

MPS Group Risk Map – Risk Relevance Classification

MEASURED	RISKS-TO-CAPITAL	RELEVANCE CLASSES	RISKS-TO-LIQUIDITY	MEASURED
YES	<p>Credit Risk </p> <p>Operational Risk</p> <p>Business & Strategic Risk </p> <p>Market Risk</p> <p>Reputational Risk</p>	HIGH	<p>Funding Risk </p> <p>Liquidity Risk</p>	YES
NO				
YES	<p>Interest Rate Risk in BB</p> <p>Counterparty Risk</p> <p>Issuer Risk</p> <p>Participation Risk </p> <p>Model Risk</p>	MEDIUM	<p>Funding Concentration Risk</p> <p>Asset Concentration Risk</p>	YES
NO				
YES	<p>Concentration Risk</p> <p>Real Estate Risk</p> <p>Country Risk</p> <p>Settlement & Delivery Risk</p> <p>Excessive Leverage Risk</p> <p>Pension Risk</p> <p>Residual Risk</p> <p>Transfer Risk</p>	LOW	<p>Intraday Liquidity Risk</p>	YES
NO			<p>* Correct and full realisation of strategies represents a strictly binding element of the Restructuring Plan approved by Supervisory Institutions. For this reason, a capital-at-risk amount is not estimated concerning Strategic Risk component.</p> <p> Expected perceived riskiness trends for 2019, with respect to previous year identification process.</p>	

FOCUS: HIGH RISKS NOT MEASURED TREATMENT FOR NEW RAF

- Reputational Risk captured via Liquidity stress impacts and additional cost of funding;
- Model Risk, Emerging Risks → new potential risks (e.g. Cyber Crime Risk related to the business digitalization of MPS Restructuring Plan 2017-2021) included in Operational Risk or (e.g. potential governance failures) considered via specific internal Pillar2 Capital Buffer comprehensive add-on.

Risk relevance changed with respect to RAS 2018 (see next slides)



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