the reputational and business risk that such conduct may entail for other parties that have relations with the Bank.

One example is the risk of financing projects of counterparties with potentially controversial social or governance practices (discriminatory practices, poor governance, use of child labour, involvement in illegal activities such as drug trafficking, etc.) and the impact this could have on the Bank. A first step towards managing this type of risk is the development of an ESG profile of the client, which, in addition to aspects of environmental impact (which fall under “indirect” environmental risks), identifies issues, even if only potential ones, relating to the activities or modus operandi of its counterparties. At present, the Bank collects, through an ESG questionnaire limited to corporate counterparties, specific information relating to governance, the client and the sector to which it belongs, its attitude to environmental issues and the history of any sanctions for non-compliance.

Specific safeguards are then put in place in the supplier selection process to verify,



through statements and market references, that suppliers' conduct is in line with both external regulations and the Group's ethical and ESG principles.

The selection of partners and counterparties for offering new products and services is

always subject to a review of the reputation profile and compliance with the code of ethics of the candidates, as part of the risk assessment of the product approval processes.

Quantitative information on Transition Risks (Template 1, 2, 4, 6, 7 e 8 degli ITS)

Templates 1, 2, 4, 6, 7 and 8 of this chapter on ESG disclosure present complementary aspects of transition risk exposure, broken down into the credit risk transmission channels identified as priority by banking industry best practice and designated as such by the EBA and the ECB. Template 1 focuses on exposures to **non-financial corporate counterparties** directly (loans and advances) and through debt and equity instruments according to the SAE classification used for FINREP purposes, with the addition of some counterparties belonging to the group of financial holding companies if their predominant activity is attributable to NACE sectors of production activities included in the scope of Template 1. The perimeter in question, as presented in Template 1 – as at 30.06.2024 – amounted to EUR 35,266 million in Total GCA (Gross Carrying Amount), the type of figure required by ITS and corresponding to the cash credit drawn, with approximately 113,000 different counterparties.

The methodology used to determine financed emissions is a tiered approach (utilising reported/estimated emissions) and covers 81.8 % of the scope of non-financial companies. Given the scarcity of reported or certified information on GHG emissions (especially for small and medium-sized companies, which are particularly relevant to the Group's business model), the presentation is based on data provided by an information provider- This data is sourced either from the NFS (compiled by the entities required to do so) or estimated using own models, mainly based on the characteristic emissions of the activities carried out. The analysis of the "participation" of the Bank's lending activity in direct and indirect emissions was carried out by the Bank's Risk Management Function on the basis of the counterparties' accounting data (total assets, liabilities to risk centres, etc.) obtained from the central balance sheet database.

The "of which" assessment of environmentally sustainable exposures (CCM) was based



on the Key Performance Indicators (KPIs) of each entity, indicating the percentage of Taxonomy-aligned revenue, as declared by the counterparties subject to reporting obligations under the NFRD as at 31 December 2023.

Template 2 represents another form of transition risk exposure that is inherent in credit risk, as the transmission channel is through **loans secured by real estate** and the related **energy performance** as a proxy for related consumption and emissions. The positions shown in Template 2, mainly split between loans secured by **residential and commercial property**, amount to a total of EUR 37,992 million, all of which are in EU Area.

The newly introduced Template 3, based on data as at 30 June 2024, provides information on the Bank's position and the alignment of its customers' exposures with the GHG mitigation path set by the IEA in its "net zero emissions by 2050" transition scenario. The report, which has been

prepared in accordance with the instructions for the sectors where the Bank has already set its own decarbonisation targets, details the relevant NACE 4-digit sectors at a granular level:

- The gap between the metric used by the Bank to measure the carbon footprint of its counterparties and the level of the same metric implied by the IEA's Net Zero 2050 scenario for 2030;
- the targets (derived from the official targets set and publicly disclosed by the Bank) for the reporting date plus three years (2026).

Template 4 requires the disclosure of any exposure to the **top 20 GHG-intensive companies** worldwide.

Templates 6, 7 and 8 provide an overview of the Key Performance Indicators (KPIs) for Taxonomy-aligned exposures, namely the Green Asset Ratio (GAR) synthetically for stocks and flows, and in detail in terms of absolute values and percentages of assets contributing to its calculation.



Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (part 1) (€ mln)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	
Sector/subsector	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions							
Exposures towards sectors that highly contribute to climate change*	30,652.1	911.2	129.0	5,271.8	2,111.4	(1,372)	(213)	(1,107)	21,050,600	18,975,705	9.7%	21,626.7	6,004.3	2,687.3	333.8	3.92
2 A - Agriculture, forestry and fishing	1,160.2	0.0	0.0	337.5	90.3	(57)	(17)	(38)	307,328	245,991	1.2%	596.2	267.8	256.4	39.8	6.45
3 B - Mining and quarrying	108.5	27.1	1.4	9.3	5.9	(2)	(0)	(2)	83,249	69,266	19.4%	80.5	8.3	19.8	-	3.91
4 B.05 - Mining of coal and lignite	0.0	0.0	0.0	0.0	0.0	-	-	-	0	0	0.0%	-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	21.4	21.4	1.4	0.0	0.0	(0)	-	-	28,684	23,046	98.6%	1.6	-	19.8	-	9.53
6 B.07 - Mining of metal ores	0.0	0.0	0.0	0.0	0.0	-	-	-	0	0	0.0%	-	-	-	-	-
7 B.08 - Other mining and quarrying	81.4	0.0	0.0	9.3	5.9	(2)	(0)	(2)	50,565	42,833	0.0%	73.2	8.3	-	-	2.62
8 B.09 - Mining support service activities	5.7	5.7	0.0	0.0	0.0	(0)	-	-	4,000	3,387	0.0%	5.7	-	-	-	1.37
9 C - Manufacturing	11,295.8	67.0	100.9	1,211.3	578.4	(330)	(26)	(289)	12,650,185	11,536,574	15.1%	9,589.5	1,478.1	226.5	1.8	2.52
10 C.10 - Manufacture of food products	1,928.3	0.0	0.0	154.4	106.0	(54)	(4)	(48)	2,174,365	2,041,624	24.7%	1,527.1	377.6	22.3	1.2	2.35
11 C.11 - Manufacture of beverages	193.3	0.0	0.0	11.5	4.9	(3)	(0)	(3)	151,899	143,141	1.7%	167.5	18.8	7.0	-	2.54
12 C.12 - Manufacture of tobacco products	16.5	0.0	0.0	0.0	1.0	(0)	-	(0)	7,504	7,070	0.0%	5.4	11.1	-	-	4.00
13 C.13 - Manufacture of textiles	349.1	0.0	0.0	56.7	16.0	(11)	(1)	(10)	207,953	189,710	0.9%	299.6	35.8	13.7	0.0	2.60
14 C.14 - Manufacture of wearing apparel	471.0	0.0	0.0	86.5	32.7	(20)	(2)	(18)	241,256	231,019	6.8%	417.9	44.9	7.9	0.2	2.42
15 C.15 - Manufacture of leather and related products	377.4	0.0	1.2	53.9	36.6	(19)	(1)	(18)	210,078	200,004	7.2%	345.8	29.5	2.2	-	1.85
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	180.4	0.0	0.0	21.4	8.8	(6)	(1)	(5)	102,282	88,872	22.5%	128.3	49.8	2.3	-	3.26
17 C.17 - Manufacture of pulp, paper and paperboard	434.1	0.0	0.0	47.0	2.8	(4)	(1)	(2)	320,970	209,390	47.0%	374.0	56.2	3.9	-	3.21
18 C.18 - Printing and service activities related to printing	104.4	0.0	0.0	13.4	6.5	(4)	(0)	(4)	46,982	43,196	0.0%	82.1	20.2	2.0	-	2.80
19 C.19 - Manufacture of coke oven products	77.2	67.0	0.0	2.3	0.6	(1)	(0)	(0)	375,474	367,099	64.0%	75.5	0.9	0.9	-	1.05
20 C.20 - Production of chemicals	353.3	0.0	2.0	38.0	4.5	(4)	(0)	(3)	550,208	490,243	7.6%	318.1	21.7	13.5	0.0	2.33
21 C.21 - Manufacture of pharmaceutical preparations	103.6	0.0	0.0	31.6	4.0	(3)	(1)	(2)	25,579	21,379	28.8%	97.2	6.4	-	-	1.59
22 C.22 - Manufacture of rubber products	509.3	0.0	0.0	51.8	15.3	(10)	(1)	(8)	222,528	198,573	1.5%	445.8	48.3	15.1	-	2.44
23 C.23 - Manufacture of other non-metallic mineral products	527.3	0.0	0.0	88.0	28.0	(19)	(2)	(16)	550,457	336,597	14.8%	441.0	81.3	5.1	-	2.86
24 C.24 - Manufacture of basic metals	957.1	0.0	0.0	73.0	8.9	(5)	(1)	(3)	4,145,340	3,767,954	20.3%	867.6	84.4	5.1	0.0	2.02
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	1,263.3	0.0	2.7	130.2	60.8	(40)	(3)	(35)	1,104,104	1,077,678	1.0%	1,051.0	157.3	54.7	0.3	2.80
26 C.26 - Manufacture of computer, electronic and optical products	238.4	0.0	8.6	21.2	12.0	(8)	(1)	(7)	104,600	99,345	4.2%	211.4	25.7	1.3	-	2.53
27 C.27 - Manufacture of electrical equipment	359.2	0.0	0.7	18.2	12.5	(8)	(0)	(7)	303,103	285,446	6.5%	302.4	53.7	3.1	-	2.53
28 C.28 - Manufacture of machinery and equipment n.e.c.	1,336.8	0.0	15.5	171.9	100.2	(51)	(3)	(47)	558,747	525,676	16.7%	1,182.9	114.0	39.9	0.0	2.58
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	285.0	0.0	0.0	16.0	60.7	(22)	(0)	(21)	148,964	136,272	16.9%	256.8	25.7	2.4	-	2.87



Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (part 2) (€ mln)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)				GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity	
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions								
30 C.30 - Manufacture of other transport equipment	442,7	0,0	70,2	49,9	11,5	(11)	(1)	(8)	494,666	488,120	38.9%	346.8	95.3	0.6	-	3.15	
31 C.31 - Manufacture of furniture	297	-	-	26	23	(11)	(1)	(10)	130,312	125,921	0.00%	240	49	8	-	2.68	
32 C.32 - Other manufacturing	287	-	-	25	7	(5)	(1)	(4)	334,320	327,233	14.76%	251	26	10	0	1.80	
33 C.33 - Repair and installation of machinery and equipment	204	-	-	23	14	(10)	(1)	(8)	138,496	135,010	0.01%	154	44	6	-	3.18	
34 D - Electricity, gas, steam and air conditioning supply	930	315	11	117	56	(39)	(4)	(34)	747,944	605,870	35.29%	665	220	45	0	3.77	
35 D35.1 - Electric power generation, transmission and distribution	616	37	1	107	53	(36)	(3)	(32)	511,030	390,315	19.96%	379	196	40	-	4.46	
36 D35.11 - Production of electricity	405	35	-	96	35	(28)	(3)	(24)	148,254	88,652	5.89%	195	170	40	-	5.34	
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	301	279	10	9	3	(3)	(1)	(2)	229,579	213,269	68.18%	283	18	-	0	2.14	
38 D35.3 - Steam and air conditioning supply	13	-	-	2	-	(0)	(0)	-	7,335	2,286	0.00%	2	6	5	-	8.70	
39 E - Water supply; sewerage, waste management and remediation activities	870	-	8	124	18	(16)	(3)	(12)	1,334,979	1,025,845	23.66%	530	283	57	0	4.22	
40 F - Construction	2,774	-	1	764	275	(228)	(60)	(159)	612,923	569,409	7.52%	1,603	621	347	203	6.15	
41 F.41 - Construction of buildings	1,683	-	-	470	190	(156)	(47)	(103)	268,526	253,420	1.75%	743	466	273	201	8.16	
42 F.42 - Civil engineering	609	-	1	223	23	(29)	(11)	(17)	172,522	154,088	29.43%	477	75	56	0	3.17	
43 F.43 - Specialised construction activities	482	-	-	71	62	(43)	(2)	(40)	171,875	161,901	0.00%	384	79	17	2	2.90	
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	7,033	489	0	995	450	(294)	(30)	(254)	4,483,953	4,269,760	4.05%	5,856	882	293	2	2.30	
45 H - Transportation and storage	1,271	13	7	352	75	(59)	(13)	(45)	563,575	417,076	3.09%	777	354	138	3	4.82	
46 H.49 - Land transport and transport via pipelines	538	13	1	93	31	(23)	(3)	(20)	268,696	190,352	0.97%	386	92	59	1	4.09	
47 H.50 - Water transport	146	-	-	29	0	(1)	(1)	(0)	120,284	65,008	5.67%	96	43	7	0	4.32	
48 H.51 - Air transport	33	-	-	13	14	(7)	(0)	(7)	5,452	1,160	0.00%	25	7	-	-	2.77	
49 H.52 - Warehousing and support activities for transportation	546	-	6	217	28	(27)	(9)	(18)	166,365	158,080	4.71%	263	210	72	1	5.84	
50 H.53 - Postal and courier activities	9	-	-	0	1	(0)	(0)	(0)	2,778	2,476	0.00%	7	2	-	-	2.41	
51 I - Accommodation and food service activities	1,760	-	-	468	173	(97)	(20)	(73)	138,261	123,045	2.12%	766	604	376	14	6.55	
52 L - Real estate activities	3,449	-	-	893	389	(250)	(41)	(202)	128,202	112,870	3.69%	1,164	1,287	929	70	7.47	
53 Exposures towards sectors other than those that highly contribute to climate change ^a	4,614	-	10	877	238	(151)	(19)	(126)				3,544	761	299	9	3.28	
54 K - Financial and insurance activities	186	-	-	18	2	(2)	(1)	(1)				80	94	12	-	5.21	
55 Exposures to other sectors (NACE codes J, M - U)	4,428	-	10	860	236	(149)	(18)	(125)				3,464	667	288	9	3.20	
56 TOTAL	35,266	911	139	6,149	2,349	(1,524)	(232)	(1,233)	21,050,600	18,975,705	9.69%	25,171	6,765	2,987	343	3.84	

^a In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – "Climate Benchmark Standards Regulation - Recital 6": sectors listed in sections A to H and section L of Annex 1 of Regulation (EC) 1893/2006.

The scope of the template consists of loans and advances, bonds and equity in the banking book (not held for trading and not held for sale) to non-financial corporations according to FINREP, with the addition of some financial holding counterparties (120, for a GCA (Gross Carrying Amount) of about €242 million) with predominant activity either related to NACE sectors of production activities included in the scope of template 1. The in-scope total amounts to EUR 35,266 million GCA for about 113,000 individual counterparties.

Column (k) includes exposures of counterparties reporting Scope 1 or 2 or 3 exposures.



Template 1 reports Banking Book exposures (including loans and advances, debt securities and equity instruments) to non-financial corporations engaged in economic activities with a higher impact on climate change. The exposure to transition risk is reflected not only by the classification of the loans according to the economic activity of the counterparty, by the “exclusion from the Paris Aligned Benchmarks” (PAB) data and the “alignment to Taxonomy” (CCM) figures, relating only to counterparties subject to NFRD disclosure requirements, from the information on financed GHG emissions. The required information on the quality of the loans themselves (composition of GCAs in stage 1, 2 and non-performing, relative provisions) and, finally, a breakdown of loans by maturity is also reported.



Excluded from the Paris-Aligned Benchmarks (PAB)

In order to determine the counterparties to be considered as excluded from the EU Paris Agreement aligned benchmarks, the provisions of Article 12, paragraph 1, letters from d) to g), and Article 12, paragraph 2, of Delegated Regulation (EU) 2020/1818 were followed. This Regulation established the categories of exclusions from the EU Paris Aligned Benchmarks for the companies described in points (d) to (g) below:

- companies deriving 1% or more of their revenues from the exploration, extraction, mining, distribution or refining of anthracite and lignite;
- companies deriving 10% or more of their revenues from the exploration, extraction, distribution or refining of petroleum-derived fuels;

- companies deriving 50% or more of their revenues from the exploration, extraction, production or distribution of gaseous fuels;
- companies that obtain 50 per cent or more of their revenues from electricity production with a greenhouse gas intensity of more than 100 g CO₂ e/kWh.

In order to identify these counterparties, the relevant information published directly by the companies in the Non-Financial Statement was used, where available, and in the absence of such information, the activities of the counterparties were mapped – on the basis of their NACE/Ateco codes and relevance in terms of share in total revenue – to the activities set out in the Delegated Regulation.

GHG financed emissions

The analysis, supported by a specialised financial data info-provider, is based on different stages of information processing:

- collection from counterpart declarations (for companies subject to mandatory reporting or voluntary disclosure;
- estimation on the basis of information on the activities carried out, such as Scope 1, 2 and 3 emissions, or for Scope 1 only, on the basis of the intensity class of the reference sector;

- assessment of the estimated Scope 3 emissions result against limit intensities (min and max) derived from system average data from the results of the 2022 Climate Stress Test;
- determination of the financing ratio for each counterparty using a methodology based on PCAF (Partnership for Carbon Accounting Financials) standards, as the ratio between the total BMPS exposure to the counterparty and the total balance



sheet assets (in case of positive net assets) or the sum of short-term and permanent liabilities (in case of negative net assets); in the absence of useful balance sheet data, the financing ratio is determined using the Systems's cash debt, as reported by Centrale Rischi;

- determination of the value of financed

emissions for each scope by multiplying the financing ratio by the bank's total exposure towards the counterparty.

The proportion of GHG emission information (Scope 1, 2 or 3) derived from declarations or voluntary reporting accounts for 9.7% of the total scope.

Methodological note on the estimation approach used by the data provider

For Scope 1 emissions, the estimation methodology used by the specialist provider that provided the GHG emissions data is based on official public source data (Eurostat) on emission intensity expressed in tonnes of CO₂ of added value per NACE code, further refined using, where available, more granular emission data for more detailed NACE/Ateco codes (source: Ispra/EU Emissions Trading Registry). This coefficient is then reconverted to revenue through a recalibration procedure, which involves first calculating the ratio between the sectoral value added provided by Eurostat and the sectoral value added calculated by the provider by aggregating the individual balance sheets for each sector, and finally applying the ratio between value added and revenues, again at sector level. The figure thus obtained is then further refined by comparison with the similar indicator calculated on the basis of the average data of the sample of enterprises operating in

the same sector from point data, where homogeneous and statistically significant samples are available.

Scope 2 emissions data have been estimated using electricity consumption data (in MW/h) at the 2-digit NACE code level (source: Terna) and applying a conversion coefficient to convert electricity consumption into CO₂ emissions (in tonnes CO₂ eq/Gw/h) (source: Enel). Scope 3 emissions are estimated using the methodology of a data provider, borrowed from Eurostat's consumption-based accounting tool, which estimates the (total) emissions of the entire supply chain of a given product, adjusted to take into account the emissions related to intermediate (unfinished) products. Scope 3 emissions are then calculated by subtracting the Scope 1-2 emissions from the total emissions.



Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (€ mln)

Counterparty sector	Total gross carrying amount (in MEUR)															
	Level of energy efficiency (EP score in kWh/m ² of collateral)						Level of energy efficiency (EPC label of collateral)						Without EPC label of collateral			
	0; <= 100	> 100; <= 200*	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
1 Total EU area	37,991.7	8,015.1	17,584.0	4,319.1	3,478.8	319.8	206.8	1,049.9	469.7	676.1	1,245.6	2,128.3	3,462.6	5,117.0	23,842.3	83.0%
2 Of which Loans collateralised by commercial immovable property	7,736.9	2,223.9	1,662.4	217.9	189.1	14.6	32.0	113.2	35.8	68.0	71.7	75.8	66.4	130.5	7,175.6	52.8%
3 Of which Loans collateralised by residential immovable property	30,200.2	5,791.1	15,921.6	4,101.2	3,289.7	305.3	174.9	936.7	434.0	608.2	1,174.0	2,052.5	3,396.3	4,986.4	16,612.2	96.3%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	54.6	-	-	-	-	-	-	-	-	-	-	-	-	-	54.6	0.0%
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	23,495.5	5,713.8	13,412.7	1,871.0	2,498.0	-	-								19,781.1	100.0%
6 Total non-EU area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-								-	-

- Exposures by EPC label and energy efficiency score (EP score class, based on the specific energy consumption of the collateral in kWh/m²) identified on the actual EPC labels of the collateral, where available, have been reported.
- In the absence of actual energy certification data, estimated energy consumption data provided by specialised external providers and calculated on the basis of individual property characteristics have been used for row "5".
- The energy consumption of some collateral properties for which only the EPC class (A,B,..) was available was estimated, which is why the GCA of mortgages with an estimated EP score is higher than that of mortgages without an energy label.

Template 2 shows the exposures related to commercial and residential real estate secured loans and the value of the real estate collateral repossessed by the bank, with an indication of the energy consumption (Energy Performance or EP score) and the associated energy performance certification (EPC label), which are considered to be among the main indicators of climate change transition risk for real estate secured loans.



Template 3: Banking book - Climate change transition risk: Alignment metrics (1/2)

a	b	c	d	e	f	g	
Sector	NACE Sector	Portfolio gross carrying amount (Mn EUR) (Mln EUR as at 30 June 2024)	Alignment metric (financed GHG emissions tCO ₂) as at the date of reference (30 June 2024)	Year of reference	Distance to IEA NZE2050 in %	2030 Target (linearised to end-2026*)	
1	Power	total division	862.8	131,059	2023	21%	121.304
		2712	44.4	1,449	-68%		
		3314	3.7	86	-61%		
		3500	629.0	125,765	26%		
		3510	615.6	120,716	33%		
		3511	405.4	59,602	218%		
		3512	20.3	1,021	-50%		
		3513	9.0	1,732	95%		
		3514	89.6	1,048	188%		
		3530	13.4	5,049	-47%		
	4321	185.6	3,759	21%			
2	Fossil fuel combustion	total division	932.8	1,469,294	2023	182%	557.142
		0600	21.4	28,684	44%		
		0610	21.1	28,539	44%		
		0620	0.3	145	181%		
		0910	5.7	4,000	-35%		
		1900	77.2	375,474	36%		
		1920	77.2	375,474	36%		
		2014	2.5	5,136	41%		
		3520	301.3	229,579	177%		
		3522	19.1	4,403	184%		
3523	265.8	225,176	177%				
	4612	6.6	25,570	1498%			
	4671	518.1	800,850	514%			
7	Iron and steel, coke, and metal ore production	total division	2,275.7	387,968	2023	-55%	921.181
		2400	782.9	352,616	-36%		
		2410	352.2	174,308	-20%		
		2420	121.3	15,951	-64%		
		2430	34.1	4,910	-84%		
		2432	8.4	948	-83%		
		2434	18.3	2,842	-83%		
		2440	231.0	152,900	-35%		
		2441	110.0	129,435	21%		
		2443	23.6	6,064	-73%		
		2444	91.1	16,544	-84%		
		2445	0.3	60	-91%		
		2450	44.2	4,547	-78%		
		2451	9.0	940	-83%		
		2452	0.7	43	-93%		
		2454	19.2	1,629	-79%		
		2500	1,263.3	26,426	-92%		
2510	315.9	6,697	-91%				
2511	209.4	4,521	-92%				
2512	94.8	1,952	-91%				
2520	20.0	494	-89%				
2521	9.7	334	-86%				
2529	10.2	161	-93%				



Template 3: Banking book - Climate change transition risk: Alignment metrics (2/2)

a	b	c	d	e	f	g
Sector	NACE Sector	Portfolio gross carrying amount (Mn EUR) (Mln EUR as at 30 June 2024)	Alignment metric (financed GHG emissions tCO2) as at the date of reference (30 June 2024)	Year of reference	Distance to IEA NZE2050 in %	2030 Target (linearised to end-2026*)
7	Iron and steel, coke, and metal ore production	2530	2.2	54		-96%
		2540	0.9	19		-92%
		2550	236.1	5,758		-92%
		2560	371.2	7,486		-92%
		2561	108.4	2,259		-91%
		2562	260.4	5,175		-92%
		2570	112.1	1,614		-93%
		2571	0.9	5		-98%
		2572	11.0	184		-89%
		2573	100.3	1,425		-93%
		2590	204.1	4,304		-92%
		2591	3.1	48		-93%
		2592	36.2	1,158		-91%
		2593	21.4	456		-92%
		2594	16.6	302		-93%
		2599	126.3	2,330		-92%
4672	229.5	8,926		172%		

* As part of the NZBA initiative, BMPS has set and publicly disclosed GHG emission reduction targets for 2030, specifically for the three sectors mentioned above. Therefore, the “reporting date plus three years” targets required by the template have been calculated at the overall sector level (as there are currently no official targets for intermediate time frames or more granular levels) using a simple linear interpolation of the 2030 targets. These targets are non-binding and are only indicative for credit and product policies.

The newly introduced Template 3, based on data as at 30 June 2024, provides information on the Bank’s position and the alignment of its customers’ exposures with the GHG mitigation path set by the IEA in its “net zero emissions by 2050” transition scenario.

The main sectors included in the template, selected from those identified as relevant in the EBA instructions, are:

- “Energy”, corresponding to the “Power Generation” sector, which is a focus of the BMPS NZBA targets;

- “Fossil fuel combustion,” corresponding to the “Oil & Gas” sector;

- “Iron and steel production, coke and metal ores”, corresponding to the Iron and Steel sector, for which specific targets have been set.

The metric used for this template is “financed emissions”, the only metric currently applicable to the entire portfolio and the metric used by BMPS to set and monitor its Net Zero Banking Alliance targets.



Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	25	0.07%		0.01	1

*For counterparties among the top 20 carbon emitting companies in the world

Template 4 shows exposures to the 20 most GHG-intensive companies worldwide. The analysis used to determine these exposures was carried out with the assistance of a specialised external service provider, which identified the list of the 20 most polluting companies based on reported or estimated Scope 1 and 2 greenhouse gas emissions calculated at Group level. The analysis by the external provider was complemented by an internal analysis aimed at verifying the presence in the portfolio of exposures, directly or through subsidiaries, to counterparties listed in the Carbon Disclosure Project's "Carbon Majors Database" (2017) and that of the Climate Accountability Institute (2019).



Quantitative information on Physical Risk

Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk (€ mln)

a	b	c	d	e	f	g	h			j	k	l	m	n	o
							of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events						
Variable: Geographical area subject to climate change physical risk - acute and chronic events	Breakdown by maturity bucket					Gross carrying amount (Mln EUR)						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures	Of which non-performing exposures			
1 A - Agriculture, forestry and fishing	1,160.0	350.0	166.0	186.0	35.0	7.2	387.0	162.0	189.0	235.0	61.0	(39)	(13)	(25)	
2 B - Mining and quarrying	109,0	18,0	3,0	1,0	-	3,6	8,0	13,0	0,0	2,0	5,0	(1)	-	(1)	
3 C - Manufacturing	11,296,0	2,184,0	516,0	84,0	2,0	2,9	1,215,0	1,410,0	162,0	345,0	163,0	(98)	(7)	(87)	
4 D - Electricity, gas, steam and air conditioning supply	930,0	54,0	30,0	6,0	-	4,5	30,0	57,0	4,0	9,0	15,0	(10)	-	(9)	
5 E - Water supply; sewerage, waste management and remediation activities	870,0	169,0	20,0	20,0	-	3,6	18,0	149,0	42,0	21,0	9,0	(8)	(1)	(7)	
6 F - Construction	2,774,0	370,0	169,0	77,0	43,0	6,4	49,0	559,0	51,0	131,0	107,0	(66)	(9)	(55)	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	7,033,0	961,0	252,0	86,0	1,0	3,2	218,0	978,0	104,0	226,0	117,0	(71)	(7)	(62)	
8 H - Transportation and storage	1,271,0	218,0	84,0	93,0	-	5,8	61,0	305,0	29,0	94,0	19,0	(16)	(2)	(13)	
9 L - Real estate activities	3,449,0	344,0	332,0	283,0	20,0	7,7	29,0	923,0	27,0	224,0	117,0	(61)	(8)	(51)	
10 Loans collateralised by residential immovable property	29,514,0	168,0	521,0	2,361,0	3,103,0	19,6	818,0	5,012,0	324,0	696,0	142,0	(72)	(27)	(40)	
11 Loans collateralised by commercial immovable property	7,737,0	203,0	325,0	335,0	25,0	9,1	86,0	755,0	47,0	196,0	94,0	(45)	(12)	(31)	
12 Repossessed colaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Other relevant sectors (breakdown below where relevant)	6,374,0	620,0	378,0	249,0	13,0	6,4	105,0	1,077,0	77,0	302,0	91,0	(54)	(11)	(40)	

· The positions of the French subsidiary Monte Paschi Banque are not shown due to a lack of specific information.

· Loans secured by commercial real estate are included both in the specific item (line 11) and in loans to non-financial corporations in the reported sectors (lines 1-9-13).

“Other relevant sectors” (line 13) include the following NACE groupings:

- I – Accommodation and food service activities
- K – Financial and insurance activities
- M – Professional, scientific and technical activities
- N – Administrative and support service activities
- P – Education
- Q – Human health and social work activities

Table 5 provides information on exposures held for sale) to non-financial corporations, in the banking book (including loans loans secured by real estate and repossessed and advances, debt securities and equity real estate collateral that are considered instruments not held for trading and not exposed to chronic and acute climate risks.



Methodological note on the physical risk exposure model

In order to present loans on the basis of their exposure to acute and chronic physical risks, the MPS Group has used a model based on geo-localised risk data provided by a specialised external provider and has integrated it with an internally-defined methodology that classifies individual risk factors into categories of acute and chronic physical risk. Risk is determined on a geographical basis with the most precise reference possible for the different types of exposure considered, as shown in the table below.

Type of Risk / Description of risk factor		Geo-localisation grid			Corporate activity limitation
		Collateralised real estate	Loans to Large Corporates	Loans to SMEs	
ACUTE PHYSICAL RISK					
FLOODS	Risk of floods related to watercourses and heavy rainfall, risk prediction model.	census unit			-
LANDSLIDES	Risk of landslides, long-term historical data	census unit			-
WIND	Probability of extreme wind-related events, return period 50y	hexagonal grid with approx. 1.22 km per side			-
EXTREME WAVES	Probability of storm surges and high-energy waves	25km side			-
WILDFIRES	Risk classes based on days with high risk of fire	4km side			-
HEATWAVES	Probability of heatwaves (extreme heat-related events > 3 days), historical data	N/A	10km side	Municipality	Outdoor / labour-intensive activities only
FROST	Probability of frost, even of short duration, risk predictions models	N/A	10km side		Agricultural activities only
CHRONIC					
Chronic heat & soil					
SOIL EROSION	Severity of rainfall-induced soil erosion, RCP scenario 4.5	N/A	hexagonal grid with approx. 174 metres per side	Municipality	Outdoor / labour-intensive activities only
DROUGHT	Probability of drought-related events (precipitation/evaporation ratio), risk prediction model	N/A	0.5km side		Outdoor / labour-intensive activities only
HEAT	Probability of extreme heat events (even of short duration), risk prediction model	N/A	10km side		Outdoor / labour-intensive activities only
Chronic coastal					
SEA LEVEL RISE	Estimation of sea level using different meteorological models	25km side	25km side	Municipality	-
COASTAL EROSION	The score represents erosion compared to the current state, RCP 4.5	0.2km side	0.2km side		-

For each entity analysed (loans of any type to corporates or loans secured by real estate), the entity is considered to be exposed to an acute or chronic physical risk if at least one of the applicable exposure factors is at a “high” or “very high” level (e.g. the risk factors related to heat, drought or frost, which only apply to certain labour-intensive or open-air economic activities, do not apply to loans secured by real estate).



Template 6 provides a summary of the basic Key Performance Indicators (KPIs) for taxonomy-aligned exposures (Green Asset Ratio, GAR), as reported in Templates 7 and 8.

The Green Asset Ratio (GAR) represents the share of taxonomy-aligned exposures for climate change mitigation (CCM) and climate change adaptation (CCA) objectives relative to total covered balance sheet assets, i.e. total balance sheet assets

excluding sovereign exposures, central bank exposures and trading portfolios. The GAR is presented both as a total and by individual objective, in terms of stock (balance sheet assets as at 30 June 2024) and in terms of new disbursements made in the first half of 2024.

The percentage of coverage to total assets represents the total relevant taxonomy assets as a percentage of total assets.

Template 6 - Summary of GAR KPIs

	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	0.65%	0.00%	0.65%	23.37%
GAR flow	0.08%	0.00%	0.08%	1.03%

^(*) % of assets covered by the KPI out of total bank assets as reported in template 8 (row 1, column p for GAR stock and column af for GAR flow)



Template 7 - Mitigating actions: Assets for the calculation of GAR (1/2)

	30/06/2024															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
Million EUR	Total gross carrying amount	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling			
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	37,455	30,608	624	-	1.7	27.71	8	1	-	-	30,617	625	-	2	28
2	Financial corporations	1,559	288	14	-	0	3	1	0	-	-	289	14	-	0	3
3	Credit institutions	1,481	288	14	-	0	3	1	0	-	-	289	14	-	0	3
4	Loans and advances	919	98	5	-	0	1	0	0	-	-	98	5	-	0	1
5	Debt securities, including UoP	562	190	9	-	0	2	1	0	-	-	192	9	-	0	2
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	78	0	0	-	0	0	0	0	-	-	0	0	-	0	0
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	1,031	120	32	-	1	25	7	1	-	-	127	33	-	1	25
21	Loans and advances	895	115	31	-	1	25	4	1	-	-	119	32	-	1	25
22	Debt securities, including UoP	135	5	1	-	0	0	3	-	-	-	8	1	-	0	0
23	Equity instruments	0	0	0	-	0	0	0	0	-	-	0	0	-	0	0
24	Households	34,865	30,200	577	-	-	-	-	-	-	-	30,200	577	-	-	-
25	of which loans collateralised by residential immovable property	30,200	30,200	577	-	-	-	-	-	-	-	30,200	577	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	TOTAL GAR ASSETS	37,510	30,608	624	-	2	28	-	-	-	-	30,617	625	-	2	28



Template 7 - Mitigating actions: Assets for the calculation of GAR (2/2)

		30/06/2024										
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Million EUR		Total gross carrying amount	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	
Assets excluded from the numerator for GAR calculation (covered in the denominator)												
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	33,821										
34	Loans and advances	33,728										
35	Debt securities	85										
36	Equity instruments	9										
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	414										
38	Loans and advances	370										
39	Debt securities	43										
40	Equity instruments	0										
41	Derivatives	584										
42	On demand interbank loans	1,242										
43	Cash and cash-related assets	608										
44	Other assets (e.g. Goodwill, commodities etc.)	21,425										
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	95,603										
Other assets excluded from both the numerator and denominator for GAR calculation												
46	Sovereigns	12,547										
47	Central banks exposure	15,706										
48	Trading book	7,141										
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	35,395										
50	TOTAL ASSETS	130,998										

Template 7 reports the values of balance sheet asset items that are eligible and aligned for the construction of the GAR indicator, together with details of those excluded from the calculation.

In order to identify the proportions of eligible and aligned assets under the Taxonomy relating to loans and advances, debt securities and equity instruments not held for trading that are eligible for the calculation of the GAR towards non-financial counterparties subject to NFRD reporting requirements, the KPIs declared by these counterparties in their financial statements as at 31 December 2023 relating to the eligibility and alignment of their turnover, weighted by exposure, have been used.

For loans secured by residential properties, which are eligible for the full amount, a simplified approach was used to calculate the Taxonomy-aligned proportion, which does not require verification of the DNSH (Do



Not Significant Harm) and MSS (Minimum Social Safeguard) criteria. This approach resulted in only taking into account, from a prudential perspective, loans secured by residential properties with an effective Energy Performance Class (EPC) of “A” and located in areas considered to have negligible or low physical climate and environmental risk according to the internal model used to manage such risk. The completion of data remediation operations on the energy efficiency data of collateral properties in the portfolio and the acquisition of such data directly from counterparties during the disbursement phase for new mortgages allowed the use of actual energy efficiency data.



Template 8: GAR (%) (1/2)

	2024/06/30: KPIs on stock																Proportion of total assets covered
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
% (compared to total covered assets in the denominator)																	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling				
1 GAR																	
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	32.02%	0.65%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	32.02%	0.65%	0.00%	0.00%	0.03%	23.37%	
3 Financial corporations	0.30%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%	0.02%	0.00%	0.00%	0.00%	0.22%	
4 Credit institutions	0.30%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%	0.01%	0.00%	0.00%	0.00%	0.22%	
5 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
8 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9 Non-financial corporations subject to NFRD disclosure obligations	0.13%	0.03%	0.00%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.13%	0.03%	0.00%	0.00%	0.03%	0.10%	
10 Households	31.59%	0.60%	0.00%	0.00%	0.00%						31.59%	0.60%	0.00%	0.00%	0.00%	23.05%	
11 of which loans collateralised by residential immovable property	31.59%	0.60%	0.00%	0.00%	0.00%						31.59%	0.60%	0.00%	0.00%	0.00%	23.05%	
12 of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
13 of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14 Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
15 Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16 Other local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
17 Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	



Template 8: GAR (%) (2/2)

2024/06/30: KPIs on flows

	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
	Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling				
% (compared to total covered assets in the denominator)																	
1 GAR																	
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1.41%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.41%	0.08%	0.00%	0.00%	0.00%	1.03%
3 Financial corporations	1.41%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.41%	0.08%	0.00%	0.00%	0.00%	1.03%
4 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Non-financial corporations subject to NFRD disclosure obligations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Households	0.01%	0.00%	0.00%	0.00%	0.00%							0.01%	0.00%	0.00%	0.00%	0.00%	0.01%
11 of which loans collateralised by residential immovable property	1.40%	0.08%	0.00%	0.00%	0.00%							1.40%	0.08%	0.00%	0.00%	0.00%	1.02%
12 of which building renovation loans	1.40%	0.08%	0.00%	0.00%	0.00%							1.40%	0.08%	0.00%	0.00%	0.00%	1.02%
13 of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16 Other local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

In template 8, based on the information contained in template 7 above, we report the eligible and taxonomy-adjusted items in terms of stocks and new flows disbursed during the year as a percentage of total assets in the GAR denominator.



Template 10 – Other climate change mitigating actions that are not covered in the EU Taxonomy

a	b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Financial corporations				
2	Non-financial corporations				
3	Of which Loans collateralised by commercial immovable property				
4	Households				
5	Of which Loans collateralised by residential immovable property				
6	Of which building renovation loans				
7	Other counterparties				
8	Financial corporations				
9	Non-financial corporations	563.7	transition risk linked to climate change		Loans defined on the basis of an internal framework that sets out the criteria for identifying financing for companies to finance or refinance new or existing projects that can be classified as green or that incentivise the counterparty to meet pre-defined environmental targets.
10	Of which Loans collateralised by commercial immovable property				
11	Households	55.2			
12	Of which Loans collateralised by residential immovable property	38.9			Loans for the purchase of energy class A and B residential buildings.
13	Of which building renovation loans	16.3			Loans for renovation work to improve the energy efficiency of existing residential buildings.
14	Other counterparties				

With regard to other climate change mitigation measures not covered by Regulation (EU) 2020/852, which are required in Table 10, the Group currently has no Green Bonds or Sustainable Linked Loans in its portfolio that were issued under rules other than those of the European Union.

Table 10 includes loans that are considered to mitigate transition climate risk and are not included in the previous Tables 6, 7 and 8 under the GAR. In particular:

- loans defined on the basis of an internal framework setting out criteria for the identification of financing to companies

for the financing or refinancing of new or existing projects that can be classified as “green” or that provide incentives for the counterparty to achieve pre-defined environmental targets;

- financing of renewable energy projects (biogas, biomass, energy efficiency, wind, photovoltaic);
- mortgages to individuals for the purchase of high energy efficiency residential property (energy class “A” and “B”);
- mortgages to individuals to support restructuring measures for the energy renovation of residential buildings.



Declaration of the Financial Reporting Officer

Pursuant to para. 2, article 154-bis of the Consolidated Law on Banking, the Financial Reporting Officer, Mr. Nicola Massimo Clarelli, declares that the accounting information contained in this document corresponds to the underlying documentary evidence and accounting records.

Siena, 05 August 2024

Nicola Massimo Clarelli

Financial Reporting Officer



List of tables

EU OV1 – Overview of total risk exposure amounts	9
EU KM1 – Key metrics template	10
EU KM2: Key metrics – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	11
Template IFRS 9-FL: Comparison of institutions’ own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs (*)	12
EU CC1 – Composition of regulatory own funds (Part 1)	13
EU CC1 – Composition of regulatory own funds (Part 2)	14
EU CC1 – Composition of regulatory own funds (Part 3)	15
EU CC1 – Composition of regulatory own funds (parte4)	16
EU CC2 – reconciliation of regulatory own funds to balance sheet in the audited financial statements	17
EU CCYB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer	18
EU CCYB2 – Amount of institution specific countercyclical capital buffer	18
EU LR1 – LR Sum: Summary reconciliation of accounting assets and leverage ratio exposures	19
EU LR2 – LRCom: Leverage ratio common disclosure	20
EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	21
EU LIQ 1: Quantitative information of LCR	22
EU LIQB on qualitative information on LCR, which complements template EU LIQ1	23
EU LIQ2: net Stable Funding Ratio - NSFR as at 30.06.2024	25
EU LIQ2: net Stable Funding Ratio - NSFR as at 31.03.2024	26
EU CR1: Performing and non-performing exposures and related provisions	28
EU CR1-A – Maturity of exposures	29
EU CQ1: Credit quality of forborne exposures	29
EU CQ3: Credit quality of performing and non-performing exposures by past due days	30
EU CQ5: Credit quality of loans and advances to non-financial corporations by industry	31
EU CQ7: Collateral obtained by taking possession and execution processes	32
EU CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	33
EU CR4: Credit risk exposure and CRM effects	34
EU CR5: Standardised approach	35
EU CR6: IRB Approach: Exposures to or secured by corporates - SMEs	36
EU CR6: IRB approach: Exposures to or secured by corporates – Other companies	37
EU CR6: IRB Approach: Retail exposures secured by real estate - SMEs	38



EU CR6: IRB Approach: Retail exposures secured by real estate - Individuals	39
EU CR6: IRB Approach: Retail Exposures - Qualifying revolving	40
EU CR6: IRB Approach: Retail Exposures - SMEs	41
EU CR6: IRB Approach: Retail Exposures - Individuals.	42
EU CR7-A: IRB approach – Disclosure of the extent of the use of CRM techniques	43
EU CR8: RWEA flow statements of credit risk exposures under the IRB approach	44
EU CR10.1 – Specialised lending and equity exposures under the simple risk-weighted approach: Project finance (Slotting approach).	45
EU CR10.2 – Specialised lending and equity exposures under the simple risk-weighted approach: Income-producing real estate and high volatility commercial real estate (Slotting approach).	46
EU CR10.3 – Specialised lending and equity exposures under the simple risk-weighted approach: Object finance (Slotting approach).	46
EU CCR1 – Analysis of CCR exposure by approach	47
EU CCR2 – Transactions subject to own funds requirements for CVA risk	48
EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	48
EU CCR4.1 – IRB approach – CCR exposures by exposure class and PD scale: corporate.	49
EU CCR4.2 – IRB approach – CCR exposures by exposure class and PD scale: retail	49
EU CCR5 – Composition of collateral for CCR exposures	50
EU CCR6 – Credit derivatives exposures	50
EU CCR8 – Exposures to CCPs	51
EU SEC1 – Securitisation exposures in the non-trading book	52
EU SEC2 – Securitisation exposures in the trading book	53
EU SEC3 – Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	53
EU SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	54
EU SEC5 – Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	54
EU MR1 – Market risk under the standardised approach.	55
EU IRRBBA – Qualitative information on interest rate risk of non-trading book activities.	56
EU IRRBB1 – Interest rate risks of non-trading book activities	60
Qualitative Information on Environmental Risks.	77
Environmental Risks – Business Strategy and processes [ref. ITS qualitative table 1 – (a-d)].	86
Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (€ mln).	87
Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral (€ mln)	91
Template 3: Banking book - Climate change transition risk: Alignment metrics (1/2)	92
Template 3: Banking book - Climate change transition risk: Alignment metrics (2/2)	93



Template 4: Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms	94
Quantitative information on Physical Risk	95
Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk (€ mln)	95
Template 6 – Summary of GAR KPIs	97
Template 7 – Mitigating actions: Assets for the calculation of GAR (1/2)	98
Template 7 – Mitigating actions: Assets for the calculation of GAR (2/2)	99
Template 8: GAR (%) (1/2)	101
Template 8: GAR (%) (2/2)	102
Template 10 – Other climate change mitigating actions that are not covered in the EU Taxonomy	103



Appendix 1 – Details of Information provided in compliance with EBA/ ITS/2020/04

		Pillar 3 disclosure – 30 June 2024	Annex
EU OV1	Overview of risk weighted exposure amounts	Disclosure of key metrics and overview of risk-weighted exposure amounts	I
EU KM1	Key metrics		
EU CC1	Composition of regulatory own funds	Disclosure of own funds	VII
EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements		
EU CCYB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Disclosure of countercyclical capital buffers	IX
EU CCYB2	Amount of institution-specific countercyclical capital buffer		
EU LR1 - LRSum	Summary reconciliation of accounting assets and leverage ratio exposures	Disclosure of the leverage ratio	XI
EU LR2 - LRCom	Leverage ratio common disclosure		
EU LR3 - LRSpl	Disaggregazione delle esposizioni in bilancio (esclusi derivati, SFT e esposizioni esentate)		
EU LIQ1	Quantitative information of LCR	Disclosure of liquidity requirements	XIII
EU LIQB	Qualitative information on LCR, which complements template EU LIQ1		
EU LIQ2	Net Stable Funding Ratio		



Appendix 1 – Details of Information provided in compliance with EBA/ ITS/2020/04

		Pillar 3 disclosure – 30 June 2024	<i>Annex</i>
EU CR1	Performing and non-performing exposures and related provisions		
EU CR1-A	Maturity of exposures		
EU CR2	Changes in the stock of non-performing loans and advances		
EU CR2-A ¹	Changes in the stock of non-performing loans and advances and related net accumulated recoveries		
EU CQ1	Credit quality of forborne exposures		
EU CQ2 ¹	Quality of forbearance	Disclosure of liquidity requirements	XV
EU CQ3	Credit quality of performing and non-performing exposures by past due days		
EU CQ4 ²	Quality of non-performing exposures by geography		
EU CQ5	Credit quality of loans and advances by industry		
EU CQ6 ¹	Collateral valuation - loans and advances		
EU CQ7	Collateral obtained by taking possession and execution processes		
EU CQ8 ¹	Collateral obtained by taking possession and execution processes – vintage breakdown		
EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Disclosure of the use of credit risk mitigation techniques	XVII
EU CR4	Standardised approach – Credit risk exposure and CRM effects	Disclosure of the use of the standardised approach	XIX
EU CR5	Standardised approach		
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: Exposures to or secured by corporates - SMEs		
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: Exposures to or secured by corporates – Other companies		
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: Retail exposures secured by real estate - SMEs		
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: Retail exposures secured by real estate - Individuals	Disclosure of the use of the IRB approach to credit risk	XXI
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: Retail Exposures - Qualifying revolving		
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: IRB Approach: Retail Exposures - SMEs		
EU CR6	EU CR6 IRB approach – Credit risk exposures by exposure class and PD range: Retail Exposures - Individuals		

¹ Not applicable for the Group as the NPL ratio < 5% as at 30 June 2024.

² Not applicable for the Group as international originating exposures in all countries in all exposure classes are less than 10 % of total originating exposures (domestic and international)



Appendix 1 – Details of Information provided in compliance with EBA/ ITS/2020/04

	Pillar 3 disclosure – 30 June 2024	Annex
EU CR7 ⁴	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	
EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques	Disclosure of the use of the IRB approach to credit risk
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	XXI
EU CR10.1	Specialised lending - Project finance (Slotting approach)	
EU CR10.2	Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)	
EU CR10.3	Specialised lending: Object finance (Slotting approach)	Disclosure of specialised lending and equity exposure under the simple risk weight approach
EU CR10.4 ³	Specialised lending: Commodities finance (Slotting approach)	
EU CR10.5 ³	Equity exposures under the simple risk-weighted approach	
EU CCR1	Analysis of CCR exposure by approach	
EU CCR2	Transactions subject to own funds requirements for CVA risk	
EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights	
EU CCR4.1	IRB approach – CCR exposures by exposure class and PD scale: corporate	XXIII
EU CCR4.2	IRB approach – CCR exposures by exposure class and PD scale: retail	Disclosure of exposures to counterparty credit risk
EU CCR5	Composition of collateral for CCR exposures	
EU CCR6	Credit derivatives exposures	
EU CCR7 ⁵	RWEA flow statements of CCR exposures under the IMM	
EU CCR8	Exposures to CCPs	
EU SEC1	Securitisation exposures in the non-trading book	
EU SEC2	Securitisation exposures in the trading book	
EU SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	Disclosure of exposures to securitisation positions
EU SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	
EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	

³ Not reported as the Group as at 30 June 2024 does not present the case.

⁴ Not significant as the Group does not use derivatives as part of CRM techniques or for insignificant amounts.

⁵ Not applicable as the Group does not use internal models to calculate the requirements for market and counterparty risks.



Appendix 1 – Details of Information provided in compliance with EBA/ ITS/2020/04

		Pillar 3 disclosure – 30 June 2024	Annex
EU MRA	Obblighi di informativa qualitativa sul rischio di mercato		
EU MR1	Market risk under the standardised approach		
EU MRB ⁵	Qualitative disclosure requirements for institutions using the internal Market Risk Models		
EU MR2-A ⁵	Market risk under the internal Model Approach (IMA)	Disclosure of the use of the standardised approach and of the internal models for market risk	XXIX
EU MR2-B ⁵	RWA flow statements of market risk exposures under the IMA		
EU MR3 ⁵	IMA values for trading portfolios		
EU MR4 ⁵	Comparison of VaR estimates with gains/losses		

⁵ Not applicable as the Group does not use internal models to calculate the requirements for market and counterparty risks.



Appendix 2 – Details of Information provided in compliance with EBA Guidelines GL/2020/12

Pillar 3 disclosure – 30 June 2024

Annex

Template IFRS 9-FL	Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs	Disclosure of key metrics and overview of risk-weighted exposure amounts	I
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Appendix 3 – Details of Information provided in compliance with EBA ITS/2021/07

Pillar 3 disclosure – 30 June 2024

Annex

EU IRRBBA	Qualitative information on interest rate risk of non-trading book activities.	Disclosure of information on exposures to interest rate risk on positions not held in the trading book	XXXVII
EU IRRBB1	Interest rate risks of non-trading book activities		



Appendix 4 – Details of Information provided in compliance with EBA/ITS/2022/01

Pillar 3 disclosure – 30 June 2024

Annex

Table 1	Qualitative information on Environmental risk		
Table 2	Qualitative information on Social risk		
Table 3	Qualitative information on Governance risk		
Template 1	Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity		
Template 2	Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
Template 3	Banking book - Indicators of potential climate change transition risk: Alignment metrics		
Template 4	Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms		
		Prudential disclosures on ESG risks (Article 449a CRR)	XXXIX
Template 5	Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk		
Template 6	Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures		
Template 7	Mitigating actions: Assets for the calculation of GAR		
Template 8	GAR (%)		
Template 9.1⁶	Mitigating actions: Assets for the calculation of BTAR		
Template 9.2⁶	BTAR %		
Template 9.3⁶	BTAR %		
Template 10	Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852		

⁶ This template shall start to apply as of end 2024 first disclosure reference date.



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