



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

Credit Risk Quarterly Report

June 2018

Focus of new default 30/06/2018

Focus on the new default. Features of the credit that entered into NPE in 1H 2018. Breakdown by business line, type of facility, average outstanding amount, time past due, secured (1st mortgage)/secured (other)/unsecured, legal entity.

Breakdown by legal entity

Legal Entity	Stock Performing dec-2017	Default Flow jun-2018	DR (annualized)	% of total	DR (annualized) mar-2018
Banca MPS	73.511	536	1,46%	83,06%	1,40%
MPS Capital Services	5.172	71	2,74%	11,00%	2,64%
MPS Leasing & Factoring	3.746	38	2,00%	5,82%	1,32%
Widiba	241	1	0,69%	0,13%	0,56%
Total	82.670	645	1,56%	100,00%	1,47%

*Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included*



Focus of new default 30/06/2018

Breakdown by business line

Business Line	Stock Performing dec-2017	Default Flow jun-2018	DR (annualized)	% of total	DR (annualized) mar-2018
Dir.Corporate	33.548	267	1,59%	41,35%	1,55%
Area Mercati Corporate	20.826	155	1,49%	24,01%	1,53%
Area Large Corporate	3.337	3	0,20%	0,52%	0,40%
Area Estero	467	0	0,00%	0,00%	0,01%
MPS CS	5.172	71	2,74%	11,00%	2,64%
MPS LF	3.746	38	2,00%	5,82%	1,32%
Dir.Retail	38.570	377	1,96%	58,49%	1,81%
Area Mercati Retail	38.570	377	1,96%	58,49%	1,81%
Dir.Wealth Management	563	0	0,08%	0,03%	0,07%
Area Mercati WM	563	0	0,08%	0,03%	0,07%
Widiba	241	1	0,69%	0,13%	0,56%
Widiba	241	1	0,69%	0,13%	0,56%
Altre BU	9.748	0	0,00%	0,00%	0,00%
Altro	9.748	0	0,00%	0,00%	0,00%
Total	82.670	645	1,56%	100,00%	1,47%

*Analysis inclusion area: BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included*



Focus of new default 30/06/2018

Breakdown by type of facility

Type of facility	Stock Performing dec-2017	Default Flow jun-2018	DR (annualized)	% of total	DR (annualized) mar-2018
Dir. Corporate	33.548	267	1,59%	41,35%	1,55%
MUTUI	7.594	109	2,86%	16,84%	2,75%
SCADENZA	11.810	34	0,58%	5,35%	0,87%
REVOCA	5.961	77	2,58%	11,93%	2,16%
FIRMA	4.262	9	0,43%	1,42%	0,68%
LEASING	2.922	33	2,28%	5,17%	1,59%
FACTORING	823	4	1,01%	0,64%	0,33%
ALTRO	177	0	0,00%	0,00%	0,00%
Dir. Retail	38.570	377	1,96%	58,49%	1,81%
MUTUI	30.070	192	1,28%	29,85%	1,21%
SCADENZA	4.202	73	3,49%	11,38%	3,67%
REVOCA	3.885	109	5,61%	16,89%	4,51%
FIRMA	413	2	1,14%	0,36%	0,83%
Dir. Wealth Management	563	0	0,08%	0,03%	0,07%
MUTUI	230	0	0,00%	0,00%	0,00%
SCADENZA	77	0	0,17%	0,01%	0,20%
REVOCA	239	0	0,13%	0,02%	0,09%
FIRMA	17	0	0,04%	0,00%	0,08%
Widiba	241	1	0,69%	0,13%	0,56%
MUTUI	194	0	0,00%	0,00%	0,00%
SCADENZA	14	0	2,54%	0,03%	3,75%
REVOCA	34	1	3,90%	0,10%	2,49%
FIRMA	0	0	0,00%	0,00%	0,00%
Altre BU	9.748	0	0,00%	0,00%	0,00%
MUTUI	0	0	0,00%	0,00%	0,00%
SCADENZA	35	0	0,08%	0,00%	0,11%
REVOCA	1.980	0	0,00%	0,00%	0,00%
FIRMA	427	0	0,00%	0,00%	0,00%
ALTRO	7.306	0	0,00%	0,00%	0,00%
Total	82.670	645	1,56%	100,00%	1,47%

Analysis inclusion area: BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included



Focus of new default 30/06/2018

Breakdown by collateral

Collateral	Stock Performing dec-2017	Default Flow jun-2018	DR (annualized)	% of total	DR (annualized) mar-2018
Dir. Corporate	33.548	267	1,59%	41,35%	1,55%
secured	6.453	106	3,29%	16,46%	2,62%
unsecured	27.096	160	1,18%	24,89%	1,29%
Dir. Retail	38.570	377	1,96%	58,49%	1,81%
secured	30.100	189	1,26%	29,34%	1,15%
unsecured	8.470	188	4,44%	29,15%	4,15%
Dir. Wealth Management	563	0	0,08%	0,03%	0,07%
secured	343	0	0,00%	0,00%	0,00%
unsecured	220	0	0,20%	0,03%	0,18%
Widiba	241	1	0,69%	0,13%	0,56%
secured	217	0	0,44%	0,07%	0,19%
unsecured	24	0	2,93%	0,05%	3,94%
Altre BU	9.748	0	0,00%	0,00%	0,00%
secured	0	0	0,00%	0,00%	0,00%
unsecured	9.748	0	0,00%	0,00%	0,00%
Total	82.670	645	1,56%	100,00%	1,47%

Analysis inclusion area: BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included



Focus of new default 30/06/2018

Breakdown by outstanding amount

Outstanding Amount	Default Flow jun-2018	% of total	Overdraft jun-2018*
Dir.Corporate	267	41,35%	491
No Overdraft	65	10,11%	0
<20k	23	3,61%	5
20k-100k	46	7,18%	7
100k-500k	74	11,44%	14
500k-1000k	15	2,28%	10
>1000k	43	6,72%	455
Dir.Retail	377	58,49%	329
No Overdraft	45	7,04%	0
<20k	205	31,86%	283
20k-100k	64	9,92%	22
100k-500k	56	8,68%	14
500k-1000k	5	0,75%	3
>1000k	2	0,24%	7
Dir.Wealth Management	0	0,03%	8
No Overdraft	0	0,00%	0
<20k	0	0,02%	7
20k-100k	0	0,02%	1
100k-500k	0	0,00%	1
500k-1000k	0	0,00%	0
>1000k	0	0,00%	0
Widiba	1	0,13%	9
No Overdraft	0	0,04%	0
<20k	1	0,08%	8
20k-100k	0	0,01%	0
100k-500k	0	0,00%	0
500k-1000k	0	0,00%	1
>1000k	0	0,00%	0
Altre BU	0	0,00%	151
No Overdraft	0	0,00%	0
<20k	0	0,00%	0
20k-100k	0	0,00%	1
100k-500k	0	0,00%	5
500k-1000k	0	0,00%	4
>1000k	0	0,00%	141
Totale complessivo	645	100,00%	988

*Overdraft was only calculated on positions that were performing in December and which remained performing in June.

Breakdown by time past due (days)

Time past due	Default Flow jun-2018	% of total
Dir.Corporate	267	41,35%
0-90	210	32,63%
90-180	36	5,58%
>180	20	3,14%
Dir.Retail	377	58,49%
0-90	249	38,54%
90-180	68	10,58%
>180	60	9,37%
Dir.Wealth Management	0	0,03%
0-90	0	0,01%
90-180	0	0,01%
>180	0	0,01%
Widiba	1	0,13%
0-90	0	0,00%
90-180	1	0,08%
>180	0	0,05%
Altre BU	0	0,00%
0-90	0	0,00%
90-180	0	0,00%
>180	0	0,00%
Totale complessivo	645	100,00%

Analysis inclusion area: BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.

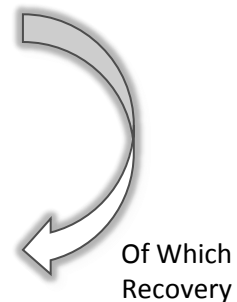
Bonds and derivatives not included



Expected Bad loans inflows in 2018

2018					
BUSINESS PLAN	Budget			Expected Bad loans inflows IH 2018	Actual Bad loans inflows IH 2018
	EAD BoP 2018	Default Rate	of which twd Bad loans (%)		
Performing	76.185	2,16%	0,33%	116	85
Past Due/IP Rete	2.062		20,71%	197	166
IP RA/IP Ristr	9.974		21,98%	1.012	582
Bad Loans	9.295			1.325	832

	Budget	Actual
Bad Loans BoP	9.295	9.295
Inflows	+1.325	+832
NPL closed files	+0	-70
Recovery (excl. Recovery on NPL Closed files)	-215	-105
Other (Default interest, Legal Fees,..)	+0	+36
Bad Loans EoP	10.405	9.989

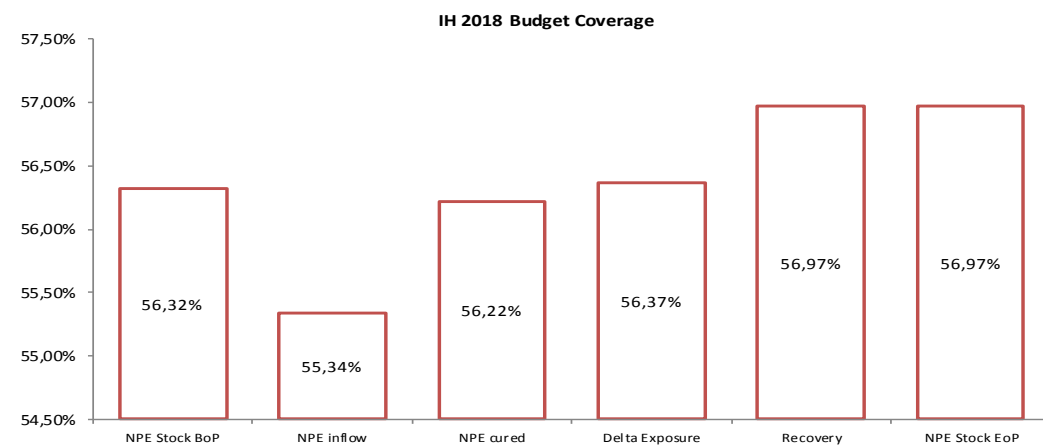
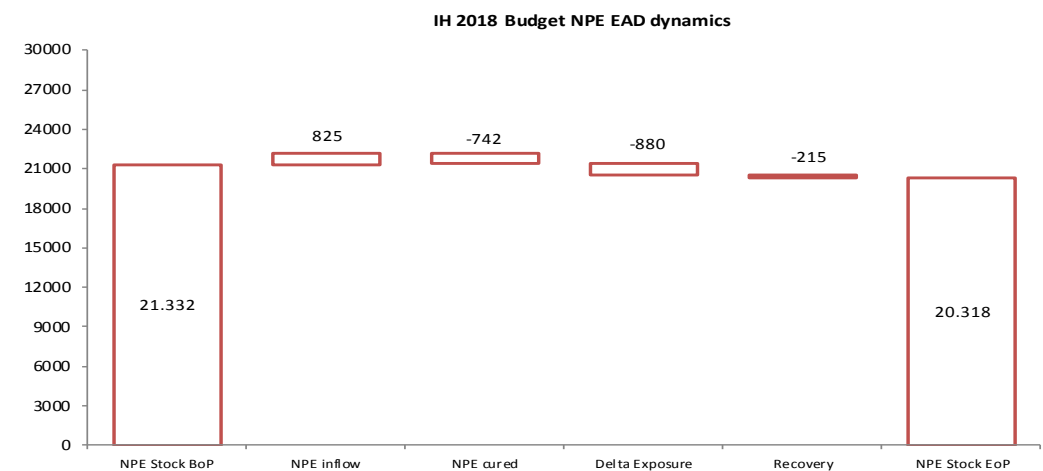


Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba - Gross exposures on balance – only loans to customers

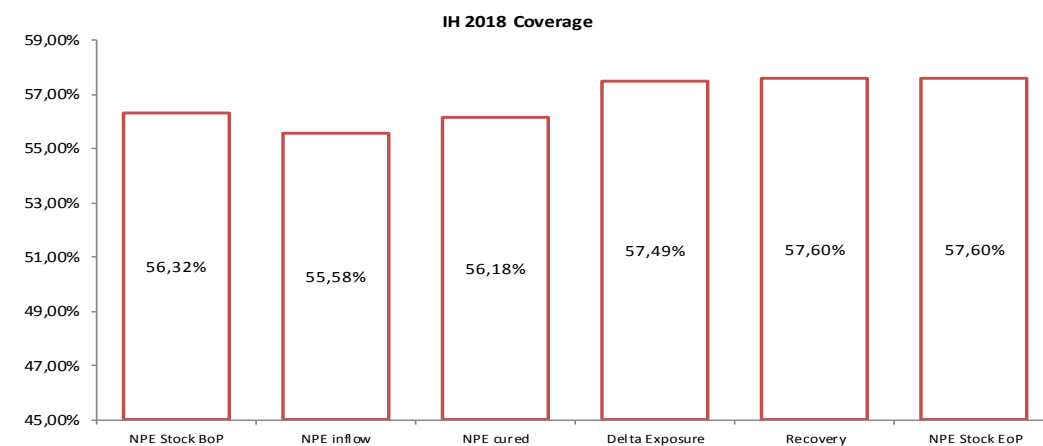
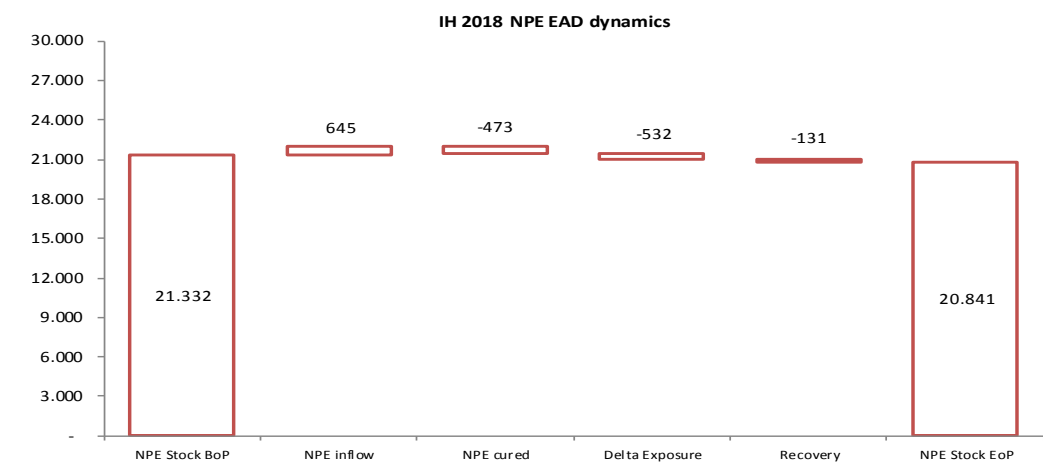


Update NPE Dynamics in 2018

BUDGET

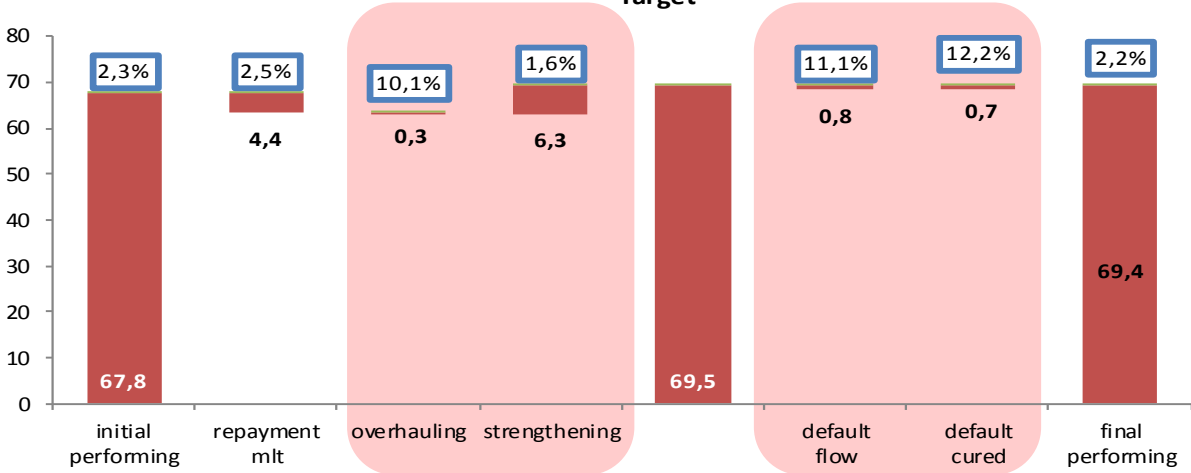


IH 2018



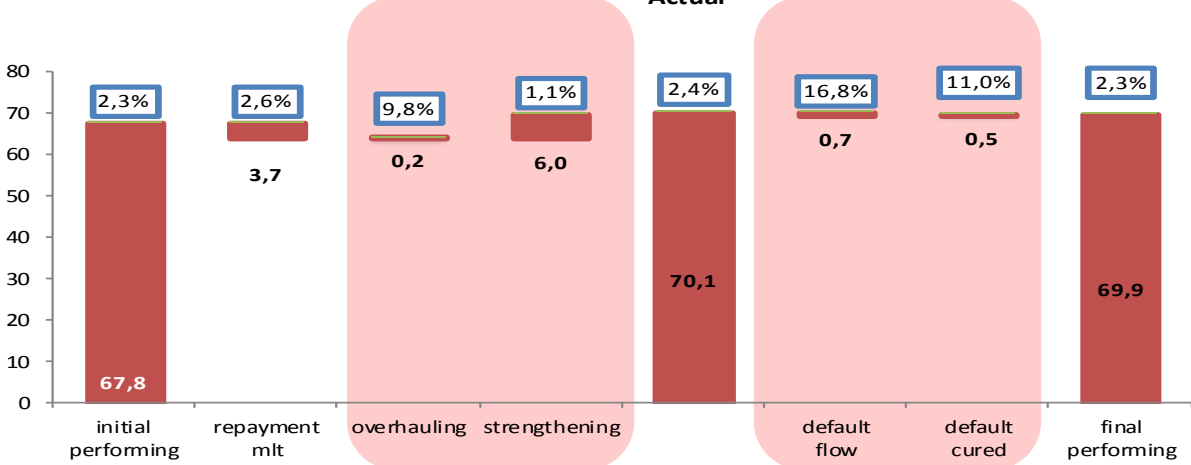
2018 Credit Policies – Targets vs Actuals to 30/06/2018

Performing Portfolio dynamics
Target



- ❑ Overhauling flow lower than expected.
- ❑ Strengthening flow lower than expected but with PD better than target.
- ❑ Default flow better than the budget.
- ❑ Default Cured lower than expected.

Performing Portfolio dynamics
Actual



eur/Mld Avg PD Focus on following pages

Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba - Gross exposures on balance – only loans to customers

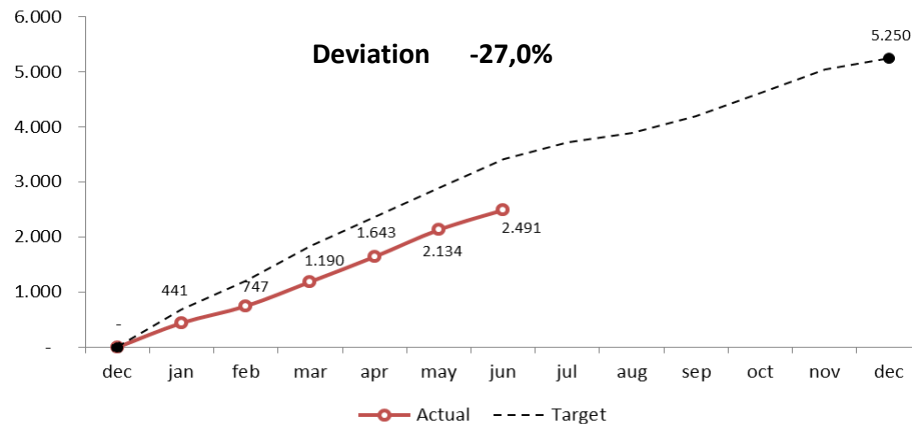


2018 Credit Policies – Strengthening and overhauling flows (1/2)

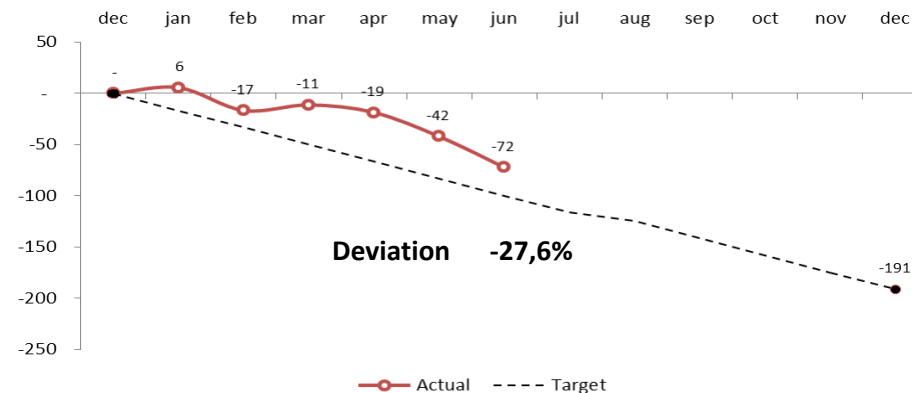
- ❑ New business part of strengthening strategies is lower than expected in Retail segment, while in Corporate segment is higher than expected.
- ❑ Overhauling positions are lower than expected in both segments.

Retail *

Strengthening

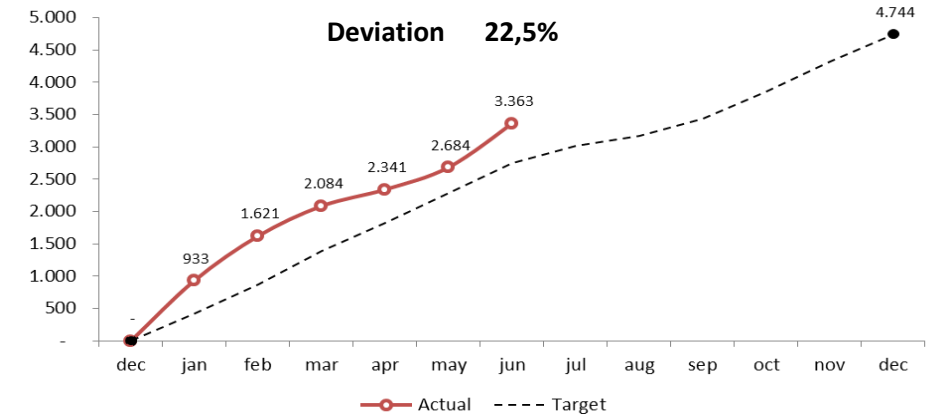


Overhauling

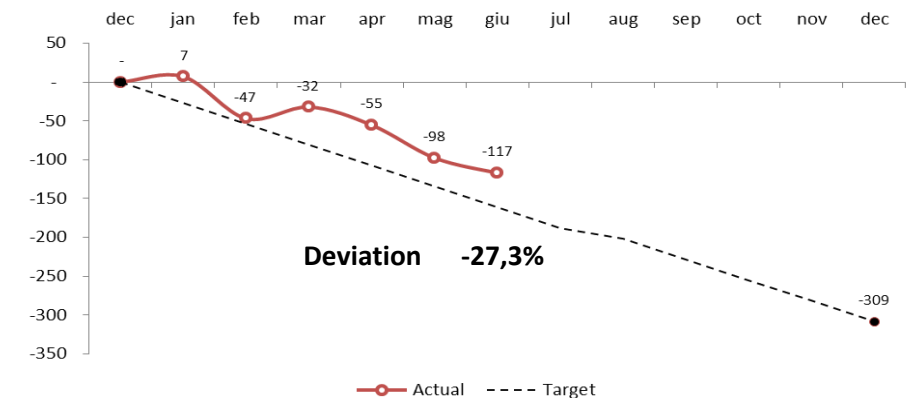


Corporate **

Strengthening



Overhauling



Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba - Gross Exposures on balance vs. ordinary customers

* Retail = Direzione Retail (Valore, Premium, Small Business)

** Corporate = Direzione Corporate (Enti, Pmi, Corporate Top, Area Large Corporate, Area Estero, MPS CS and MLS LF)

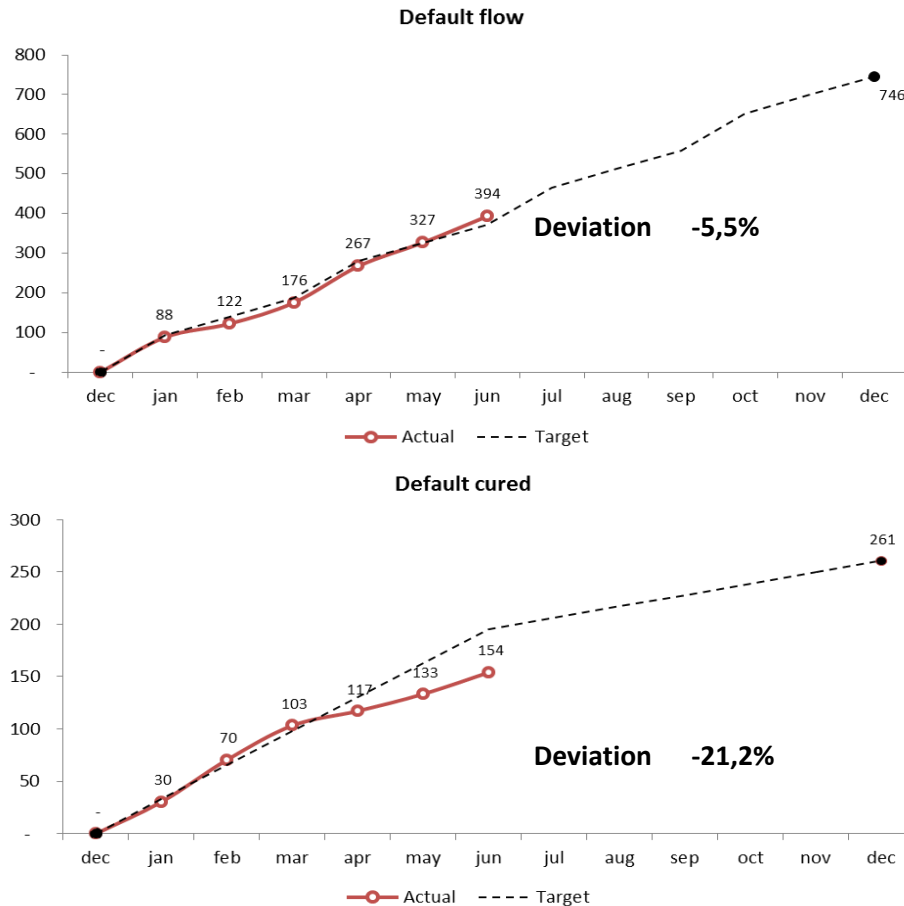


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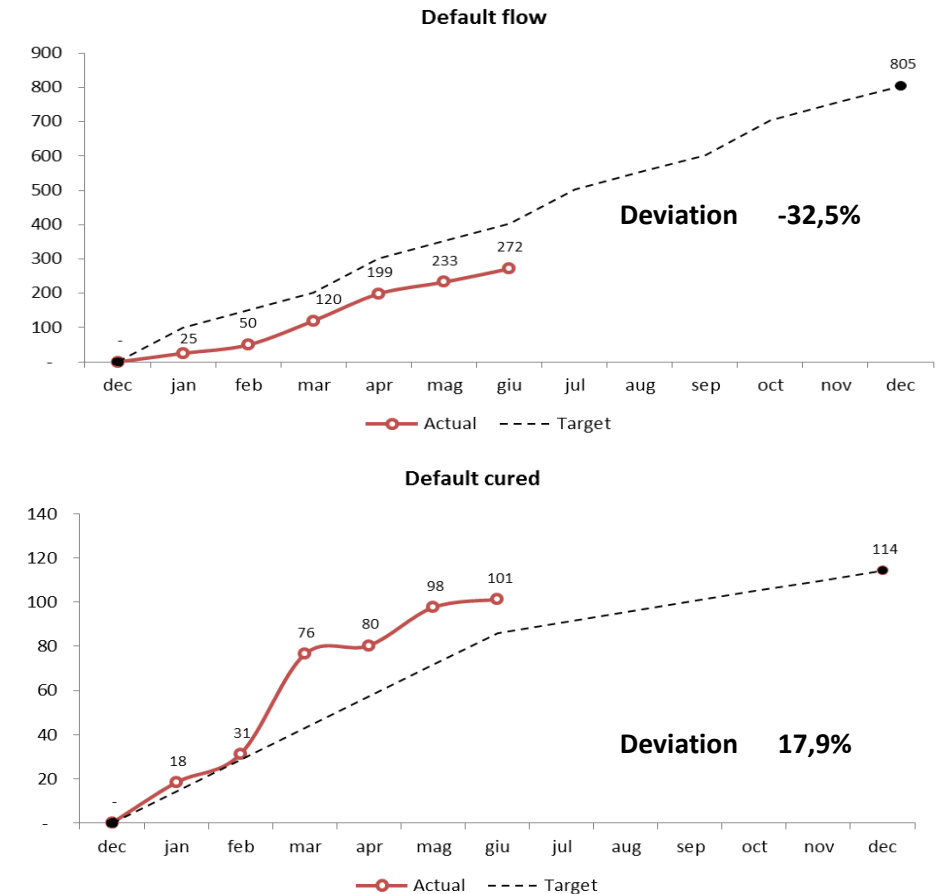
2018 Credit Policies – Default flows and cured

- ❑ Net default flow in line with that expected for the Retail segment while it is lower than expected for the Corporate segment.
- ❑ Default cure is lower than expected in Retail segment while it is higher than expected for the Corporate segment.

Retail *



Corporate **



Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba - Gross Exposures on balance vs. ordinary customers

* Retail = Direzione Retail (Valore, Premium, Small Business)

** Corporate = Direzione Corporate (Enti, Pmi, Corporate Top, Area Large Corporate, Area Estero, MPS CS and MLS LF)



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Default Flow and Default Rate - 2018

		2018				
CATEGORIES		2017/12	2018/03		2018/06	
LEVEL 1	LEVEL 2	INITIAL EAD BONIS	DEFAULT FLOW	DEFAULT RATE	DEFAULT FLOW	DEFAULT RATE
CORPORATE		27.993,8	106,2	0,38%	221,0	0,79%
	secured	5.378,1	34,0	0,63%	70,1	1,30%
	unsecured	18.547,9	65,3	0,35%	126,2	0,68%
	factoring	639,3	0,6	0,09%	1,7	0,27%
	leasing	958,5	1,4	0,15%	7,9	0,82%
	leasing immobiliare	1.108,6	4,9	0,45%	10,4	0,94%
	Project	974,5	0,0	0,00%	0,0	0,00%
	Ippe	386,9	0,0	0,00%	4,7	1,22%
RETAIL		28.858,4	88,5	0,31%	179,3	0,62%
	secured	25.577,9	56,7	0,22%	125,3	0,49%
	unsecured	3.239,1	31,3	0,97%	52,9	1,63%
	factoring	0,0	0,0	0,00%	0,0	0,00%
	leasing	32,3	0,5	1,49%	0,9	2,67%
	leasing immobiliare	9,0	0,1	1,11%	0,2	2,59%
	Ippe	0,1	0,0	0,00%	0,0	0,00%
SME		11.923,4	97,4	0,82%	211,9	1,78%
	secured	4.920,7	34,4	0,70%	67,2	1,37%
	unsecured	6.047,9	56,8	0,94%	132,0	2,18%
	factoring	49,5	0,1	0,24%	1,1	2,30%
	leasing	280,8	2,7	0,95%	5,5	1,96%
	leasing immobiliare	453,3	1,9	0,42%	4,2	0,92%
	Project	12,5	0,0	0,00%	0,0	0,00%
	Ippe	158,8	1,4	0,89%	1,8	1,13%
ALTRO		14.972,5	12,2	0,08%	32,9	0,22%
	secured	660,1	1,3	0,20%	7,5	1,14%
	unsecured	13.819,8	10,7	0,08%	6,0	0,04%
	factoring	134,5	0,0	0,00%	1,3	0,95%
	leasing	9,6	0,1	1,21%	3,4	35,40%
	leasing immobiliare	117,8	0,0	0,00%	0,9	0,74%
	Project	16,5	0,0	0,00%	0,0	0,00%
	Ippe	214,2	0,0	0,00%	13,9	6,47%
TOTAL		83.748,1	304,2	0,36%	645,1	0,77%
TARGET			412,3	0,49%	824,6	0,98%

Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included



Cure of Default and Cure Rate - 2018

2018						
CATEGORIES		2017/12	2018/03		2018/06	
LEVEL 1	LEVEL 2	INITIAL EAD NON PERFORMING (bad loans not included)	CURE FLOW	CURE RATE	CURE FLOW	CURE RATE
CORPORATE		7.516,4	94,1	1,25%	233,4	3,11%
	secured	3.097,8	23,8	0,77%	61,3	1,98%
	unsecured	3.513,7	54,6	1,55%	137,7	3,92%
	factoring	86,1	0,6	0,67%	0,8	0,97%
	leasing	202,8	2,0	0,97%	6,0	2,97%
	leasing immobiliare	271,5	3,5	1,30%	11,0	4,07%
	Project	92,8	0,0	0,00%	6,8	7,36%
	Ippe	251,5	9,7	3,84%	9,7	3,84%
RETAIL		1.453,7	80,4	5,53%	119,9	8,25%
	secured	893,8	62,6	7,01%	98,9	11,07%
	unsecured	543,8	17,6	3,24%	20,9	3,84%
	factoring	-	0,0	0,00%	0,0	0,00%
	leasing	13,7	0,1	0,93%	0,1	0,95%
	leasing immobiliare	2,5	0,0	0,00%	0,0	0,00%
SME		2.237,6	61,9	2,77%	104,1	4,65%
	secured	994,5	35,7	3,59%	70,0	7,03%
	unsecured	998,8	17,4	1,74%	24,4	2,45%
	factoring	2,3	0,9	38,31%	0,9	38,31%
	leasing	87,7	1,2	1,39%	1,5	1,75%
	leasing immobiliare	75,1	5,0	6,71%	5,6	7,46%
	Ippe	79,2	1,7	2,19%	1,7	2,19%
ALTRO		871,3	4,7	0,54%	6,9	0,79%
	secured	182,2	2,3	1,24%	2,1	1,15%
	unsecured	619,0	2,4	0,39%	4,8	0,78%
	factoring	2,2	0,0	0,67%	0,0	0,67%
	leasing	1,2	0,0	0,22%	0,0	0,00%
	leasing immobiliare	6,6	0,0	0,00%	0,0	0,00%
	Ippe	60,1	0,0	0,00%	0,0	0,00%
TOTAL		12.079,0	241,1	2,00%	464,4	3,84%
TARGET			247,4	2,05%	494,8	4,10%

Cure flow: initial amount of positions non performing (bad loans non included) at the beginning of the year and performing at the date.

Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included



Recovery of bad loans (nbv) and Recovery Rate - 2018

2018						
CATEGORIES		2017/12	2018/03		2018/06	
LEVEL 1	LEVEL 2	BAD LOANS (NBV)	RECOVERY	RECOVERY RATE	RECOVERY	RECOVERY RATE
CORPORATE		4.011,9	24,9	0,62%	74,2	1,85%
	secured	2.603,6	16,1	0,62%	52,5	2,02%
	unsecured	1.030,7	7,7	0,75%	18,8	1,82%
	factoring	31,3	0,8	2,56%	0,4	1,20%
	leasing	28,6	0,0	0,12%	0,0	0,01%
	leasing immobiliare	201,8	0,0	0,00%	0,0	0,00%
	Project	12,7	0,0	0,00%	0,2	1,68%
	Ippe	103,1	0,3	0,25%	2,3	2,23%
RETAIL		1.398,5	8,8	0,63%	24,9	1,78%
	secured	1.231,2	7,3	0,59%	22,3	1,81%
	unsecured	164,3	1,5	0,91%	2,6	1,57%
	leasing	2,3	0,0	0,00%	0,0	0,00%
	leasing immobiliare	0,7	0,0	0,00%	0,0	0,00%
SME		1.606,5	11,7	0,73%	30,2	1,88%
	secured	954,6	6,6	0,70%	19,2	2,01%
	unsecured	588,9	5,1	0,86%	10,9	1,85%
	factoring	3,4	0,0	0,02%	0,0	1,33%
	leasing	10,1	0,0	0,00%	0,0	0,00%
	leasing immobiliare	49,0	0,0	0,00%	0,0	0,00%
	Ippe	0,4	0,0	0,00%	0,0	2,98%
ALTRO		80,2	0,3	0,35%	1,5	1,90%
	secured	42,8	0,1	0,20%	1,1	2,46%
	unsecured	33,2	0,2	0,58%	0,4	1,28%
	factoring	0,0	0,0	0,00%	0,0	0,49%
	leasing	0,3	0,0	0,00%	0,0	0,00%
	leasing immobiliare	2,2	0,0	0,00%	0,0	0,00%
	Ippe	1,6	0,0	0,00%	0,0	2,60%
TOTAL		7.097,1	45,7	0,64%	130,8	1,84%
TARGET			91,3	1,29%	215,1	3,03%

Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included



Coverage on New Default - 2018

2018							
CATEGORIES		2017/12		2018/03		2018/06	
LEVEL 1	LEVEL 2	DEFAULT FLOW	COVERAGE	DEFAULT FLOW	COVERAGE	DEFAULT FLOW	COVERAGE
CORPORATE		1.213,3	38,20%	106,2	34,57%	221,0	36,18%
	secured	311,6	33,03%	34,0	20,70%	70,1	19,74%
	unsecured	800,4	40,16%	65,3	42,29%	126,2	45,63%
	factoring	2,7	32,54%	0,6	53,27%	1,7	33,50%
	leasing	44,8	48,44%	1,4	48,16%	7,9	52,09%
	leasing immobiliare	39,8	24,05%	4,9	21,87%	10,4	29,11%
	Project	0,0	0,00%	0,0	0,00%	0,0	0,00%
	Ippe	14,0	49,42%	0,0	0,00%	4,7	17,83%
RETAIL		416,0	19,18%	88,5	16,51%	179,3	18,11%
	secured	318,9	16,87%	56,7	13,75%	125,3	15,27%
	unsecured	95,4	26,88%	31,3	21,17%	52,9	24,55%
	factoring	0,0	0,00%	0,0	0,00%	0,0	0,00%
	leasing	0,3	33,93%	0,5	36,68%	0,9	31,29%
	leasing immobiliare	1,3	18,49%	0,1	30,13%	0,2	30,33%
	Ippe	0,0	0,00%	0,0	0,00%	0,0	0,00%
SME		530,9	35,65%	97,4	30,71%	211,9	36,14%
	secured	220,9	24,54%	34,4	19,13%	67,2	24,04%
	unsecured	270,7	45,32%	56,8	37,50%	132,0	42,41%
	factoring	0,1	61,00%	0,1	26,05%	1,1	15,47%
	leasing	10,9	51,24%	2,7	46,35%	5,5	46,64%
	leasing immobiliare	15,2	22,35%	1,9	26,16%	4,2	27,04%
	Project	0,0	0,00%	0,0	0,00%	0,0	0,00%
	Ippe	13,1	25,24%	1,4	17,02%	1,8	30,36%
ALTRO		33,6	39,64%	12,2	43,15%	32,9	37,65%
	secured	6,8	22,39%	1,3	23,79%	7,5	22,22%
	unsecured	24,7	45,39%	10,7	45,51%	6,0	33,36%
	factoring	2,0	26,28%	0,0	0,00%	1,3	45,00%
	leasing	0,1	53,98%	0,1	45,85%	3,4	45,78%
	leasing immobiliare	0,0	0,00%	0,0	0,00%	0,9	30,28%
	Project	0,0	0,00%	0,0	0,00%	0,0	0,00%
	Ippe	0,0	0,00%	0,0	0,00%	13,9	45,64%
TOTAL		2.193,7	34,00%	304,2	28,42%	645,1	31,22%
TARGET		2.029,4	30,25%	412,3	30,06%	824,6	30,06%

Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.

Bonds and derivatives not included



Coverage on Old Default - 2018

		2018				
LEVEL 1	CATEGORIES LEVEL 2	2017/12	2018/03		2018/06	
		INITIAL EAD DEFAULT	REMAINING DEFAULT	COVERAGE	REMAINING DEFAULT	COVERAGE
CORPORATE		27.039,6	12.005,5	55,97%	11.530,2	56,54%
	secured	11.452,6	4.836,2	50,56%	4.560,3	50,38%
	unsecured	12.869,8	4.998,8	56,17%	4.837,6	57,37%
	factoring	371,0	219,3	77,11%	218,8	78,74%
	leasing	674,8	676,9	80,87%	672,9	84,01%
	leasing immobiliare	890,6	902,5	59,91%	889,8	57,32%
	Project	147,8	97,9	49,81%	82,8	53,88%
	Ippe	633,0	273,9	58,64%	267,9	57,60%
RETAIL		5.782,8	3.021,7	52,97%	2.962,3	54,36%
	secured	3.794,9	1.597,6	31,48%	1.555,9	33,07%
	unsecured	1.934,6	1.365,4	76,91%	1.350,1	77,73%
	factoring	-	0,0	0,00%	0,0	0,00%
	leasing	49,2	53,4	83,61%	51,8	85,54%
	leasing immobiliare	4,1	5,3	51,64%	4,4	43,95%
	Ippe	-	0,0	0,00%	0,0	0,00%
SME		11.015,2	4.858,5	62,95%	4.674,9	64,36%
	secured	3.648,0	1.517,4	40,37%	1.426,0	41,42%
	unsecured	6.647,4	2.649,8	73,45%	2.590,0	74,53%
	factoring	52,2	18,8	86,30%	18,9	87,60%
	leasing	378,1	380,9	85,65%	377,5	88,33%
	leasing immobiliare	209,3	210,2	55,64%	208,9	53,68%
	Project	-	0,0	0,00%	0,0	0,00%
	Ippe	80,2	81,5	48,85%	53,6	47,81%
ALTRO		1.472,2	1.067,4	64,27%	1.028,3	64,66%
	secured	362,6	219,6	55,94%	194,6	54,17%
	unsecured	1.016,9	767,5	65,33%	753,4	66,02%
	factoring	3,2	2,3	41,52%	2,4	46,03%
	leasing	3,3	3,3	73,78%	3,3	76,99%
	leasing immobiliare	13,8	14,4	67,76%	14,4	69,46%
	Project	-	0,0	0,00%	0,0	0,00%
	Ippe	72,5	60,3	80,66%	60,3	80,45%
TOTAL		45.309,8	20.953,1	57,58%	20.195,5	58,45%
TARGET				57,13%		58,11%

Old default: amount of positions non performing both at the beginning of the year and at the date

Analysis inclusion area : BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on and off balance.
Bonds and derivatives not included



NPE Dynamics - Migration matrix

Actual (June 2018)

CATEGORIES	INITIAL STOCK	BONIS STAGE1	BONIS STAGE2	PAST DUE & IP RETE	IP	BAD LOANS
NEW	-	-	-	-	-	-
BONIS STAGE1	58.582,4	53.843,1	3.337,6	50,5	33,5	14,1
BONIS STAGE2	17.602,3	3.030,8	13.678,2	245,5	257,0	69,2
PAST DUE & IP RETE	2.061,9	10,6	238,7	1.001,8	610,6	163,4
IP	9.974,3	6,2	208,9	4,8	8.714,1	559,2
BAD LOANS	9.295,4	0,7	7,7	3,1	91,6	9.078,0
TOTAL	97.516,3	56.891,4	17.471,0	1.305,7	9.706,8	9.883,9

CATEGORIES	BONIS STAGE1	BONIS STAGE2	PAST DUE & IP RETE	IP	BAD LOANS
BONIS STAGE1	91,9%	5,7%	0,1%	0,1%	0,0%
BONIS STAGE2	17,2%	77,7%	1,4%	1,5%	0,4%
PAST DUE & IP RETE	0,5%	11,6%	48,6%	29,6%	7,9%
IP	0,1%	2,1%	0,0%	87,4%	5,6%
BAD LOANS	0,0%	0,1%	0,0%	1,0%	97,7%

Analysis inclusion area: BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on balance and off balance.
Bonds and derivatives not included



Coverage and Reclassifications

Actual (June 2018)

NPE dynamics and coverage, broken down by category

CATEGORIES	DEC 2017*			JUN 2018		
	EAD	SPECIFIC WRITE DOWN	COVERAGE	EAD	SPECIFIC WRITE DOWN	COVERAGE
PAST DUE/IP RETE	2.062	748	36,30%	1.267	437	34,49%
IP RA/IP RESTR.	9.974	4.698	47,10%	9.585	4.542	47,38%
BAD LOANS	9.295	6.567	70,65%	9.989	7.026	70,34%
TOTAL	21.332	12.014	56,32%	20.841	12.005	57,60%

NPE reclassifications and cure, broken down by category

CATEGORIES	DEC 2017*	JUN 2018			
	EAD	RECLASSIFICATION	% RICLASSIFICATION	CURED (RECOVERY)	% CURE RATE (% RECOVERY RATE)
PAST DUE/IP RETE	2.062	775	37,6%	249	12,1%
IP RA/IP RESTR.	9.974	582	5,8%	215	2,2%
BAD LOANS	9.295	-	0,0%	8	0,1%
TOTAL	21.332	1.357	6,4%	473	2,2%

* The data refers to IFRS9 FTA

Analysis inclusion area: BMPS, MPS Capital Services, MPS L&F, Widiba – Gross exposures, on balance and off balance. Bonds and derivatives not included

Reclassification:

from Past Due and IP Rete to:

from IP Rischio Anomalo and IP Restructured to:

IP Rischio Anomalo and IP Restructured
Bad Loans



MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Breakdown analysis and trends of credit quality metrics

Update to 30/06/2018 (1/2)

	A.1.7 crediti verso clientela - Gruppo MPS																						
Categories	2010		2011		2012		2013		2014		Categories	2014 prof.		2015/12		2016/12		2017/12		2018/03		2018/06	
	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov		gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov
Bonis	145.666	0,6%	133.885	0,6%	125.324	0,6%	110.885	0,6%	97.436	0,9%	Bonis	97.436	0,9%	87.878	0,8%	87.061	0,8%	76.799	0,7%	102.350	0,8%	103.616	0,8%
past due	676	6,4%	1.224	6,5%	2.924	6,4%	3.135	6,9%	1.958	13,6%	Esp.scadute	3.867	19,5%	2.834	26,1%	1.114	23,3%	520	25,6%	450	31,7%	384	32,8%
ristrutturato	1.344	7,1%	1.589	9,1%	1.638	14,2%	1.924	12,1%	2.044	23,6%	Inadempienze	17.128	32,3%	17.401	29,2%	15.247	40,3%	11.595	40,7%	10.985	45,4%	10.194	45,0%
incagli	5.088	21,1%	5.729	22,2%	7.637	21,9%	9.440	20,4%	16.993	32,7%	probabili	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%
sofferenze	12.478	56,0%	14.509	55,5%	17.330	57,9%	21.563	58,8%	24.334	65,3%	sofferenze	24.334	65,3%	26.627	63,4%	29.424	64,8%	32.967	77,2%	31.151	77,6%	9.211	69,1%
totale PE	145.666	0,6%	133.885	0,6%	125.324	0,6%	110.885	0,6%	97.436	0,9%	totale PE	97.436	0,9%	87.878	0,8%	87.061	0,8%	76.799	0,7%	102.350	0,8%	103.616	0,8%
totale NP	19.585	41,8%	23.050	41,4%	29.529	41,1%	36.062	41,8%	45.329	48,9%	totale NP	45.329	48,9%	46.862	48,5%	45.785	55,6%	45.082	67,2%	42.586	68,8%	19.789	56,0%
totale	165.252	5,5%	156.935	6,6%	154.853	8,3%	146.947	10,7%	142.765	16,2%	totale	142.765	16,2%	134.740	17,3%	132.846	19,7%	121.881	25,3%	144.936	20,8%	123.405	9,6%
	A.1.6 crediti verso banche - Gruppo MPS (L&R)																						
Categories	2010		2011		2012		2013		2014		Categories	2014 prof.		2015/12		2016/12		2017/12		2018/03		2018/06	
	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov		gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov
Bonis	9.708	0,2%	20.705	0,1%	11.236	0,2%	9.898	0,1%	7.703	0,1%	Bonis	7.703	0,1%	8.246	0,1%	8.943	0,1%	9.972	0,1%	7.374	0,1%	9.706	0,1%
past due	0	22,6%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	Esp.scadute	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%
ristrutturato	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	Inadempienze	45	42,3%	3	13,5%	1	17,8%	0	11,2%	-	0,0%	-	0,0%
incagli	41	72,0%	17	79,0%	19	73,6%	59	53,1%	45	42,3%	probabili	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%
sofferenze	48	87,4%	33	93,6%	27	93,3%	27	92,7%	40	96,5%	sofferenze	40	96,5%	72	98,0%	23	98,0%	27	87,4%	17	89,9%	17	89,4%
totale PE	9.708	0,2%	20.705	0,1%	11.236	0,2%	9.898	0,1%	7.703	0,1%	totale PE	7.703	0,1%	8.246	0,1%	8.943	0,1%	9.972	0,1%	7.374	0,1%	9.706	0,1%
totale NP	89	80,2%	50	88,7%	47	85,2%	86	65,7%	84	67,9%	totale NP	84	67,9%	75	94,6%	23	95,9%	27	87,3%	17	89,9%	17	89,4%
totale	9.796	0,9%	20.755	0,3%	11.283	0,5%	9.984	0,7%	7.787	0,8%	totale	7.787	0,8%	8.321	0,9%	8.967	0,3%	9.998	0,3%	7.391	0,3%	9.723	0,2%

* The data represented in the table up to December 2017 refer to tables A.1.6 and A.1.7 of the financial statements



Breakdown analysis and trends of credit quality metrics

Update to 30/06/2018 (2/2)

A.1.7 crediti verso clientela - Gruppo MPS												
Categories	201803		201803- secured*		201803 - unsecured		2018/06		201806- secured*		201806 - unsecured	
	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov
Bonis	102.350	0,8%	40.449	1,1%	61.901	0,7%	103.616	0,8%	40.568	1,0%	63.048	0,6%
Esposizioni scadute	450	31,7%	169	11,9%	281	43,5%	384	32,8%	140	12,7%	244	44,2%
Inadempienze probabili	10.985	45,4%	5.907	42,0%	5.079	49,4%	10.194	45,0%	5.352	40,3%	4.842	50,2%
Sofferenze	31.151	77,6%	14.240	63,6%	16.911	89,3%	9.211	69,1%	4.260	51,0%	4.950	84,6%

Totale PE	102.350	0,8%	40.449	1,1%	61.901	0,7%	103.616	0,8%	40.568	1,0%	63.048	0,6%
Totale NP	42.586	68,8%	20.315	56,9%	22.271	79,6%	19.789	56,0%	9.752	44,6%	10.037	67,0%

Totale	144.936	20,8%	60.764	19,7%	84.172	21,6%	123.405	9,6%	50.321	9,5%	73.085	9,8%
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A.1. 6 crediti verso banche - Gruppo MPS												
Categories	201803		201803- secured*		201803 - unsecured		2018/06		201806- secured*		201806 - unsecured	
	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov	gbv	% cov
Bonis	7.374	0,1%	1	0,0%	7.373	0,1%	9.706	0,1%	1	0,0%	9.705	0,1%
Esposizioni scadute	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%
Inadempienze probabili	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%
Sofferenze	17	89,9%	-	0,0%	17	89,9%	17	89,4%	-	0,0%	17	89,4%

Totale PE	7.374	0,1%	1	0,0%	7.373	0,1%	9.706	0,1%	1	0,0%	9.705	0,1%
Totale NP	17	89,9%	-	0,0%	17	89,9%	17	89,4%	-	0,0%	17	89,4%

Totale	7.391	0,3%	1	0,0%	7.390	0,3%	9.723	0,2%	1	0,0%	9.722	0,2%
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* secured = leasing or financial collateral or real estate collateral

A.1.7 crediti verso clientela - Gruppo MPS						
Categories	CORPORATE			RETAIL		
	gbv	% cov	ltv	gbv	% cov	ltv
Bonis	9.986	2,4%	50,7%	26.025	0,3%	53,3%
Esposizioni scadute	58	13,5%	42,4%	65	8,5%	48,6%
Inadempienze probabili	3.762	41,5%	67,4%	638	23,3%	58,1%
Sofferenze	2.264	49,2%	81,1%	922	32,5%	64,5%
Totale PE	9.986	2,4%	50,7%	26.025	0,3%	53,3%
Totale NP	6.084	44,1%	72,3%	1.625	27,9%	61,4%
Totale	16.070	18,2%	58,9%	27.650	2,0%	53,8%

of which

A.1.7 crediti verso clientela - Gruppo MPS			
Categories	201806-real estate collateral *		
	gbv	% cov	ltv
Bonis	36.766	0,9%	52,7%
Esposizioni scadute	123	10,9%	45,7%
Inadempienze probabili	4.641	39,6%	66,7%
Sofferenze	3.211	44,7%	76,1%

Totale PE	36.766	0,9%	52,7%
Totale NP	7.976	41,2%	70,2%

Totale	44.742	8,1%	55,8%
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* Leasing not included; Collateral Value= lower between original appraisal and mortgage; LTV<10

of which



Recovery breakdown – update to 30/06/2018* (1/2)

default year	CORPORATE				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
<i>before 1999</i>	7.398,8	52,8%	175,3	57,8%	97,7%
1999	953,0	44,0%	26,2	49,1%	97,3%
2000	624,6	51,7%	43,0	30,0%	93,6%
2001	921,6	46,4%	137,5	46,6%	87,0%
2002	819,3	44,4%	64,5	40,3%	92,7%
2003	1.608,3	35,0%	118,0	31,6%	93,2%
2004	1.207,7	42,2%	154,1	25,4%	88,7%
2005	1.088,7	44,5%	154,3	29,3%	87,6%
2006	1.039,6	42,5%	115,4	28,3%	90,0%
2007	1.023,9	40,5%	135,3	22,4%	88,3%
2008	1.395,3	34,5%	195,3	25,2%	87,7%
2009	1.691,6	30,0%	218,4	19,6%	88,6%
2010	1.378,3	27,0%	258,0	15,5%	84,2%
2011	1.667,4	26,5%	274,1	14,7%	85,9%
2012	2.304,1	25,3%	318,6	11,4%	87,9%
2013	2.890,4	25,6%	442,2	10,3%	86,7%
2014	2.571,3	29,1%	453,3	9,3%	85,0%
2015	3.488,6	31,5%	452,7	7,4%	88,5%
2016	3.241,5	30,1%	467,7	4,9%	87,4%
2017	40,1	60,4%	2.712,0	2,3%	1,5%
2018	0,7	68,4%	457,3	1,0%	0,1%
Total	37.354,7	37,0%	7.373,2	11,2%	83,5%

default year	RETAIL				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
<i>before 1999</i>	1.026,4	77,6%	25,2	70,7%	97,6%
1999	186,3	62,2%	3,2	67,5%	98,3%
2000	143,5	65,2%	3,1	90,4%	97,9%
2001	165,5	62,3%	6,1	65,9%	96,5%
2002	153,2	60,6%	8,3	56,4%	94,9%
2003	201,8	56,9%	13,2	53,9%	93,9%
2004	233,2	60,8%	46,8	29,0%	83,3%
2005	270,3	55,7%	58,6	25,6%	82,2%
2006	242,5	62,7%	57,1	24,8%	80,9%
2007	202,4	61,4%	72,2	24,4%	73,7%
2008	165,2	56,5%	53,5	26,1%	75,5%
2009	237,9	56,0%	59,0	29,1%	80,1%
2010	218,0	52,8%	40,4	34,5%	84,4%
2011	201,2	54,2%	30,1	26,5%	87,0%
2012	308,7	52,4%	40,4	24,2%	88,4%
2013	281,0	48,8%	50,6	10,4%	84,7%
2014	252,7	43,9%	46,9	7,6%	84,3%
2015	389,7	43,5%	80,4	4,4%	82,9%
2016	689,9	42,8%	153,4	1,7%	81,8%
2017	16,2	70,3%	807,6	1,8%	2,0%
2018	0,0	47,7%	116,0	0,7%	0,0%
Total	5.585,6	57,7%	1.771,9	10,8%	75,9%

area	CORPORATE				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
North	14.081,6	34,2%	2.466,1	11,8%	85,1%
Central	13.829,7	39,6%	2.946,1	11,8%	82,4%
South and Islands	9.357,1	37,4%	1.914,7	9,2%	83,0%
Other	86,3	30,6%	46,4	17,4%	65,0%
Total	37.354,7	37,0%	7.373,2	11,2%	83,5%

area	RETAIL				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
North	2.129,3	58,0%	558,7	14,0%	79,2%
Central	1.772,1	59,5%	599,8	10,8%	74,7%
South and Islands	1.660,7	55,5%	604,8	8,0%	73,3%
Other	23,4	48,7%	8,6	9,0%	73,2%
Total	5.585,6	57,7%	1.771,9	10,8%	75,9%

* files classified as *sofferenza* but not still open in recovery process applications (AMCZ/EPC) are not included



Recovery breakdown – update to 30/06/2018* (2/2)

exposure class	CORPORATE				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
0-20.000	664,6	52,8%	177,7	6,5%	78,9%
20.000-100.000	3.705,5	46,8%	978,0	8,8%	79,1%
over 100.000	32.984,6	35,6%	6.217,5	11,7%	84,1%
Total	37.354,7	37,0%	7.373,2	11,2%	83,5%

exposure class	RETAIL				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
0-20.000	785,7	56,5%	270,4	3,4%	74,4%
20.000-100.000	1.426,8	64,7%	579,1	9,4%	71,1%
over 100.000	3.373,0	55,0%	922,4	13,9%	78,5%
Total	5.585,6	57,7%	1.771,9	10,8%	75,9%

collateral	CORPORATE				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
Secured	13.401,2	47,8%	3.578,1	10,9%	78,9%
Unsecured	23.953,5	31,0%	3.795,1	11,5%	86,3%
Total	37.354,7	37,0%	7.373,2	11,2%	83,5%

collateral	RETAIL				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
Secured	3.209,7	60,2%	906,8	8,4%	78,0%
Unsecured	2.375,9	54,3%	865,2	13,4%	73,3%
Total	5.585,6	57,7%	1.771,9	10,8%	75,9%

sector	CORPORATE				
	closed		active		% closed to total
	ead (mln)	recovery rate	ead (mln)	recovery rate	
Agriculture	1.630,3	50,8%	652,1	10,7%	71,4%
Commerce	7.059,5	34,8%	1.051,6	9,8%	87,0%
Construction	7.404,0	34,9%	1.450,4	9,5%	83,6%
Manufacture	11.454,3	35,3%	1.470,0	14,6%	88,6%
Services	9.085,7	39,3%	1.659,5	8,1%	84,6%
not available	720,9	47,8%	1.089,7	15,1%	39,8%
Total	37.354,7	37,0%	7.373,2	11,2%	83,5%

* files classified as *sofferenza* but not still open in recovery process applications (AMCZ/EPC) are not included



Appendix



Appendix – Regulatory Counterparty Default Risk (1/9)

Analysis for MPS Group: breakdown by credit model

	31/03/2018			30/06/2018		
	EAD ante CRM	EAD post CRM	RWA	EAD ante CRM	EAD post CRM	RWA
AIRB	462.23	370.98	362.52	716.17	390.03	375.65
Esposizioni verso o garantite da imprese: PMI	180.54	180.54	154.68	148.72	148.72	156.35
Esposizioni verso o garantite da imprese: altre imprese	263.31	172.07	201.55	531.80	205.67	212.12
Esposizioni al dettaglio: Altre esposizioni al dettaglio PMI	18.37	18.37	6.29	35.65	35.65	7.17
Esposizioni al dettaglio: Altre esposizioni al dettaglio Persone fisiche	0.00	0.00	0.00	0.00	0.00	0.00
Standard	27,404.05	3,541.12	1,007.70	22,676.65	3,547.67	908.15
Amministrazioni centrali e banche centrali	2.00	2.00	1.62	2.72	2.72	2.38
Intermediari vigilati	26,336.52	3,261.61	738.45	21,553.47	3,292.41	664.40
Amministrazioni regionali o autorità locali	11.82	11.82	2.36	13.53	13.53	2.71
Imprese e altri soggetti	1,042.91	254.89	254.36	1,096.81	228.90	228.48
Esposizioni verso organismi di investimento collettivo del risparmio (O.I.C.R.)	2.65	2.65	2.65	2.31	2.31	2.31
Organismi del settore pubblico	7.08	7.08	7.08	6.97	6.97	6.97
Esposizioni in stato di default	1.06	1.06	1.17	0.84	0.84	0.90
Esposizioni al dettaglio	0.00	0.00	0.00	0.00	0.00	0.00
Total	27,866.28	3,912.10	1,370.22	23,392.82	3,937.71	1,283.80

	31/03/2018			30/06/2018		
	EAD ante CRM	EAD post CRM	RWA	EAD ante CRM	EAD post CRM	RWA
Derivatives / LST	3,867.92	2,273.56	879.07	4,077.67	2,439.50	901.03
Standard	3,497.98	1,903.61	518.41	3,719.44	2,081.27	540.78
AIRB	369.95	369.95	360.65	358.23	358.23	360.24
SFT	23,998.36	1,638.54	491.16	19,315.15	1,498.21	382.77
Standard	23,906.07	1,637.50	489.29	18,957.21	1,466.40	367.37
AIRB	92.28	1.04	1.86	357.94	31.81	15.41
Total	27,866.28	3,912.10	1,370.22	23,392.82	3,937.71	1,283.80



Appendix – Regulatory Counterparty Default Risk (2/9)

OTC derivatives and LST: breakdown by product

30/06/2018		
Standard		
	EAD post CRM	RWA
TASSI DI INTERESSE	939.32	204.29
ASSET SWAP	37.17	23.02
BASIS SWAP	1.58	1.54
FUTURES SU TASSI DI INTERESSE	5.01	0.20
INTEREST RATE SWAP	776.82	127.72
SWAPTION	17.58	8.06
OPZIONI SU TASSI DI INTERESSE	101.16	43.76
CURRENCY BASIS SWAP VALUTA/EURO - VENDITE	-	-
OPZIONI FUTURES TASSI DI INTERESSE	-	-
CREDITO	228.23	131.09
CREDIT DEFAULT OPTION	109.34	54.67
CREDIT DEFAULT SWAP	118.33	76.31
SYNTHETIC COLLATERALIZED DELIVERABLE OBLIGATION	0.56	0.11
TOTAL RETURN SWAP	-	-
AZIONI	850.03	188.19
EQUITY SWAP	43.41	32.57
FUTURES SU TITOLI DI CAPITALE	37.31	1.47
OPZIONI FUTURES TITOLI DI CAPITALE	-	-
OPZIONI SU TITOLI DI CAPITALE	769.30	154.14
CAMBIO O ORO	20.46	7.67
CROSS CURRENCY SWAP	0.19	0.10
OPZIONI SU VALUTA	0.58	0.02
SPOT FORWARD	0.91	0.46
VALUTA DA CONSEGNARE CONTRO € A TERMINE	11.97	2.75
VALUTA DA RICEVERE CONTRO € A TERMINE	3.46	3.09
VALUTA DA RICEVERE CONTRO VALUTA A TERMINE	1.45	0.31
OPZIONI SU ORO	-	-
MERCI	38.56	4.86
FUTURES SU COMMODITY	25.73	0.26
OPZIONI SU COMMODITIES	12.83	4.60
SWAP SU MERCI VENDITE	-	-
CATEGORIA RESIDUALE	4.68	4.68
CONTRATTI DERIVATI SCADUTI IMPAGATI	-	-
DIFFERENZIALI SCADUTI DI DERIVATI IN ESSERE	-	-
SOFFERENZE CREDITORI PER CONTRATTI DERIVATI	-	-
Total	2,081.27	540.78

30/06/2018		
AIRB		
	EAD post CRM	RWA
TASSI DI INTERESSE	211.83	280.84
BASIS SWAP	14.02	12.87
INTEREST RATE SWAP	186.04	255.09
OPZIONI SU TASSI DI INTERESSE	11.77	12.89
TITOLI DA CONSEGNARE VENDITA	-	-
TITOLI DA RICEVERE - ACQUISTI	-	-
CAMBIO O ORO	49.17	36.41
OPZIONI SU ORO	-	-
OPZIONI SU VALUTA CONTRO € ACQUISTI	11.68	8.55
OPZIONI SU VALUTA CONTRO VALUTA ACQUISTI	-	-
VALUTA DA CONSEGNARE CONTRO € A TERMINE	27.70	21.54
VALUTA DA RICEVERE CONTRO € A TERMINE	9.72	6.21
VALUTA DA RICEVERE CONTRO VALUTA A TERMINE	0.07	0.11
MERCI	51.19	42.10
OPZIONI SU COMMODITIES	5.36	4.50
SWAP SU MERCI ACQUISTI	33.70	28.18
SWAP SU MERCI VENDITE	12.13	9.42
AZIONI	0.00	0.00
OPZIONI SU TITOLI DI CAPITALE	0.00	0.00
CATEGORIA RESIDUALE	46.04	0.90
CONTRATTI DERIVATI SCADUTI IMPAGATI	2.74	-
DIFFERENZIALI SCADUTI DI DERIVATI IN ESSERE	5.38	0.90
SOFFERENZE CREDITORI PER CONTRATTI DERIVATI	37.92	-
Total	358.23	360.24



Appendix – Regulatory Counterparty Default Risk (3/9)

SFT: breakdown by product

30/06/2018		
Standard		
	EAD post CRM	RWA
PRONTI CONTRO TERMINE ATTIVI CON ENTI CREDITIZI	28.57	10.48
PRONTI CONTRO TERMINE ATTIVI CON CLIENTELA ORD	90.76	1.82
TITOLI A FRONTE DI PRONTI C/TERMINE PASSIVI	908.18	225.96
VALORI A GARANZIA DEI TITOLI RICEVUTI IN PRESTITO	438.90	129.11
Total	1,466.40	367.37

30/06/2018		
AIRB		
	EAD post CRM	RWA
PRONTI CONTRO TERMINE ATTIVI CON CLIENTELA ORD	31.81	15.41
TITOLI A FRONTE DI PRONTI C/TERMINE PASSIVI	-	-
Total	31.81	15.41

Analysis for MPS Group: breakdown by rating

30/06/2018		
Standard		
	EAD post CRM	RWA
Rating AAA/AA	90.27	18.05
Rating A	1,999.13	334.88
Rating BBB	860.73	278.81
Rating BB	1.04	1.04
Rating B	0.00	0.00
Rating CCC	0.00	0.00
Not rated	596.51	275.37
Total	3,547.67	908.15

30/06/2018		
AIRB		
	EAD post CRM	RWA
Rating AAA/AA	0.89	0.14
Rating A	10.96	3.58
Rating BBB	85.32	51.25
Rating BB	164.04	165.18
Rating B	67.20	121.43
Rating CCC	9.46	27.06
Default	52.17	7.02
Total	390.03	375.66



Appendix – Regulatory Counterparty Default Risk (4/9)

Main counterparties: OTC derivatives

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS	Standard	CREDIT AGRICOLE CORPORATE AND IN	22.24	10.40
MPS	Standard	BANCA IFIS S.P.A.	9.14	9.14
MPS	Standard	J.P. MORGAN SECURITIES PLC	11.34	5.67
MPS	Standard	ROYAL BANK OF SCOTLAND P.L.C.	11.17	5.58
MPS	Standard	POLITECNICO DI TORINO	4.63	4.63
			58.51	35.42

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS CS	Standard	DEUTSCHE BANK AG	71.89	35.95
MPS CS	Standard	J.P. MORGAN SECURITIES PLC	67.14	33.57
MPS CS	Standard	GOLDMAN SACHS INTERNATIONAL	61.85	30.93
MPS CS	Standard	ANIMA ORIZZONTE SOSTENIBILE 2023	27.88	27.88
MPS CS	Standard	MERRILL LYNCH INTERNATIONAL CLEA	642.00	25.68
			870.76	154.00

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS	AIRB	REAL ESTATE SERVICES S.P.A.	12.63	22.93
MPS	AIRB	SPIGAS S.R.L.	12.92	10.97
MPS	AIRB	HB TRADING SOCIETA' PER AZIONI A	13.16	9.20
MPS	AIRB	GIUNTI EDITORE S.P.A.	5.08	8.04
MPS	AIRB	CIMOLAI S.P.A.	10.06	7.33
			53.87	58.47

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS CS	AIRB	STRADA DEI PARCHI SPA	8.67	24.83
MPS CS	AIRB	METRO 5 SOCIETA' PER AZIONI IN B	7.51	22.67
MPS CS	AIRB	POSTE ITALIANE SPA	19.40	17.66
MPS CS	AIRB	TRAM DI FIRENZE S.P.A.	10.77	14.01
MPS CS	AIRB	RETE RINNOVABILE S.R.L	7.09	8.20
			53.43	87.38



Appendix – Regulatory Counterparty Default Risk (5/9)

Main counterparties: SFT

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS	Standard	BANCA IMI S.P.A.	354.77	112.02
MPS	Standard	ROYAL BANK OF SCOTLAND P.L.C.	314.93	81.31
MPS	Standard	BANCO SANTANDER SA	106.21	53.10
MPS	Standard	SOCIETE GENERALE	126.55	48.31
MPS	Standard	J.P. MORGAN SECURITIES PLC	65.35	13.07
			967.81	307.82

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS	AIRB	0	0.00	0.00
			0.00	0.00

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS CS	Standard	J.P. MORGAN SECURITIES PLC	85.94	23.92
MPS CS	Standard	MEDIOBANCA -BANCA DI CREDITO FIN	34.73	6.95
MPS CS	Standard	BANCA ALPI MARITTIME - CREDITO C	3.96	3.96
MPS CS	Standard	CASSA COMPENSAZIONE GARANZIA	137.16	2.74
MPS CS	Standard	BANCA MACERATA SPA	8.11	1.62
			269.91	39.20

30/06/2018				
ENTITY	MODEL	COUNTERPARTY	EAD post CRM	RWA
MPS CS	AIRB	POSTE ITALIANE SPA	29.20	11.24
MPS CS	AIRB	UNICOOP TIRRENO SOCIETA' COOPERA	1.74	3.28
MPS CS	AIRB	COOP CENTRO ITALIA SOC. COOP. AR	0.81	0.85
MPS CS	AIRB	UNIONE AMIATINA, SOCIETA' COOPER	0.05	0.04
			31.81	15.41



Appendix – Regulatory Counterparty Default Risk (6/9)

Main counterparties «Intermediari Vigilati»: breakdown for group

Group: SFT

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS	CASSA DI COMPENSAZIONE E GARANZI	5,059.58	169.70	8.55	4,992.70	Liquidity
MPS	BANCA IMI S.P.A.	1,554.22	354.77	112.02	1,297.21	Liquidity
MPS	SOCIETE GENERALE	974.33	126.55	48.31	850.27	Liquidity
MPS	ROYAL BANK OF SCOTLAND P.L.C.	959.98	314.93	81.31	654.84	Liquidity
MPS	BANCO SANTANDER SA	806.21	106.21	53.10	700.00	Liquidity
MPS	J.P. MORGAN SECURITIES PLC	378.93	65.35	13.07	342.01	Liquidity
MPS	GOLDMAN SACHS INTERNATIONAL	349.26	40.74	8.15	329.30	Liquidity
MPS	CREDIT AGRICOLE CORPORATE AND IN	30.11	0.63	0.13	29.48	Liquidity
		10,112.61	1,178.88	324.64	9,195.82	

Group: Derivatives & LST

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS	COMMERZBANK AG	60.59	6.29	3.15	54.30	Trading
MPS	STANDARD CHARTERED BANK LTD OPER	35.27	35.27	0.71	0.00	Trading
MPS	CREDIT AGRICOLE CORPORATE AND IN	22.24	22.24	10.40	0.00	Trading
MPS	HSBC BANK P.L.C.	17.96	17.96	3.59	0.00	Trading
MPS	DZ BANK AG DEUTSCHE ZENTRAL GENO	17.02	1.19	0.24	15.83	Trading
MPS	BARCLAYS BANK PLC	16.73	1.03	0.21	15.70	Trading
MPS	BANCA IMI S.P.A.	15.05	3.55	1.78	11.50	Trading
MPS	NOMURA INTERNATIONAL PLC	12.87	6.69	1.34	6.18	Trading
MPS	J.P. MORGAN SECURITIES PLC	11.34	11.34	5.67	0.00	Trading
MPS	BANCA IFIS S.P.A.	9.14	9.14	9.14	0.00	Trading
		218.20	114.69	36.20	103.50	

Group: SFT

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS CS	CASSA COMPENSAZIONE GARANZIA	7,439.41	137.16	2.74	7,408.77	Liquidity
MPS CS	J.P. MORGAN SECURITIES PLC	470.49	85.94	23.92	412.07	Trading
MPS CS	BANCA ALPI MARITTIME - CREDITO C	329.26	3.96	3.96	325.30	Trading
MPS CS	MEDIOBANCA -BANCA DI CREDITO FIN	191.79	34.73	6.95	180.39	Trading
MPS CS	SOCIETE GENERALE	124.27	7.80	1.56	120.64	Trading
MPS CS	BANCA MACERATA SPA	117.31	8.11	1.62	109.20	Trading
MPS CS	BNP PARIBAS SA	108.84	5.09	1.02	108.01	Trading
MPS CS	CREDIT AGRICOLE CORPORATE AND IN	44.99	2.18	0.44	44.54	Trading
MPS CS	BANCA IMI S.P.A.	9.11	1.44	0.29	8.71	Trading
MPS CS	HSBC BANK P.L.C.	6.79	0.93	0.19	6.54	Trading
		8,842.27	287.36	42.69	8,724.16	

Group: Derivatives & LST

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS CS	MERRILL LYNCH INTERNATIONAL CLEA	642.00	642.00	25.68	-	Trading
MPS CS	MORGAN STANLEY E CO INTERNATIONA	460.12	320.08	6.40	140.04	Trading
MPS CS	BARCLAYS BANK OPERATIVITA CLEARI	157.88	149.29	2.99	8.59	Trading
MPS CS	JPMORGAN CHASE BANK NATIONAL ASS	134.39	54.27	10.85	80.11	Trading
MPS CS	GOLDMAN SACHS INTERNATIONAL	121.96	61.85	30.93	60.11	Trading
MPS CS	MERRILL LYNCH INTERNATIONAL OPER	98.07	93.09	1.86	4.98	Trading
MPS CS	BANK OF AMERICA NA	92.18	23.68	11.84	68.50	Trading
MPS CS	J.P. MORGAN SECURITIES PLC	84.51	67.14	33.57	17.37	Trading
MPS CS	DEUTSCHE BANK AG	71.89	71.89	35.95	-	Trading
MPS CS	COMMERZBANK AG	44.41	13.05	6.52	31.36	Trading
		1,907.42	1,496.36	166.59	411.06	

Legenda

For SFT Group "CRM" column is equal to start cash amount or fair value of underlying security

For Derivati & LST Group "CRM" column is equal to received cash or asset under CSA contract

“Note” column contains the purpose of the positions



Appendix – Regulatory Counterparty Default Risk (7/9)

Main counterparties «Imprese e altri soggetti»: breakdown for group

Group: SFT

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS	null	null	null	null	null	null
		-	-	-	-	

Group: Derivatives & LST

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS	CGIL DI ROMA E DEL LAZIO	2.95	2.95	2.95	0.00	Hedging
MPS	TRANSGRAIN FRANCE SAS	0.68	0.68	0.68	0.00	Hedging
MPS	EUROPA INVESTIMENTI S.R.L.	0.63	0.63	0.63	0.00	Hedging
MPS	BOSCOGRANDE S.N.C. DI PALLADIUM	0.49	0.49	0.37	0.00	Hedging
MPS	ILEMAR S.R.L.	0.37	0.37	0.28	0.00	Hedging
MPS	IL DOLMEN S.R.L.	0.33	0.33	0.33	0.00	Hedging
MPS	CONFESERCENTI CONFEDERAZIONE ITA	0.28	0.28	0.28	0.00	Hedging
MPS	3V SPA	0.24	0.24	0.24	0.00	Hedging
MPS	ITALIANA ALIMENTI S.P.A.	0.19	0.19	0.19	0.00	Hedging
MPS	ANAF SPA	0.17	0.17	0.13	0.00	Hedging
		6.32	6.32	6.07	-	

Group: SFT

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS CS	BARCLAYS CAPITAL SECURITIES LIM	0.80	0.00	0.00	0.88	Trading
		0.80	0.00	0.00	0.88	

Group: Derivatives & LST

30/06/2018						
ENTITY	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	CRM	Note
MPS CS	AXA IM DEIS 3	181.82	25.35	25.35	156.48	Trading
MPS CS	RAINBOW XXXI	155.95	16.86	16.86	139.09	Trading
MPS CS	AXA IM DEIS 4	83.99	1.74	1.74	82.25	Trading
MPS CS	ANIMA ORIZZONTE SOSTENIBILE 2023	83.08	27.88	27.88	55.20	Trading
MPS CS	RAINBOW FUND XXXIII	72.69	2.21	2.21	70.48	Trading
MPS CS	RAINBOW XXVI	55.16	11.74	11.74	43.42	Trading
MPS CS	AXA IM DEIS 2	51.97	1.94	1.94	50.03	Trading
MPS CS	RAINBOW XXIX	48.99	10.85	10.85	38.14	Trading
MPS CS	ANIMA BRIGHTVIEW 2023 II	48.74	10.76	10.76	37.98	Trading
MPS CS	RAINBOW XXVIII	42.98	6.90	6.90	36.08	Trading
		825.36	116.21	116.21	709.15	

Legenda

For SFT Group "CRM" column is equal to start cash amount or fair value of underlying security

For Derivati & LST Group "CRM" column is equal to received cash or asset under CSA contract

"Note" column contains the purpose of the positions



Appendix – Regulatory Counterparty Default Risk (8/9)

All counterparties with EAD ante CRM > 500 mln€

Group: SFT

30/06/2018							
Group	ENTITY	Model	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	Note
SFT	MPS	Standard	CASSA DI COMPENSAZIONE E GARANZI	5,059.58	169.70	8.55	Liquidity
SFT	MPS	Standard	BANCA IMI S.P.A.	1,554.22	354.77	112.02	Liquidity
SFT	MPS	Standard	SOCIETE GENERALE	974.33	126.55	48.31	Liquidity
SFT	MPS	Standard	ROYAL BANK OF SCOTLAND P.L.C.	959.98	314.93	81.31	Liquidity
SFT	MPS	Standard	BANCO SANTANDER SA	806.21	106.21	53.10	Liquidity

30/06/2018							
Group	ENTITY	Model	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	Note
SFT	MPS CS	Standard	CASSA COMPENSAZIONE GARANZIA	7,439.41	137.16	2.74	Liquidity

Group: Derivati & LST

30/03/2018							
Group	ENTITY	Model	COUNTERPARTY	EAD ante CRM	EAD post CRM	RWA	Note
Derivati & LST	MPS CS	Standard	MERRILL LYNCH INTERNATIONAL CLEA	616.38	616.38	24.66	Trading



Appendix – Regulatory Counterparty Default Risk (9/9)

Group SFT and Balance Sheet

30/06/2018			
Product	Balance Sheet	EAD ante CRM	Type of value
Prestito Titoli	Off	1,757.60	
PCT Attivo	On	12,030.21	Start cash amount
PCT Passivo	On	23,715.19	Current dirty price of underlying securities with the regulatory haircut
		37,503.00	

ATTIVO				
Item	Description	Note	Value	Type of value
Voce 20	Attività finanziarie detenute per la negoziazione	Item for PCT di MPS CS	0.00	Start cash amount including the accrued interest of repo rate
Voce 60	Crediti verso banche	Item for PCT di MPS	6,259.72	Start cash amount including the accrued interest of repo rate
Voce 60	Crediti verso banche	Item for PCT di MPSCS	3,526.68	Start cash amount including the accrued interest of repo rate
Voce 70	Crediti verso clientela	Item for PCT di MPS	733.96	Start cash amount including the accrued interest of repo rate
Voce 70	Crediti verso clientela	Item for PCT di MPSCS	1,509.80	Start cash amount including the accrued interest of repo rate
			12,030.17	

PASSIVO				
Item	Description	Note	Value	Type of value
Voce 10	Debiti verso banche	Item for PCT di MPS	3,879.88	Start cash amount including the accrued interest of repo rate
Voce 10	Debiti verso banche	Item for PCT di MPS CS	6,315.98	Start cash amount including the accrued interest of repo rate
Voce 20	Debiti verso clientela	Item for PCT di MPS	4,639.74	Start cash amount including the accrued interest of repo rate
Voce 20	Debiti verso clientela	Item for PCT di MPSCS	7,025.56	Start cash amount including the accrued interest of repo rate
Voce 40	Passività finanziarie detenute per la negoziazione - Debiti verso banche	Item for PCT di MPS CS	0.00	Start cash amount including the accrued interest of repo rate
Voce 40	Passività finanziarie detenute per la negoziazione - Debiti verso clientela	Item for PCT di MPS CS	0.00	Start cash amount including the accrued interest of repo rate
			21,861.15	



Appendix – Regulatory CVA Risk

Analysis for MPS Group

Entity	31/03/2018		30/06/2018	
	EAD post CRM	RWA	EAD post CRM	RWA
MPS	101.19	112.19	139.38	158.18
MPSCS	614.52	262.64	657.18	293.10
Total	715.71	374.84	796.56	451.28

Portfolio composition

Entity	Class	30/06/2018	
		EAD post CRM	M AVERAGE
MPSCS	1	61.63	2.48
MPSCS	2	243.59	2.24
MPSCS	3	350.92	4.70
MPSCS	4	1.04	7.75
MPSCS	5	0.00	0.00
MPSCS	6	0.00	0.00
Total		657.18	2.86

Entity	Class	30/06/2018	
		EAD post CRM	M AVERAGE
MPS	1	21.26	10.43
MPS	2	52.61	11.98
MPS	3	65.51	10.79
MPS	4	0.00	0.00
MPS	5	0.00	0.00
MPS	6	0.00	0.00
Total		139.38	6.64

Legenda

Class 1: rating AAA/AA

Class 2: rating A

Class 3: rating BBB / Not rated

Class 4: rating BB

Class 5: rating B

Class 6: rating CCC

