E-MARKET SDIR CERTIFIED

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

MPS 4Q21 & FY2021 preliminary results

7 February 2022

2021 in Review: A solid business model with clear room for upside

Recovery of ordinary lending and ongoing balance sheet repricing

- ✓ **Ordinary lending revamping**, with focus on asset quality and pricing
- ✓ **Commercial spread gap vs the market decreased** from 16bps in Jan-21 to 6bps in Nov-21
- ✓ **Ongoing reduction of time deposits and launch of consumer credit**
- ✓ **4Q21 NII up +3.6% vs 4Q20** (+9.4% adjusted for Hydra), and further +3.1% vs 3Q21

Fee-oriented Business Model with levers to unlock

- ✓ **WM gross flows +27% YoY,** a testament of strong distribution capabilities & solid partnerships
- ✓ **Fees up +3.8% YoY** (+5.6% adjusted for the cost of synthetic securitizations) **and +3.2% vs public target**
- ✓ Fee income* at 57% of core revenues
- ✓ Tangible upside from unsecured ordinary lending restart, decreasing cost of securitizations & higher base of AUM

Effective cost management, proving solid track record in restructuring

- ✓ **Cost -3.6% YoY and -2.3% vs 2021 public target**
- ✓ Double digit reduction in other operating costs (-11.9% YoY)
- ✓ Personnel cost stable YoY, adjusting for no benefits from solidarity days
- ✓ **Further potential reduction of the cost base** (EUR 0.3-0.4bn by 2024), largely through voluntary exits

* Including income from AXA-MPS JV.

2021 in Review: De-risked balance sheet & clear upside from capital strengthening

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Prudent Asset Quality management ahead the new Plan

- ✓ **Gross NPE stock almost stable vs 2020**, even with no disposals
- ✓ **Gross Stage 2 loans decreased EUR 2.7bn YoY,** with a weight on performing loans now in line with pre-Covid level
- ✓ Moratoria from EUR 15.5bn in Jun-20 to EUR 0.3bn
- ✓ Conservative approach on coverage, with a methodological refinement of UTP provisioning in 4Q, also resulting in lower deductions from capital due to calendar provisioning

Deleverage of legal risk with no cost on P&L

- ✓ **EUR 4.6bn claims settled in the last 5 quarters**
- ✓ Claims settled within existing provisions, proving adequate level of coverage
- ✓ **Extraordinary legal risks down -70% in 2021**

Capital structure reinforced, ahead of the New Strategic Plan

- ✓ CET1 FL* at 11.0% vs. 9.9% in 2020, notwithstanding 30bps regulatory headwinds already taken
- ✓ **Capital generation**: +140bps in 2021 thanks to operating results and capital management actions.** 40bps lower overall regulatory headwinds vs. December 2020 estimates
- ✓ RWA at EUR 47.8bn, below 2020YE level, with EUR 5.9bn regulatory headwinds remaining
- ✓ EUR 2.5bn Capital increase would unlock up to EUR 0.2bn of CET1 from DTA reassessment and ~EUR 0.3bn from lower deductions

* Including full impact of IFRS9 and FVTOCI reserve on govies. Pro forma capital ratios including FY21 net income.

** Capital generation gross of regulatory RWA increase (30bps).

FY2021 Results

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Pre-provision profit

EUR 874mln

(+15.3% YoY or +33.5% adjusted for Hydra)

Revenues up 1.3% YoY or +5.0% adjusted for Hydra

Costs -3.6% YoY, despite non-renewal of company trade union agreement

Cost of risk

31bps

Or 21bps excluding the impact of model changes & GDP update

Cost of risk almost in line with 2020, adjusted for Covid- and Hydra-related provisions

Net operating result

EUR 629mln

(EUR -20mln in 2020; +48mln adjusted for Hydra)

Net result

EUR 310mln

(post EUR -169mln for systemic charges)

5.3% ROTE

(post ~3 p.p. of negative impact for systemic charges)

Gross NPE

Stock stable vs 2020

Gross NPE ratio

4.5%

Including impact of New Definition of Default

3.8%

(EBA definition)*

CET1 ratios**

Fully loaded***: **11.0%**

(vs. 9.9% in Dec-20), despite regulatory headwinds

Transitional: **12.5%**

+40bps vs 2020

Liquidity

Counterbalancing capacity

EUR 25bn

(18% on total assets)

Focus on deleveraging

Total assets:
from EUR 150bn in 2020 to

EUR 138bn in 2021

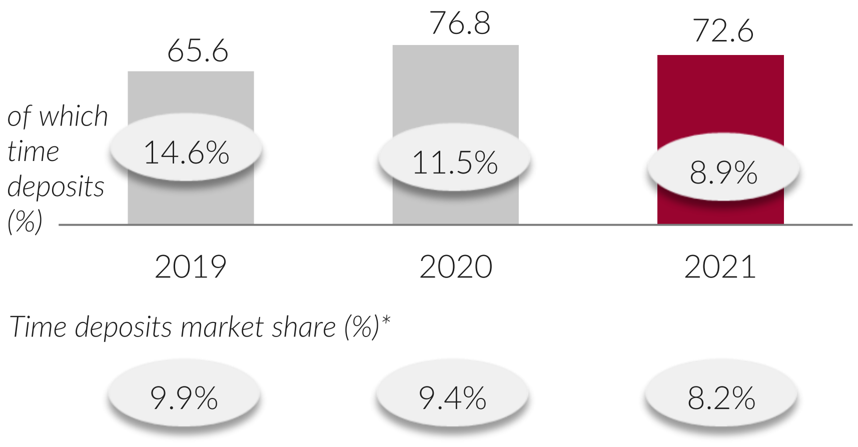
* As per EBA guidelines, ratio between gross impaired loans to customers and banks, net of assets held for sale, and total gross loans to customers and banks, net of assets held for sale.

**Pro forma capital ratios including FY21 net income.

***Including full impact of IFRS9 and FVTOCI reserve on govies.

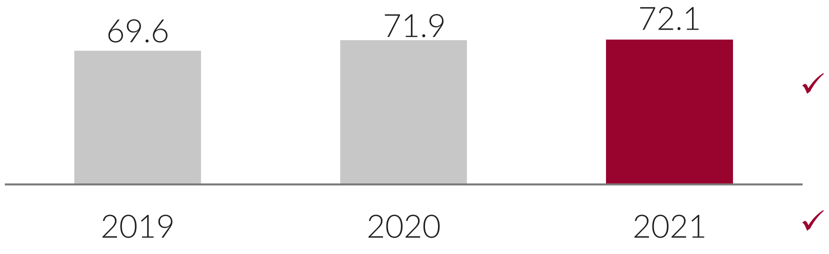
Business machine – Lending and Deposits rates optimization, and room for grow

Current accounts & time deposits *(€/bn)*



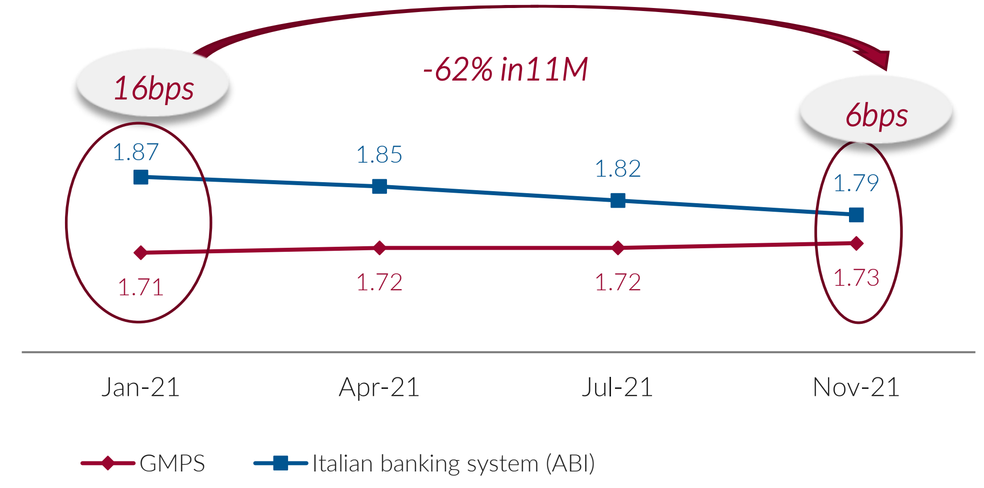
- ✓ Exit from non core customers and repricing initiatives
- ✓ Time deposits down EUR -2.4bn since Dec-20 (-27% YoY)
- ✓ Cost of deposits down 9bps in 2021**

Net customers loans stock *(excluding repos and impaired loans €/bn)*



- ✓ Front book rates on m/l term loans up 26bps YoY and are above back book
- ✓ Strong focus on secured lending, given capital position
- ✓ Progressive ordinary lending restart

Commercial spread *(%)*



❑ 2022-2026 Strategic plan potential upside:

- ➢ Recently launched consumer finance initiative: expected benefit on NII of EUR +120mln by 2024, while maintaining third party relationships
- ➢ Recovery of lending flows thanks to economic recovery and NRRP initiatives
- ➢ Upside from unsecured lending once capital base reinforced
- ➢ Progressive maturity of time deposits stock of EUR 6.4bn with average rate of ~1.4%

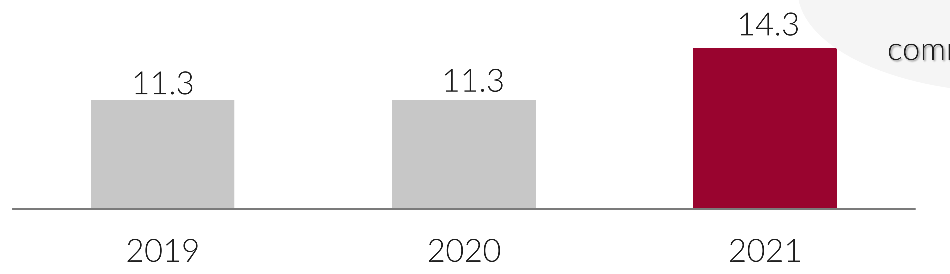
* Market share as at Oct-31. Latest available data.

** Quarterly avg commercial funding rate down from 21bps in 1Q21 to 12bps in 4Q21.

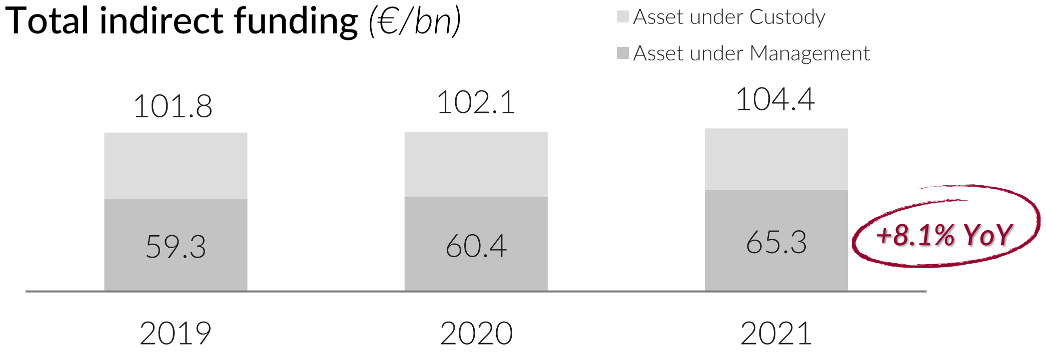
Business machine – A Fee-oriented business model

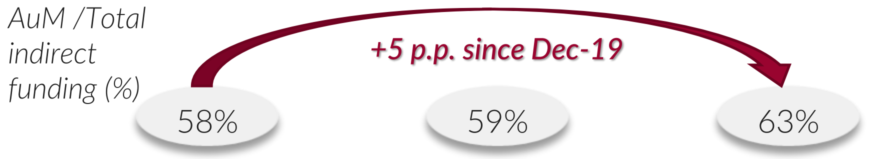
Wealth management gross inflows* (€/bn)

Solid franchise track-record in achieving commercial results

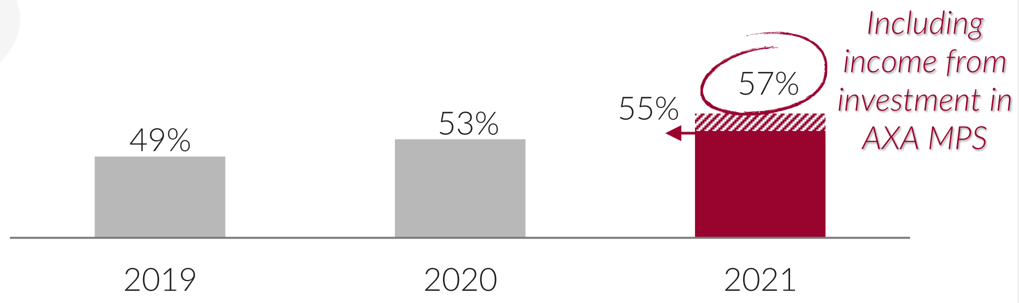


Total indirect funding (€/bn)

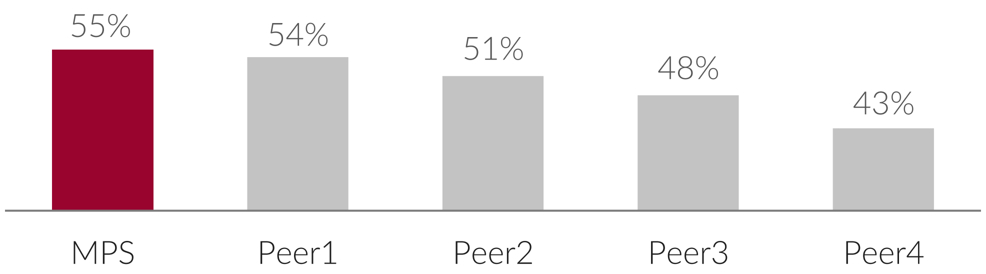




Fees / (Net interest income + Fees)



Fees / (Net interest income + Fees)**



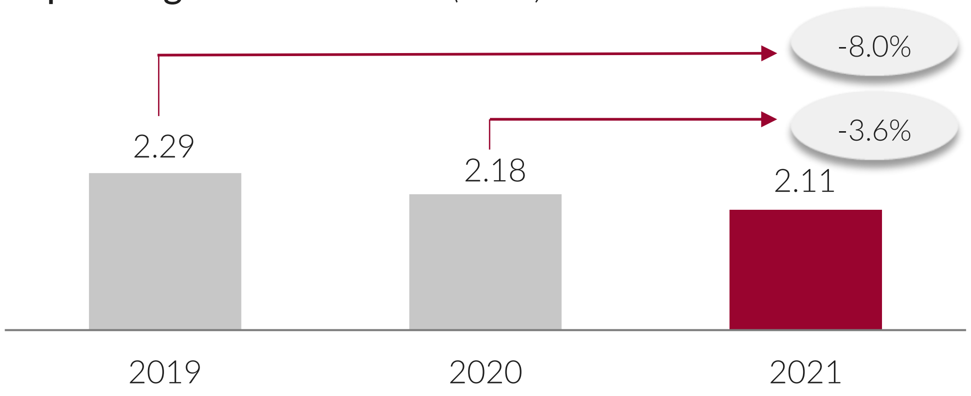
- 2022-2026 Strategic plan potential upside:
  - WM fees: potential benefits from Anima partnership renegotiation; higher AUM starting base
  - Traditional banking fees: unsecured lending revamp
  - Lower commissions paid on securitizations (EUR 9mln in 4Q21)

* Bancassurance + pension funds + mutual funds/sicav + individual portfolios under management.

** Peers: ISP, UniCredit, BAMI, BPER as at Sep-21. MPS data as at Dec-21.

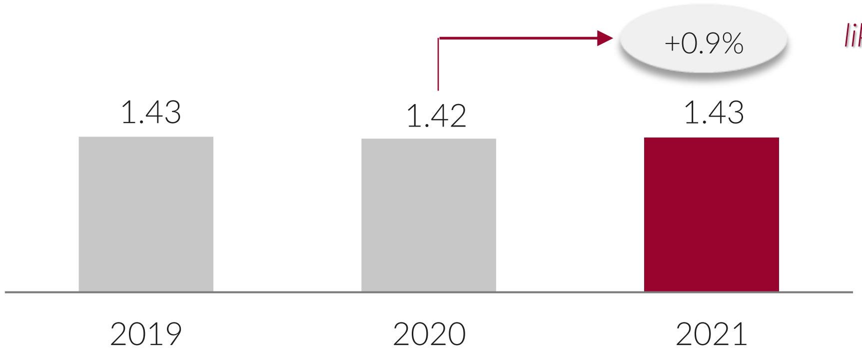
A solid track record in cost rationalization, even before future investments

Operating costs evolution *(€/bn)*



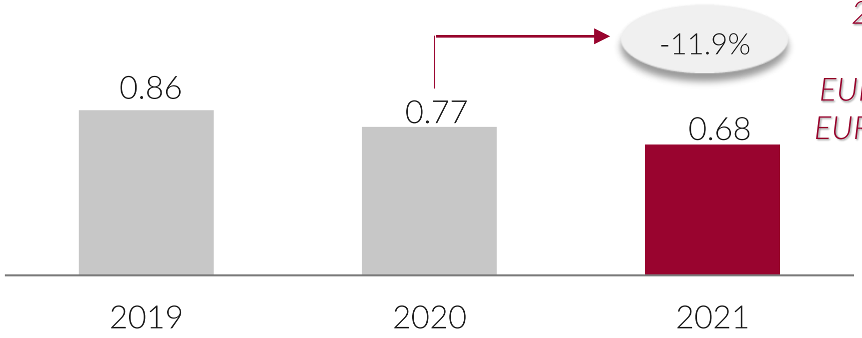
- Ongoing operating costs reduction, ~-3.6% vs 2020, ~-8% vs pre-Covid level, building on digital experience
- Track record in capability to implement restructuring measures, since 2016:
  - -33% branches
  - -17% staff

Personnel expenses *(€/bn)*



*-0.5% like-for- like**

Other operating costs *(€/bn)*



2021 strong reduction: EUR -92mln YoY, EUR -179mln in 2 years

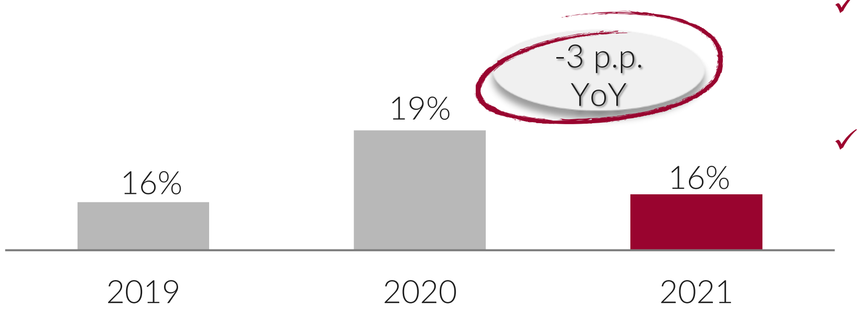
- 2022-2026 Strategic plan potential upside:
  - Personnel cost: potential benefits up to EUR 185-275mln by 2024, depending on the scheme agreed
  - Other costs savings up to EUR 130mln by 2024, also thanks to EUR 800mln of IT investments, confirming 2021 vs 2020 trend

* Like-for-like, excluding EUR 20mln savings in 2020 from union agreement.

Balance sheet derisked & prudent management of asset quality profile

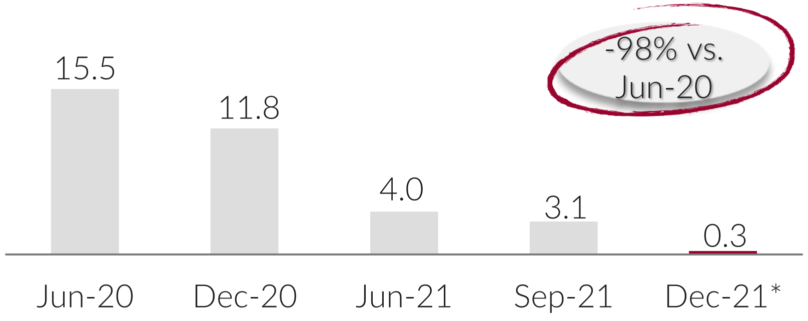
Performing book

Gross Stage 2 / Gross performing loans (%)



- ✓ Stock of Stage 2 loans decreased EUR 2.7bn YoY
- ✓ Stage 2/performing loans back to pre-Covid level

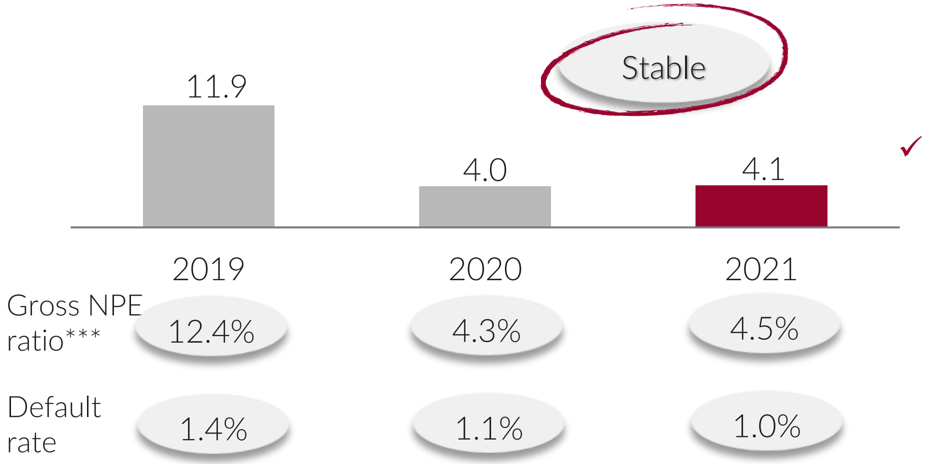
Moratoria on performing book* (€/bn)



- ✓ 3.7% of expired moratoria prudentially classified as NPE, following the crash programme
  - of which only 1.1%** are showing delays on payment

Non performing book

Gross NPE evolution (€/bn)



- ✓ Gross NPE stable, with NPE ratio below peer average
- ✓ Proactive management of the stock, offsetting the impact of the new definition of default (EUR 0.2bn)

❑ 2022-2026 Strategic plan potential upside:

- ➢ Gross NPE ratio planned below 4%, in line with MPS current level and in line with best-in-class Italian Banks
- ➢ Cost of risk of ca. 50bps across the cycle, above 2020 "normalized" level (36bps) and 2021 level (31bps)

* Figures related to MPS Group. Latest update: 1° January 2022.

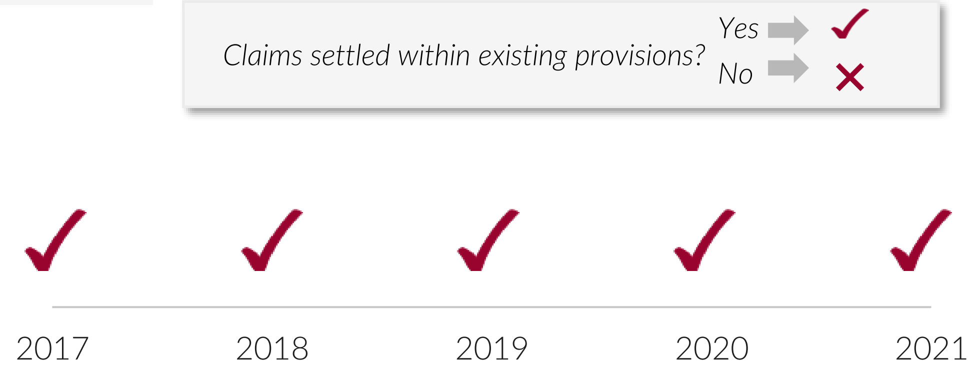
** Data as at 27 January 2022.

*** Gross NPE ratio calculated as ratio between gross non-performing exposures to customers and total gross exposures to customers. The indicator, calculated according to EBA guidelines, is 3.8% in Dec-21.

Strong commitment to reducing extraordinary legal risks

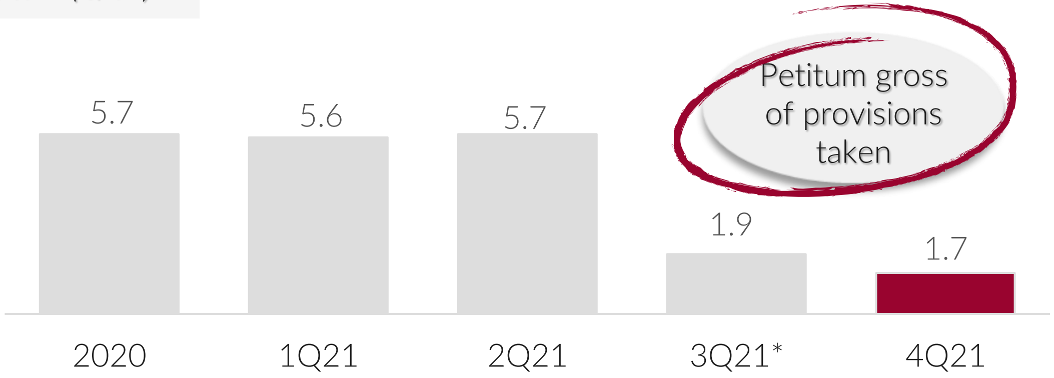
Claims settled: Provisions vs disbursements (%)

- Exposures well covered in terms of provisions
  - In the last 5 years, on claims settled, provisions were well above amounts disbursed



Disclosed financial information petitum (€/bn)

- EUR 1.7bn of pre-provisions petitum related to disclosed financial information, down 70% YoY
  - EUR 3.8bn settlement with Fondazione MPS finalized in October 2021
  - Further EUR 0.2bn claims closed on 4Q21



* Pro-forma including the effect of the agreement reached with Fondazione on 7th October 2021.

Capital ratios* significantly improved with room for upside

CET1 Ratio FL evolution & capital generation (%, bps)

~140bps of capital generation (gross of regulatory headwinds)

	CET1 ratio FL Dec-20	CET1 ratio FL Dec-21
RWA *(€/bn)*	49.9	47.8
Remaining regulatory headwinds** *(€/bn)*	9.0	5.9

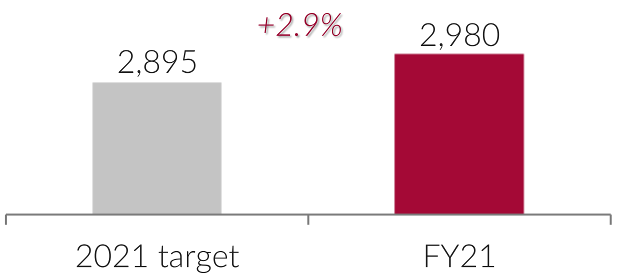
- Potential upside from:
  - DTA reassessment, once updated projections
  - Renegotiation of Anima partnership
  - Upside from series on operational risks
  - Lower deductions from capital for EUR 0.3bn unlocked by Capital increase
  - Considering IFRS9 phase-in and the remaining RWA regulatory headwinds and excluding **any** capital management actions, a regulatory shortfall up to EUR 0.5bn at Tier 1 level is possible in March 2023

* Pro forma capital ratios including FY21 net income.

** Expected RWA increase for regulatory headwinds by the end of 2022.

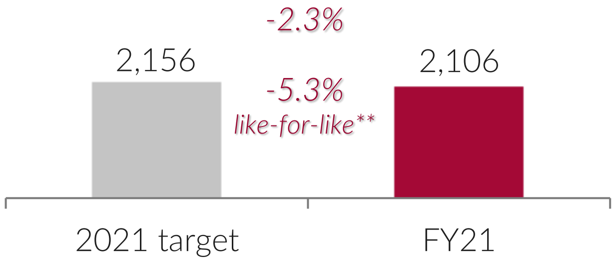
FY2021: commercial and de-risking performance above public targets*

Total revenues (€/mln)



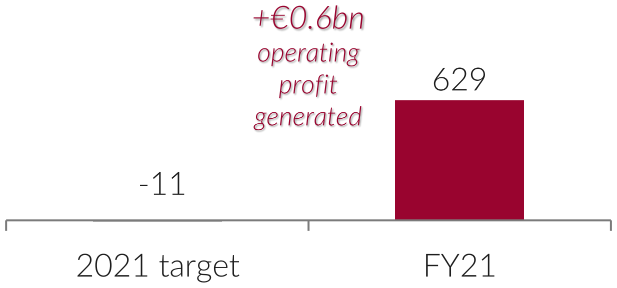
➢ *Fees: +3.2% vs target*

Operating costs (€/mln)



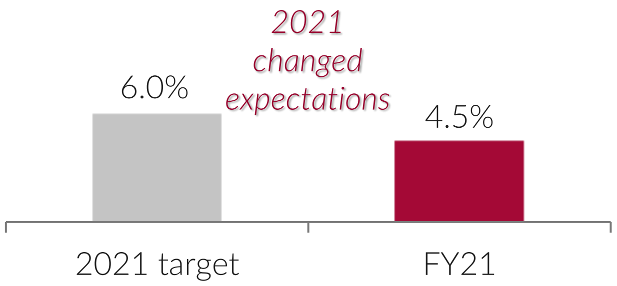
➢ *Non-personnel costs: -14% vs target*

Net operating result (€/mln)



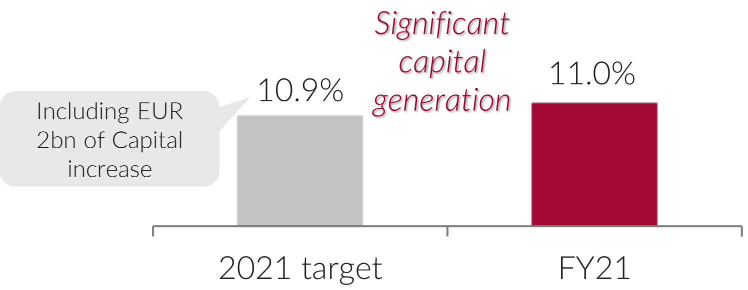
➢ *Positive result*

Gross NPE (%)



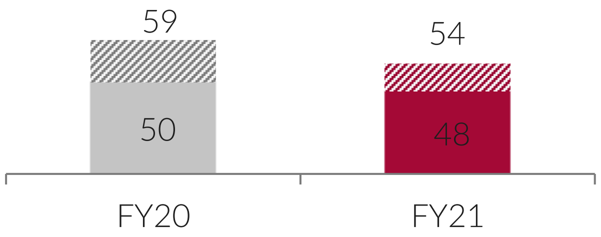
➢ *2021 ratio stable vs 1.8% expected increase*

CET1 FL*** (%)



➢ *Regulatory shortfall at zero vs €1.5bn prudentially budgeted*

RWA (€/bn)



➢ *RWA below plan also considering the remaining EUR 5.9bn regulatory headwinds*

* 2021 targets presented to autorities in Dec-20 and published on MPS website in Jan-2021.
** Like-for-like, considering the non-renewal of company trade union agreement and the staff reduction postponement (EUR 70mln benefits included in Plan estimates).
*** Pro forma capital ratios including FY21 net income.

ESG: criteria and activities increasingly rooted in the Bank

- On the 3rd of February 2022, **Standard Ethics has upgraded its rating** on Banca Monte dei Paschi from "EE-"(adequate) to "EE"(strong), with a long term expected rating EE+
- The rating upgrade confirms the Bank's increasing focus on ESG, and the recent efforts to strengthen the sustainability governance and integrate ESG risks management into the Bank

- On the 27th of January 2022, Banca Monte dei Paschi has joined the **Net-Zero Banking Alliance (NZBA)**, an initiative promoted by the United Nations to **accelerate the sustainable transition of the global real economy**
- **As part of this, MPS** commits to: (i) disclosing its targets within 18 months of joining, and (ii) publishing its transition plan and strategy to achieve the targets within 18 months from disclosure

On the 23rd of September 2019, MPS was one of the founding signatory banks in Italy

100% of the 2021 **mutual fund inflows** is classifiable as **ESG compliant**

66% **of non-financial press** releases issued by the Group have been **ESG-themed** since the start of 2021 to date

Banca Widiba: 2021 – A new business focus, and another year of solid growth

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BANCAWIDIBA

Solid growth in all business metrics continues, with a strong focus on **investments and mortgages**

Reached **EUR 9.8bn** of **total funding stock** and **EUR 0.8bn** of **loans stock**

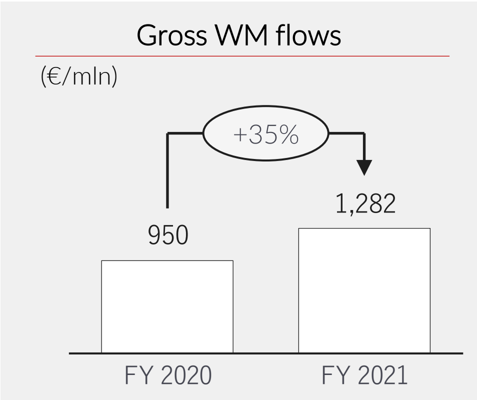
2021 total asset growth equal to **EUR +0.7bn** YoY, totally driven by **WM (EUR +0.9bn)** with **significant remix** and reduction of time deposits (EUR -0.6bn)

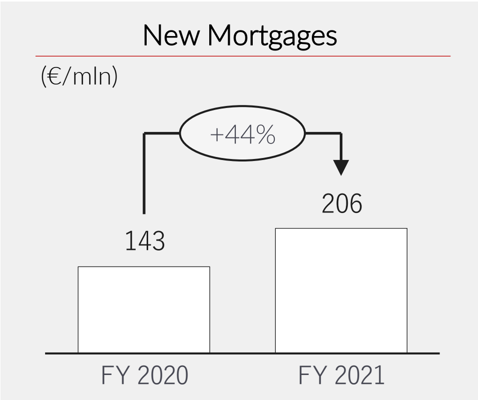
Service model & Offering

- **Video-banking solution** for remote advisory integrated on digital platform
- **New FA recruiting platform** released
- **Release of Digital Identity (SPID)** now available through Widiba Platform
- **Global advisory financial planning** platform enriched with **new tools**

Significant leap of investment placements and mortgages following the bank's strategy with **focus on liquidity transformation**

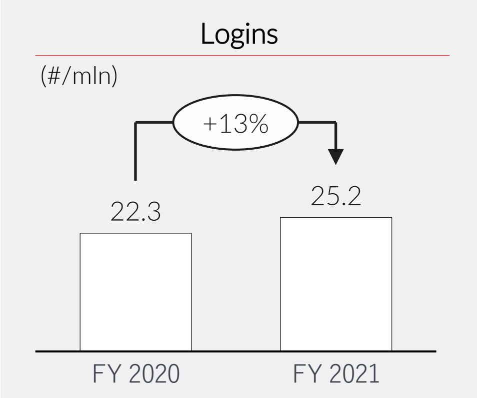
Business Growth

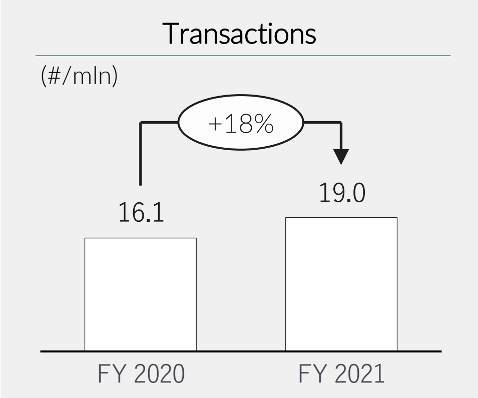




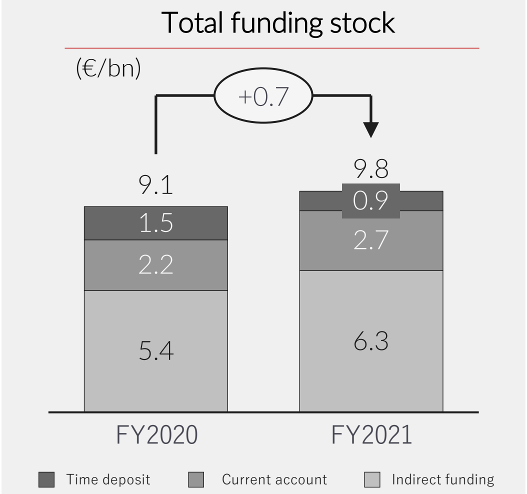
Another year of double-digit growth on **platform usage** and **transactions**

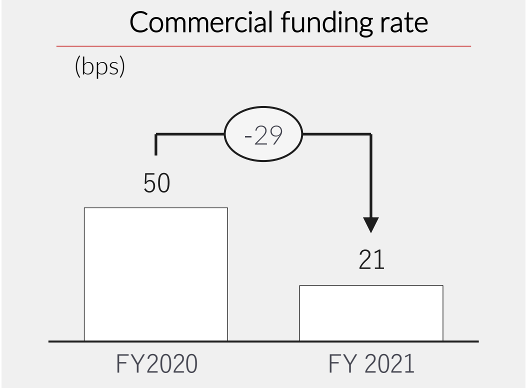
Transactions Growth





Asset growth & remix





Agenda

- FY21 & 4Q21 Results

- Annex

FY21 P&L highlights

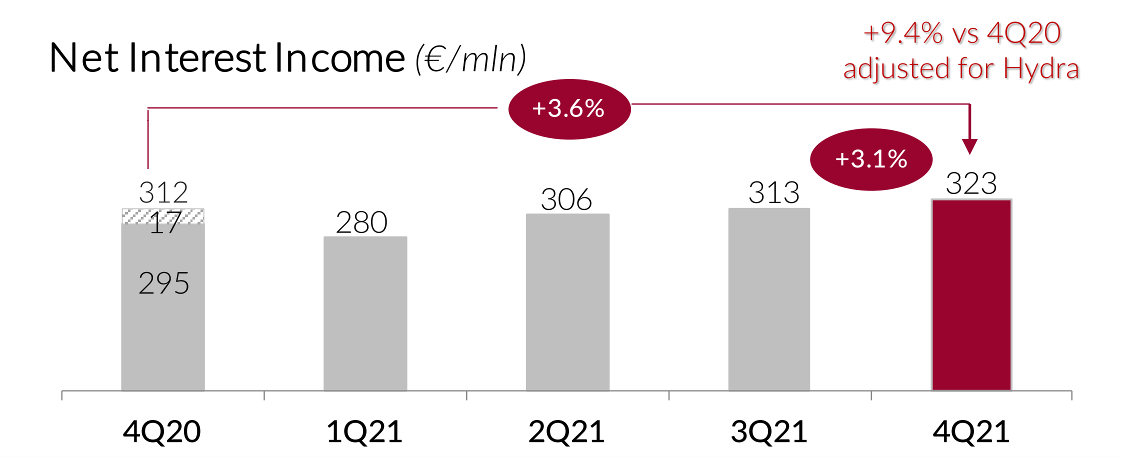
(€/mln)	FY20 Stated	FY20 * proforma	FY21	Change (YoY proforma, %)
Net Interest Income	1,291	1,196	1,222	2.2%
Fees and commissions	1,430	1,430	1,484	3.8%
Dividends/Income from investments	101	101	113	12.3%
Core revenues	**2,822**	**2,727**	**2,819**	3.4%
Total revenues	**2,942**	**2,839**	**2,980**	5.0%
Operating costs	-2,185	-2,185	-2,106	-3.6%
of which personnel costs	-1,415	-1,415	-1,428	0.9%
of which non-personnel costs	-770	-770	-678	-11.9%
Pre-provision profit	**758**	**654**	**874**	33.5%
Total provisions**	-778	-606	-245	-59.6%
Net operating result	**-20**	**48**	**629**	n.m.
Non-operating items	-1,320	-1,260	-366	-71.0%
of which systemic charges	-140	-140	-169	20.6%
Profit (Loss) before tax	**-1,341**	**-1,212**	**263**	n.m.
Tax expense/recovery	-342	-342	49	n.m.
Net income (loss)	**-1,687**	**-1,558**	**310**	n.m.

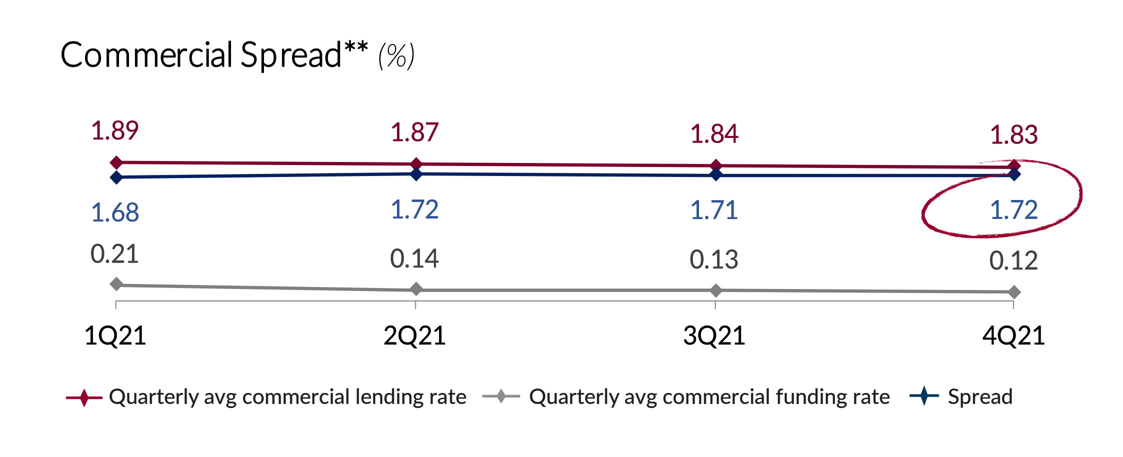
- NII up with steady quarter-by-quarter increase; 4Q21 +9.4% vs 4Q20*
- Fees revamp; +5.6% like-for-like excluding cost for synthetic securitizations
- Increasing contribution from AXA-MPS JV
- Operating costs ongoing decreasing, with room for further improvement
  - Personnel costs down 0.5% YoY, adjusting for solidarity days benefits booked in 2020
  - Non-personnel costs structurally down by EUR 92mln YoY (EUR -179mln vs 2019)
- Cost of risk at 31bps, almost in line with «ordinary» 2020 level
- Non operating items include EUR 169mln for systemic charges
- Taxes: DTA reassessment not yet based on new projections
- ROTE: 5.3%, post ~3 p.p. negative impact for systemic charges

* FY20 managerial figures proforma, net of Hydra contribution: EUR 95mln NII, EUR 8.3mln net result from financial assets/liabilities at FVTPL, EUR 172mln LLP and EUR 61mln restructuring cost. 4Q20 adjusted for Hydra transaction.

** "Cost of customer loans", provisions on securities at AC and FVTOCI and provisions on loans to banks.

Net Interest Income – Ongoing positive progression





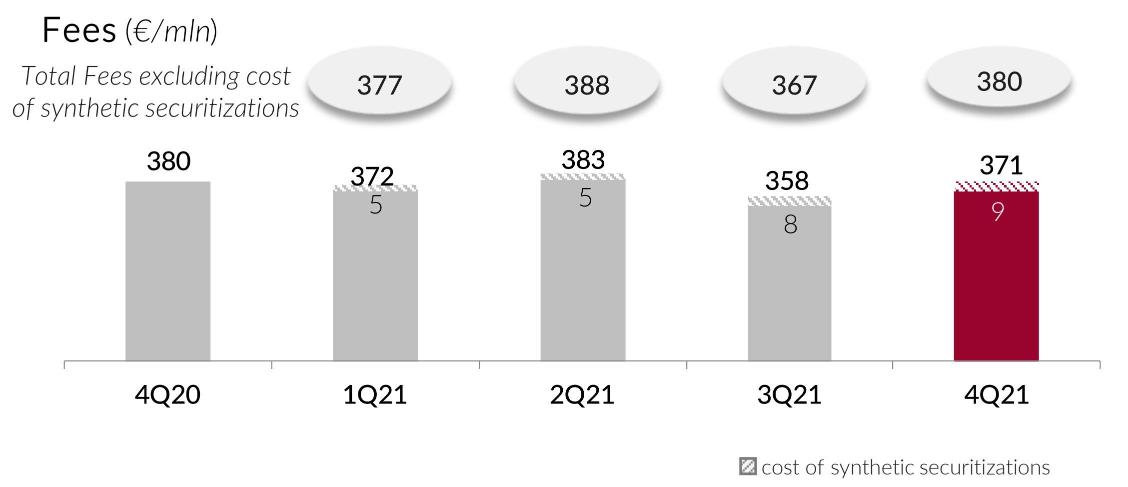
Average 3M Euribor:

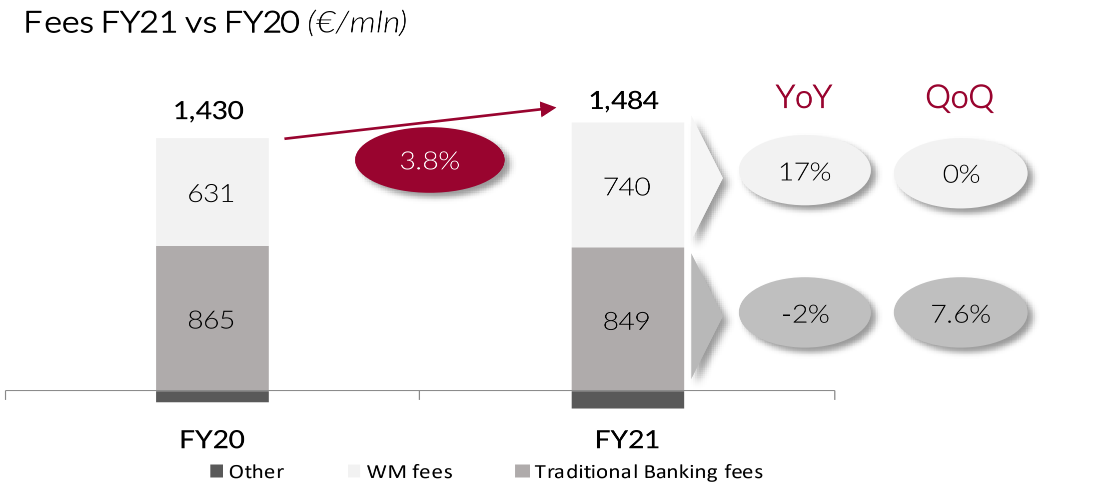
1Q21	2Q21	3Q21	4Q21
-0.54%	-0.54%	-0.55%	-0.57%

- **Ongoing quarterly net interest income rebound** vs previous quarters (+3.1% QoQ, +9.4% vs 4Q20 net of Hydra)
- Positive trend of commercial spread:
  - Ongoing management of cost of deposits (-9bps in 2021)
  - Front book rates above back book rates
- **Potential "low-hanging fruit" upside:**
  - Time deposits completely going to maturity by 2025 – expected benefit up to EUR 90mln by 2024
  - Launch of in-house consumer credit business – expected benefit up to EUR 120mln by 2024
  - Frontrunner on NRRP
- **Other potential benefits unlocked by the capital increase:** realignment of cost of institutional funding to main peers, growing focus on unsecured lending

*Figures from operational data management system.

Fee and Commission Income – The key source of revenues

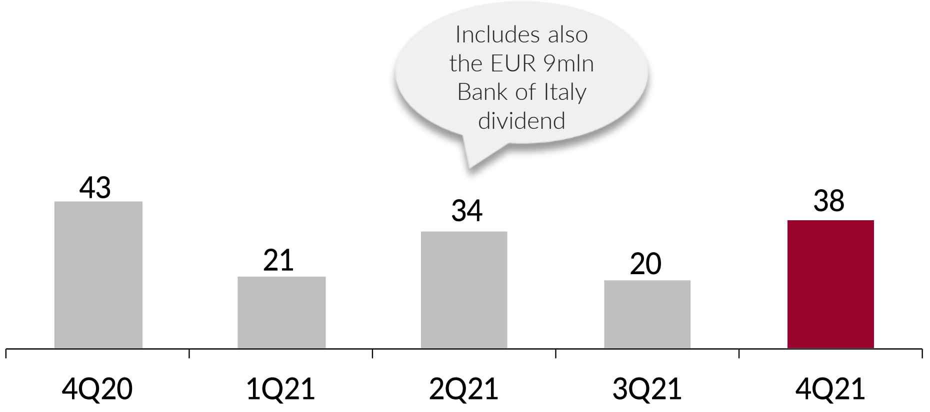


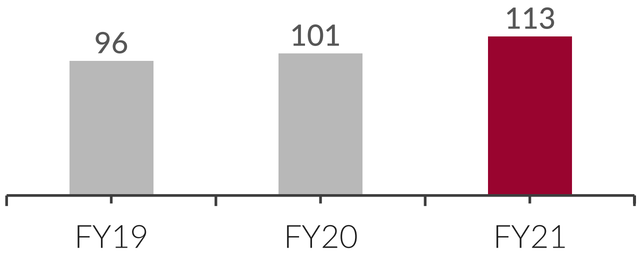


- Fees increased 3.8% YoY **(+5.6% like-for-like**, net of cost for synthetic securitizations):
  - **WM fees up 17% YoY,** driven by both placement (+32%) and continuing (+15%), proving strong distribution capability & solid partnerships. Placement fees represent 17% of total fees (13% in 2020).
    - Stable trend QoQ, affected by the impact in the branch activity of the new spread in Covid-19 (e.g. in Dec-21: avg 6% quarantined/positive employees)
  - Traditional banking fees (-2% YoY) affected by focus on State-guaranteed loans;
    - Recovery in 4Q (+7.6% QoQ) mainly thanks to commissions on payment services and credit facilities
  - Other fees include the cost of 3-year maturity syntethic securitizations completed in Dec 20 and July 21 (EUR 27mln in the year)
- Potential upside from potential renegotiation of Anima partnership, higher AUM starting base, unsecured lending revamp and lower commissions on securitizations going to maturity

Financial Revenues* - Sustainable income from AXA MPS JV

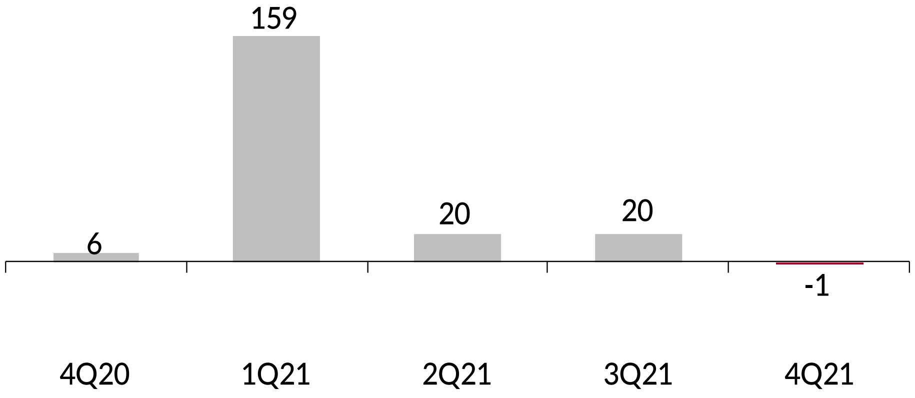
Dividends/Income from investments (€/mln)

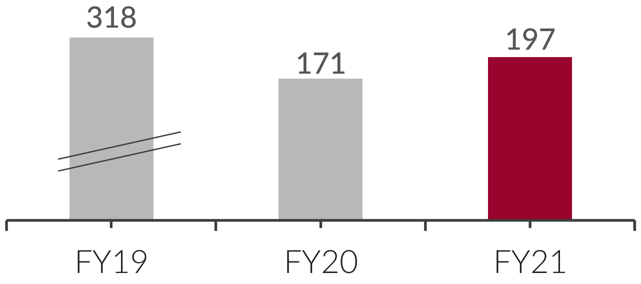




- Dividend/Income from investments include contribution from the successful partnership with AXA:
  - Low volatility
  - Increasing source of income (+12% YoY)

Trading/Disposal/Valuation Hedging of Financial Assets (€/mln)



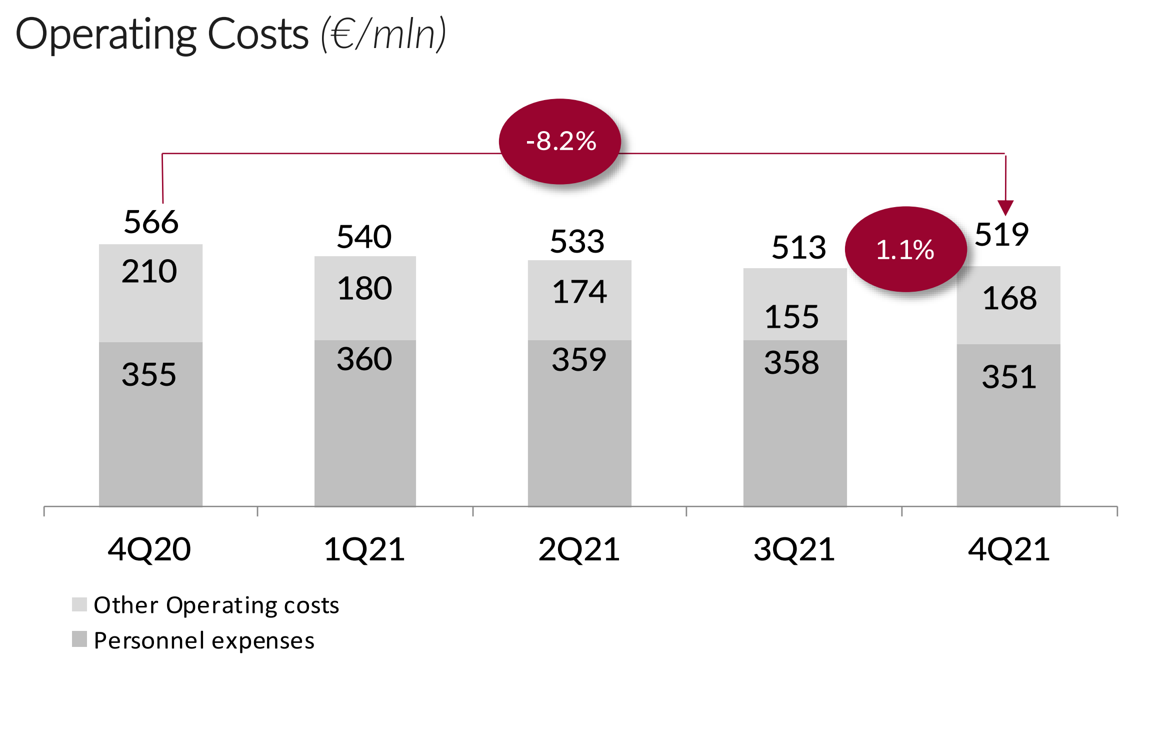


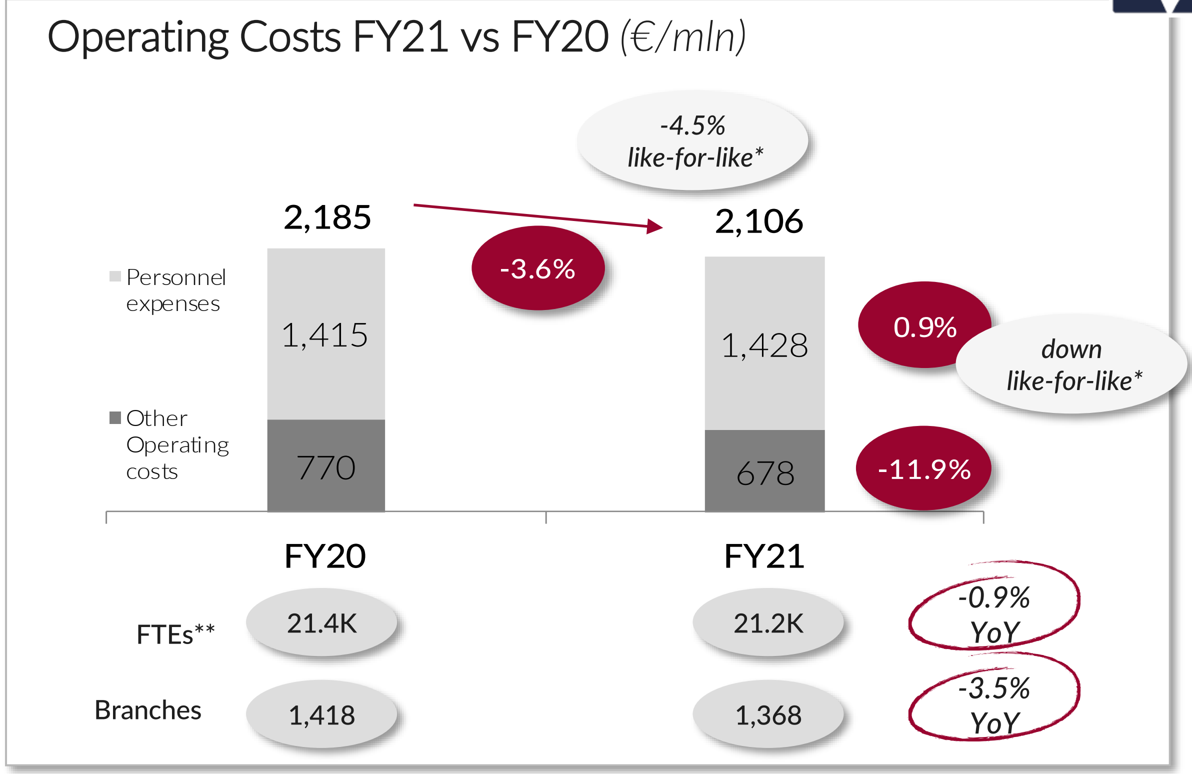
- Trading**/Total revenues stable YoY at c.7%

* The item includes: dividends, similar income and gains (losses) on investments, net profit (loss) from trading, the fair value measurement of assets/liabilities and net gains (losses) on disposals/repurchases, net profit (loss) from hedging.

**Trading=Trading investments, net result from trading/hedging, gains/losses on disposals/repurchases, net result from financial assets/liabilities at FVTPL.

Operating Costs – Strict control pending union negotiations





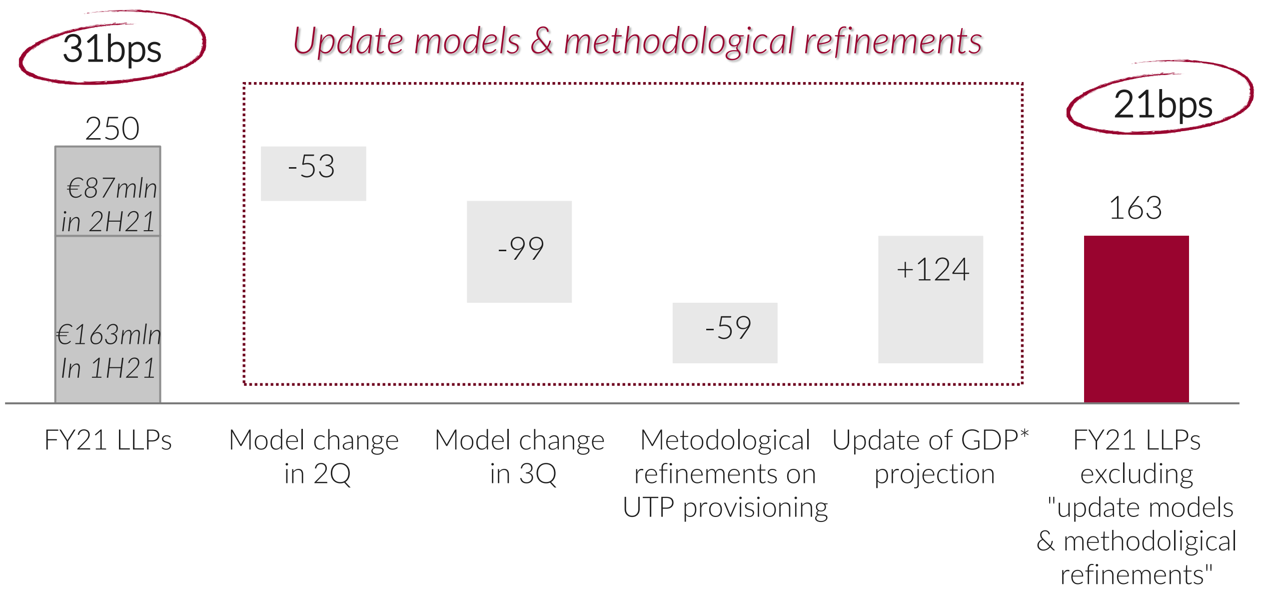
- Operating costs: down -3.6% YoY, -4.5% adjusting for non renewal of labour contract*
  - Personnel expenses: like-for-like* cost down YoY; non-renewal of labour contract cost about EUR 20mln in 2021
  - Other administrative expenses and Depreciation & Amortisation: down 11.9% YoY, equal to EUR -92mln: EUR –179mln in two years (since 2019)
- Potential savings up to EUR 0.3/0.4bn by 2024:
  - Up to EUR -185/275mln from Solidarity fund initiatives, depending on scheme agreed with unions
  - Up to EUR -130mln savings on other operating costs thanks to IT investments

* Like-for-like, excluding EUR 20mln savings in 2020 from union agreement.

** The number of FTEs refers to the effective workforce and therefore does not include employees who were seconded outside of the Group's perimeter.

Cost of Risk – Building on de-risked Balance Sheet

2021 Cost of Risk *(€/mln)*



4Q21 Cost of Risk *(€/mln)*

4Q21		
Cost of risk	+222	
- 4Q21 LLPs	-103	including reclassification of moratoria expired (3.7% vs 1.1% not paying)
- Refinement on UTP provisions	-59	with corresponding lower calendar provisioning
- Other	-60	including provisions on notes related to disposal / securitizations (e.g. write-off of securitization notes)

- **Cost of risk at 31bps almost in line with "normalized" 2020 level (36bps),** benefitting also from Hydra de-risking; cost of risk at 21bps excluding model impacts
- Conservative approach confirmed - **Managerial overlays maintained**
- **Increased provisions of high vintage UTPs**
- Additional deduction of EUR 86mln from capital due to calendar provisioning booked in the year

* Release of provisions due to update on GDP estimates, previously based on 2020-2022 projections (with year 1 GDP growth of ca. –10%) and now based on 2022-2024 GDP (with year 1 growth below 4%).

NPEs stock – Stable YoY thanks to proactive management portfolio

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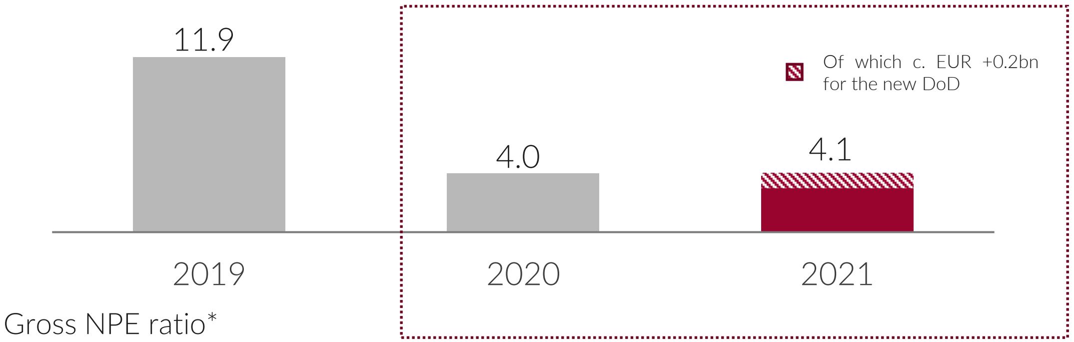
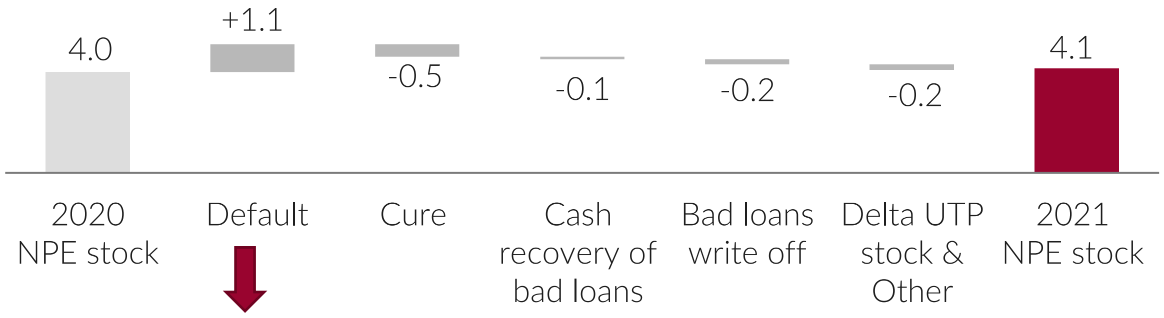
Gross NPE stock *(€/bn)*



	2019	2020	2021
Gross NPE ratio*	12.4%	4.3%	4.5%
Net NPE ratio	6.8%	2.3%	2.4%

Gross NPEs 2021 evolution (€/bn)



- past dues represent less than 5% of the total flow
- 50% is related to forborne loans (mandatory classified as NPE)
- 25% is related to prudent managerial reclassification (crash programme)

NPE Coverage *(€/bn)*

	Dec-20	Dec-21
Bad loans	62.3%	63.7%
UTP loans	36.8%	36.7%
Past due loans	27.8%	22.7%
Total NPEs	46.2%	47.9%

50% NPE Coverage: +4 p.p. vs. 2020 including calendar provisioning effect deducted from capital

- Coverage increased 2 p.p. YoY (or 4 p.p. including calendar provisioning) notwithstanding:
  - Release of provisions for two big tickets moved back to performing
  - Proactive classification as NPE of 3.7% of expired moratoria portfolio as a result of the crash programme implemented
- As a result *inter alia* of model updates:
  - Coverage of UTP on balance sheet on the 30th June up 9 p.p at year end
  - Coverage of bad loans on balance sheet on the 30th June up by 3 p.p at year end

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* Gross NPE ratio calculated as ratio between gross non-performing exposures to customers and total gross exposures to customers. The indicator, calculated according to EBA guidelines, is 3.8% as at December 2021.

Non-Operating Items – Affected by systemic charges

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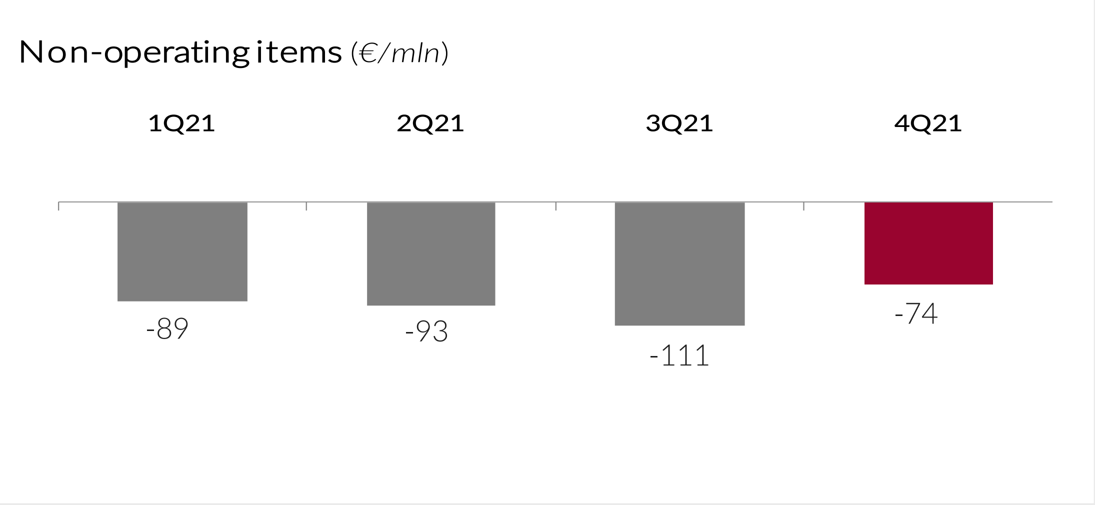

	1Q21	2Q21	3Q21	4Q21	FY21	FY20
Systemic Funds contribution	-68	-22	-69	-10	-169	-140
DTA Fees	-16	-16	-16	-16	-63	-71
Sub-total	**-84**	**-38**	**-85**	**-26**	**-233**	**-211**
Net provisions for risks and charges*	9	-51	-24	-33	-99	-984
Restructuring costs	0	-4	-4	1	-7	-154
Other	-14	0	2	-15	-27	29
Total	-89	-93	-111	-74	-366	-1,320

- 2021 Non operating items for EUR -366mln, largely represented by systemic charges:
  - EUR -169mln for Systemic Funds contribution (to be significantly reduced in 2023/2024) and DTA fees (EUR -63mln)
    - In the last 5 years, Systemic Funds contribution reached EUR 0.7bn
  - EUR -99mln for provisions for risks and charges
  - EUR -34mln for restructuring costs and other non-operating items

* Including provisions for legal risks.

Capital Structure*

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Phased-in CET1 ratio *(%)*

Dec-20		Dec-21
9.9	Fully-loaded CET1*** (%)	11.0
15.8	Total Capital (%)	16.1
13.5	Fully-loaded Total Capital*** (%)	14.6
49.9	Transitional RWA (€ bn)	47.8

	Dec-20	Dec-21
Transitional CET1 ratio (%)	12.1%	12.5%
Fully-loaded CET1 ratio (%)	9.9%	11.0%
RWA (€ bn)	49.9	47.8

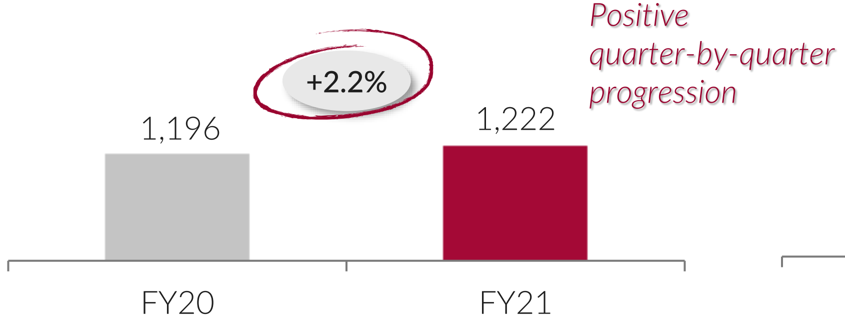
- **Phased in CET1 ratio up 40bps** since Dec-20 despite regulatory headwinds for 130bps
- **Fully loaded CET1 ratio up 110 bps** since Dec-20
- **RWA decrease** despite kick-in of model updates
- **2022 SREP requirements******: 8.80% CET1, 10.82% Tier 1, 13.50% Total Capital

* Pro forma capital ratios including FY21 net income.
** Change in RE valuation criteria, sale of own share, one synthetic securitization.
*** Including full impact of IFRS9 and FVTOCI reserve on govies.
**** SREP requirements include a 2.75% Combined Buffer Requirement.

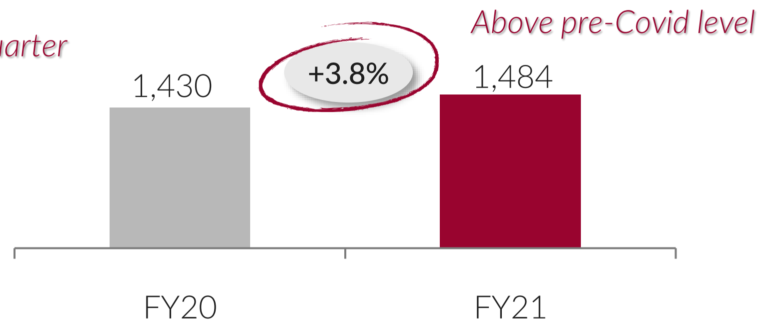
Key takeaways: FY21 vs FY20*

Commercial performance

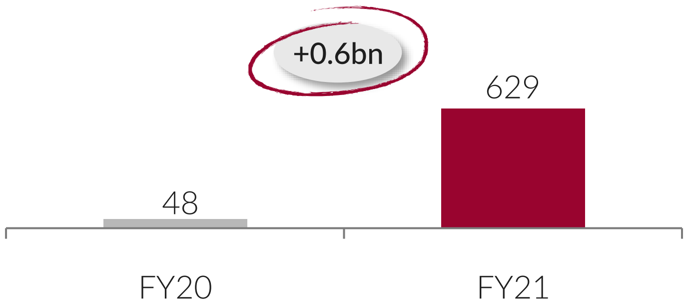
Net Interest Income (€/mln)



Fees (€/mln)

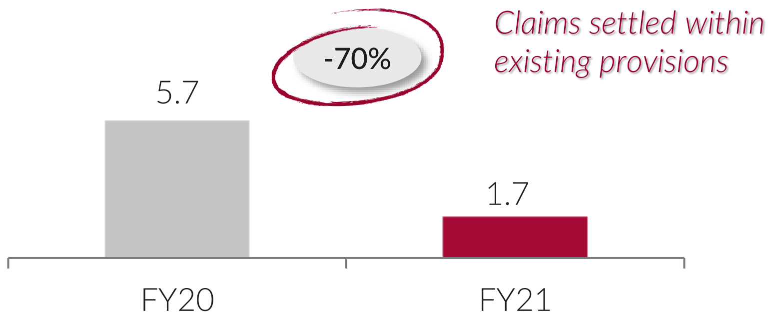


Net operating result (€/mln)

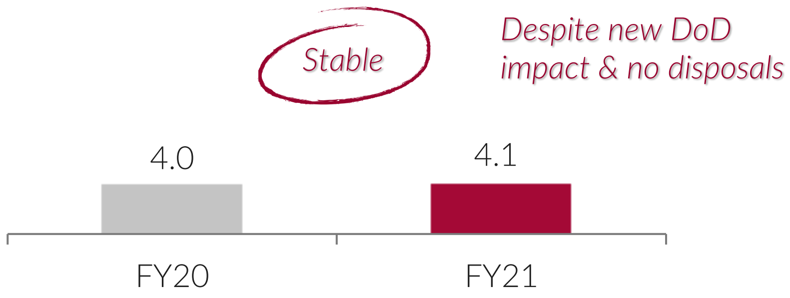


De-Risking

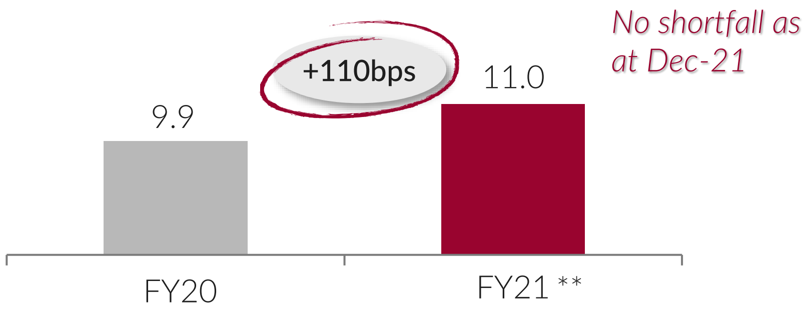
Petitum for disclosed financial information (€/bn)



Gross NPE (€/bn)



CET1 Ratio Fully Loaded (%)



* Like-for-like, net of the Hydra contribution: EUR 95mln NII, EUR 8.3mln net result from financial assets/liabilities at FVTPL, EUR 172mln LLP and EUR 61mln restructuring cost.

** Pro forma capital ratios including FY21 net income.

Agenda

- FY21 & 4Q21 Results

- Annex

4Q21 & FY21 P&L: Highlights *(2020 stated figures)*

€ mln	4Q20	1Q21	2Q21	3Q21	4Q21	Change (QoQ%)	FY20	FY21	Change (YoY%)
Net Interest Income	312	280	306	313	323	+3.1%	1,291	1,222	-5.4%
Net Fees	380	372	383	358	371	+3.6%	1,430	1,484	+3.8%
Financial revenues*	50	180	54	40	37	-8.5%	272	311	+14.2%
Other operating income/expenses	-10	-11	-2	-13	-11	+20.9%	-51	-36	+27.8%
Total revenues	732	821	741	698	720	+3.2%	2,942	2,980	+1.3%
Operating Costs	-566	-540	-533	-513	-519	+1.1%	-2,185	-2,106	-3.6%
of which personnel costs	-355	-360	-359	-358	-351	-2.0%	-1,415	-1,428	+0.9%
of which other admin expenses	-159	-133	-133	-112	-120	+7.4%	-563	-498	-11.6%
Pre-provision profit	167	280	208	185	201	+8.8%	758	874	+15.3%
Total provisions**	-140	-78	-84	136	-220	n.m.	-778	-245	-68.6%
of which cost of customer loans	-142	-74	-89	135	-222	n.m.	-773	-250	-67.6%
Net Operating Result	26	203	124	321	-19	n.m.	-20	629	n.m.
Non-operating items***	-255	-89	-93	-111	-74	-33.5%	-1,320	-366	-72.3%
Profit (Loss) before tax	-229	114	31	211	-92	n.m.	-1,341	263	n.m.
Taxes	76	6	53	-24	14	n.m.	-342	49	n.m.
PPA & Other Items	-1	-1	-1	-1	-1	-11.5%	-4	-3	-21.1%
Net profit (loss)	-154	119	83	186	-79	n.m.	-1,687	310	n.m.

Comparative figures for 2020 may differ from those published, due to the retrospective application of the change in valuation criteria for investment properties (ex IAS 40). To facilitate comparability of 2020 balances, impairment losses on instrumental properties (IAS 16) have been reclassified from 'Net adjustments on tangible and intangible assets' to 'Gains (losses) from measurement at fair value of tangible and intangible assets' (included in non-operating items). Finally, the restatement also concerned the economic effects of securities from disposals/securitizations of NPLs reclassified under the item "cost of customer loans".

* Including dividends/income from investments, trading/disposal/valuation/hedging of financial assets.

** Including cost of customer loans, provisions on securities at amortised cost and FVTOCI, and provisions on loans to banks.

*** Net provisions for risks and charges, contributions to SRF, NRF & DGS, DTA fees, restructuring costs/one-off costs, gains (losses) on investments/disposals and gains (losses) on disposal of investments, gains (losses) from measurement at fair value of tangible and intangible assets.

4Q21 & FY21 P&L: Highlights *(2020 proforma figures*)*

€ mln	4Q20*	1Q21	2Q21	3Q21	4Q21	Change (QoQ%)	FY20*	FY21	Change (YoY%)
Net Interest Income	295	280	306	313	323	+3.1%	1,196	1,222	+2.2%
Net Fees	380	372	383	358	371	+3.6%	1,430	1,484	+3.8%
Financial revenues**	42	180	54	40	37	-8.5%	264	311	+17.8%
Other operating income/expenses	-10	-11	-2	-13	-11	+20.9%	-51	-36	+27.8%
Total revenues	**707**	**821**	**741**	**698**	**720**	**+3.2%**	**2,839**	**2,980**	**+5.0%**
Operating Costs	**-566**	**-540**	**-533**	**-513**	**-519**	**+1.1%**	**-2,185**	**-2,106**	**-3.6%**
of which personnel costs	-355	-360	-359	-358	-351	-2.0%	-1,415	-1,428	+0.9%
of which other admin expenses	-159	-133	-133	-112	-120	+7.4%	-563	-498	-11.6%
Pre-provision profit	**142**	**280**	**208**	**185**	**201**	**+8.8%**	**654**	**874**	**+33.5%**
Total provisions* **	**-132**	**-78**	**-84**	**136**	**-220**	**n.m.**	**-606**	**-245**	**-59.6%**
of which cost of customer loans	-134	-74	-89	135	-222	n.m.	-601	-250	-58.4%
Net Operating Result	**9**	**203**	**124**	**321**	**-19**	**n.m.**	**48**	**629**	**n.m.**
Non-operating items****	-232	-89	-93	-111	-74	-33.5%	-1,260	-366	-71.0%
Profit (Loss) before tax	**-223**	**114**	**31**	**211**	**-92**	**n.m.**	**-1,212**	**263**	**n.m.**
Taxes	76	6	53	-24	14	n.m.	-342	49	n.m.
PPA & Other Items	-1	-1	-1	-1	-1	-11.5%	-4	-3	-21.1%
Net profit (loss)	**-148**	**119**	**83**	**186**	**-79**	**n.m.**	**-1,558**	**310**	**n.m.**

Comparative figures for 2020 may differ from those published, due to the retrospective application of the change in valuation criteria for investment properties (ex IAS 40). To facilitate comparability of 2020 balances, impairment losses on instrumental properties (IAS 16) have been reclassified from 'Net adjustments on tangible and intangible assets' to 'Gains (losses) from measurement at fair value of tangible and intangible assets' (included in non-operating items). Finally, the restatement also concerned the economic effects of securities from disposals/securitizations of NPLs reclassified under the item "cost of customer loans".

** Including dividends/income from investments, trading/disposal/valuation/hedging of financial assets.

*** Including cost of customer loans, provisions on securities at amortised cost and FVTOCI, and provisions on loans to banks.

****Net provisions for risks and charges, contributions to SRF, NRF & DGS, DTA fees, restructuring costs/one-off costs, gains (losses) on investments/disposals and gains (losses) on disposal of investments, gains (losses) from measurement at fair value of tangible and intangible assets.

* 4Q20 and FY20 adjusted for Hydra transaction.

Balance Sheet

Total Assets *(€/mln)*

	Dec-20	Sep-21	Dec-21	QoQ%	YoY%
Loans to Central banks	28,526	20,941	20,770	-0.8%	-27.2%
Loans to banks	3,897	3,344	3,493	4.5%	-10.4%
Loans to customers	82,632	81,200	79,380	-2.2%	-3.9%
Securities assets	21,623	24,961	22,127	-11.4%	2.3%
Tangible and intangible assets	2,614	2,758	2,744	-0.5%	4.9%
Other assets*	11,052	9,914	9,355	-5.6%	-15.4%
Total Assets	**150,345**	**143,118**	**137,869**	**-3.7%**	**-8.3%**

Total Liabilities *(€/mln)*

	Dec-20	Sep-21	Dec-21	QoQ%	YoY%
Deposits from customers	91,507	82,389	79,860	-3.1%	-12.7%
Securities issued	12,212	10,512	10,441	-0.7%	-14.5%
Deposits from central banks	23,934	29,230	29,155	-0.3%	21.8%
Deposits from banks	4,485	3,020	2,125	-29.6%	-52.6%
Other liabilities**	12,435	11,715	10,114	-13.7%	-18.7%
Group net equity	5,772	6,251	6,173	-1.2%	6.9%
Non-controlling interests	1	1	1	-7.1%	0.0%
Total Liabilities	**150,345**	**143,118**	**137,869**	**-3.7%**	**-8.3%**

Comparative figures for 2020 may differ from those published, due to the retrospective application of the change in valuation criteria for investment properties (ex IAS 40). To facilitate comparability of 2020 balances, impairment losses on instrumental properties (IAS 16) have been reclassified from 'Net adjustments on tangible and intangible assets' to 'Gains (losses) from measurement at fair value of tangible and intangible assets' (included in non-operating items). Moreover, the comparative figures for "cash and cash equivalents" and "loans to banks" have been restated in line with the 7th update of Bank of Italy Circular no. 262.

* Cash and cash equivalents, derivatives assets, equity investments, tax assets, other assets.

** Financial liabilities held for cash trading, derivatives, provisions, tax liabilities, other liabilities.

Lending & Direct Funding

Total Lending *(€/mln)*

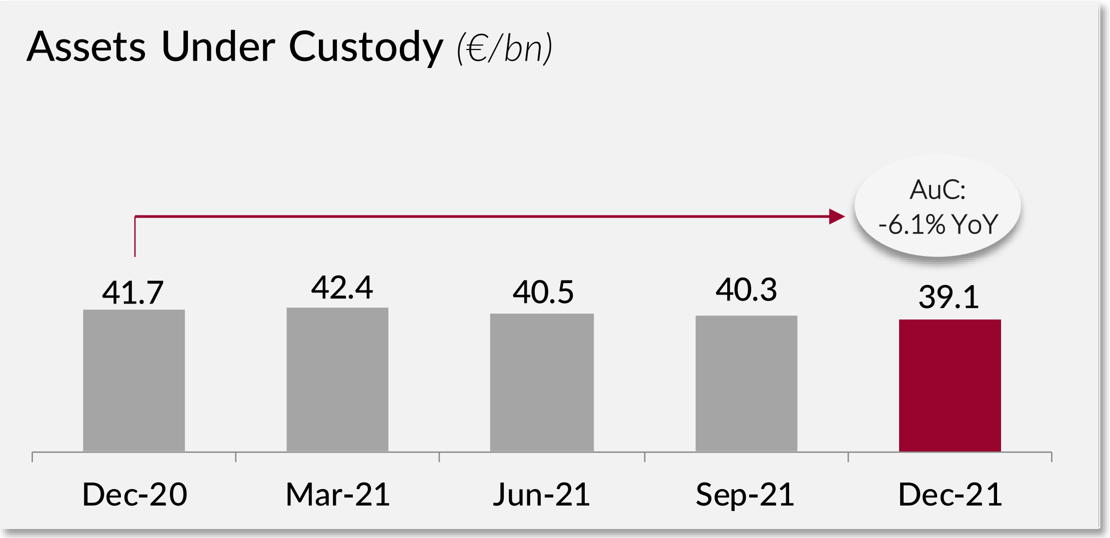
	Dec-20	Sep-21	Dec-21	QoQ%	YoY%
Current accounts	3,039	2,871	2,696	-6.1%	-11.3%
Medium-long term loans	55,200	57,014	56,268	-1.3%	1.9%
Other forms of lending	13,616	12,935	13,152	1.7%	-3.4%
Reverse repurchase agreements	8,617	6,095	5,126	-15.9%	-40.5%
Impaired loans	2,160	2,284	2,138	-6.4%	-1.1%
Total	**82,632**	**81,200**	**79,380**	**-2.2%**	**-3.9%**

Direct Funding * *(€/mln)*

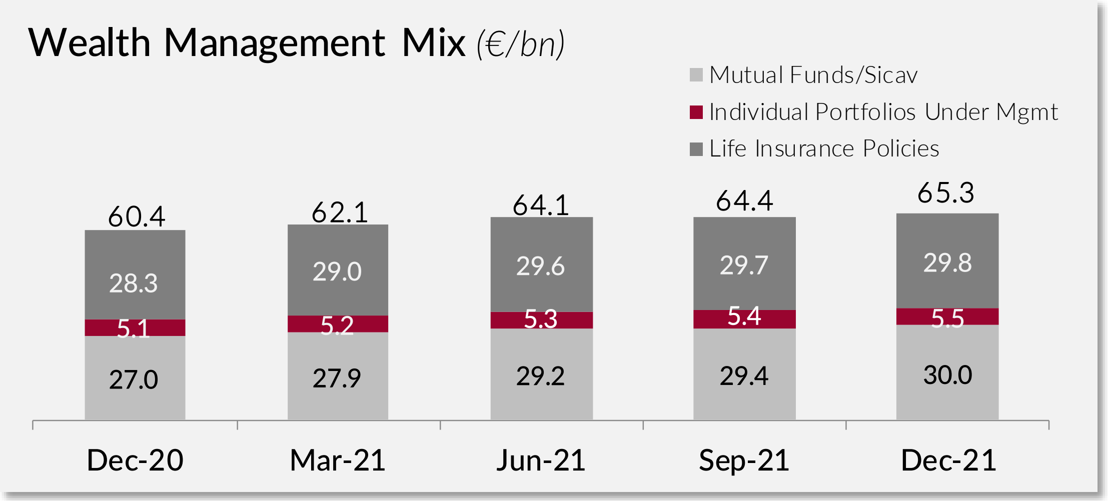
	Dec-20	Sep-21	Dec-21	QoQ%	YoY%
Current accounts	67,989	65,141	66,159	1.6%	-2.7%
Time deposits	8,827	6,924	6,438	-7.0%	-27.1%
Repos	9,508	6,998	4,299	-38.6%	-54.8%
Bonds	12,212	10,512	10,441	-0.7%	-14.5%
Other forms of direct funding	5,182	3,326	2,963	-10.9%	-42.8%
Total	**103,719**	**92,902**	**90,300**	**-2.8%**	**-12.9%**

* Deposits from customers and securities issued.

Assets Under Management and Assets Under Custody



AuM / Total indirect funding	59%	59%	61%	62%	63%



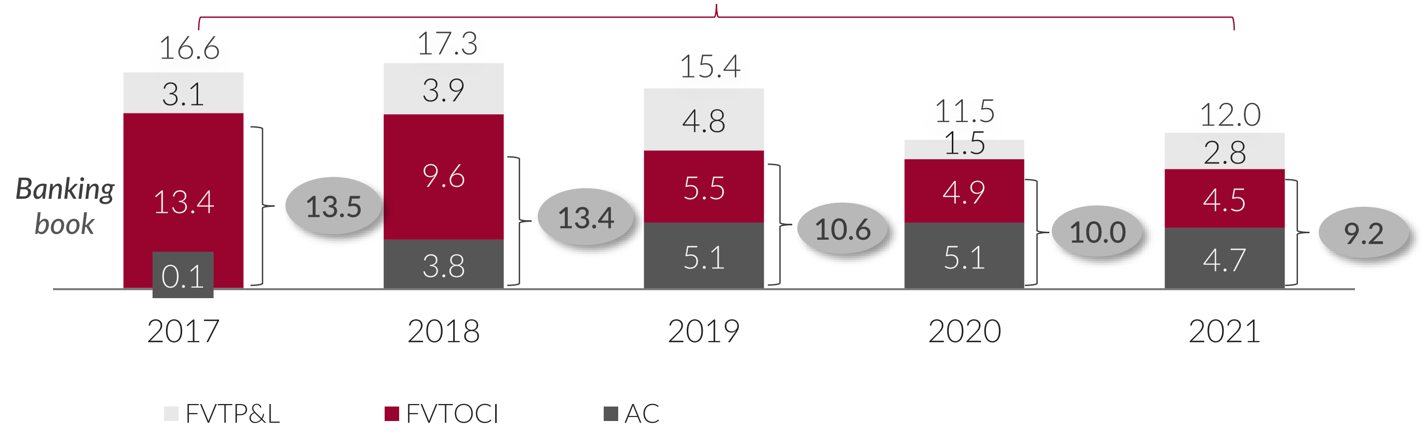
- AuM up 8.1% YoY
  - EUR 4.9bn increase vs. Dec-20 level, driven by market effect and net inflows (EUR 2.6bn)
  - Strong performance of both mutual funds (+11.2% YoY) and bancassurance (+5.3% YoY)
- Further upside by switch from deposits
- AuC down, also due to business mix recomposition

* Bancassurance + pension funds + mutual funds/sicav + individual portfolios under management.

Italian Govies Portfolio*: strong derisking in last years

Italian Govies Portfolio (€/bn)

Porfolio down by 28% vs Dec- 17, with significant improvement in all FVTOCI risk indicators



	2017	2018	2019	2020	2021
FVTOCI / Banking book *(%)*	99%	72%	52%	49%	49%
FVTOCI Duration *(years)*	~3.6	~2.8	~2.3	~2.1	~2.1
FVTOCI Credit spread sensitivity *(€/mln, before tax, for 1bp increase in the BTP/Bund spread)*	-5.6	-2.9	-1.5	-1.1	-1.1

- **FVTOCI & AC components** down YoY, mainly for maturities
  - Persistent positive contribution to NII (average yield about 1%)
  - Credit spread sensitivity to capital at ~EUR 1mln for 1bps
- **FVTP&L component** driven by MPS Capital Services "BTP Specialist" market-making activity
  - Credit spread sensitivity not meaningful

* Figures from operational data management system. Nominal values for Italian govies at amortised cost.

Focus on DTAs

Current Italian fiscal regulations do not set any time limit to the use of fiscal losses against the taxable income of subsequent years.

	Definition	Regulatory treatment	4Q21
1 Convertible DTAs	o DTAs related to write-downs of loans, goodwill and other intangible assets are convertible into tax credits (under Law 214/2011)*	➤ 100% included in Risk-Weighted Assets like any credit	EUR 0.6bn (stable vs. 3Q21)
2 Non-convertible losses	o DTAs on non-convertible fiscal losses and DTAs on ACE (Allowance for Corporate Equity) deductions o May be recovered in subsequent years only if there is positive taxable income, but may both be carried forward indefinitely	➤ 100% deducted from shareholders' equity (CET1)	EUR 0.2bn (stable vs. 3Q21)
3 Other non-convertible DTAs	o DTAs generated as a result of negative valuation reserves, provisions for risks and charges, capital increase costs and temporary differences primarily relating to provisions for guarantees and commitments, provisions for doubtful debts vs. Banks, impairments on property, plant and equipment and personnel costs (pension funds and provisions for staff severance indemnities) o May only be used in case of tax gains**, and therefore carry an average recoverability risk	➤ Deducted from CET1 if they exceed 10% of adjusted CET1 and if, added to significant holdings, they exceed 17.65% of adjusted CET1. Amounts in excess of the two thresholds are deducted from CET1. Amounts equal to the thresholds 250% included in Risk-Weighted Assets	EUR 0.2bn (stable vs. 3Q21)
4 DTAs not recorded in balance sheet	o DTAs not recorded in balance sheet due to the probability test	➤ N.A.	EUR 3.5bn (stable vs. 3Q21)

* Recovery is certain, regardless of the presence of future taxable income.

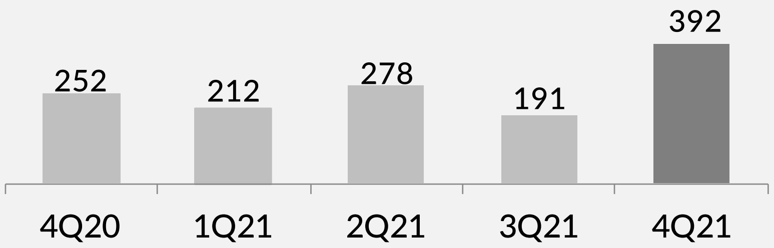
**In the case of IRES DTAs, the part that is not absorbed by taxable profit before reversal of convertible DTAs is transformed into non-convertible losses DTAs; in the case of IRAP DTAs, the part that is not absorbed by taxable profit before reversal of convertible DTAs is not recoverable.

Asset Quality Migration Matrix

- **Prudent Asset Quality management,** default rate at low level, with clean up in 4Q21. For 2021 default flow:
  - past dues represent less then 5% of the total flow
  - about 50% is related to forborne loans (mandatory classified as non performing)
  - half of the remaining flow comes from prudent managerial reclassification (crash programme)
- **Cure rate close to 20%,** benefitting from the cure of two big tickets

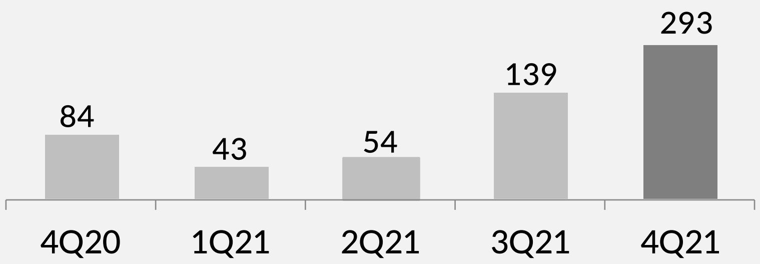
NPE inflows from performing
(€/mln)

Default rate 1.0%
(0.8% in 3Q21)



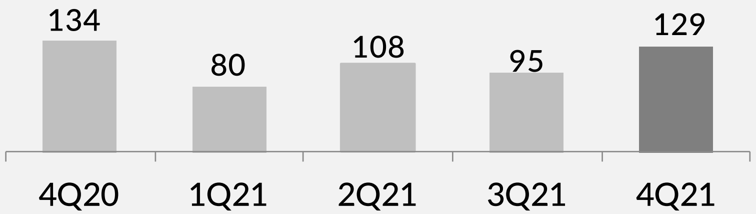
NPE outflows to performing
(€/mln)

Cure rate 19.7%
(10.4% in 3Q21)



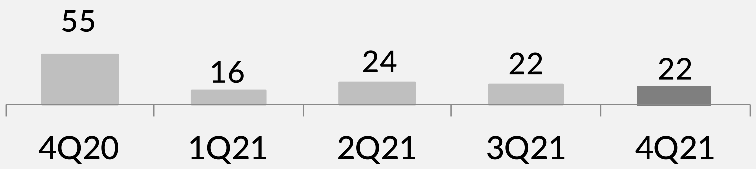
Migration from UTPs/PDs to bad loans *(€/mln)*

Danger rate 15.4%
(14.1% in 3Q21)



Cash recovery of bad loans *(€/mln)*

Recovery rate 5.8%
(5.7% in 3Q21)



Data from operational data management system.

Moratoria and guaranteed loans breakdown

*Moratoria**

	Applications #	Applications €/bn	Accepted (€/bn)	% of loan book
Performing customers	2k	0.3	0.3	0.3%
Households	1k	0.1	0.1	0.3%
Corporates & Institutions	1k	0.2	0.2	0.4%
Non-performing customers	1k	0.1	0.1	4.5%**

*New guaranteed loans**

	Applications #	Applications €/bn	Accepted (€/bn)	Disbursed (outstanding) (€/bn)
Total guaranteed loans	107.7k	11.6	11.1	10.4
100% guaranteed (≤€30k)	78.9k	1.7	1.7	1.6
90% guaranteed	13.5k	4.5	4.1	3.7
80% guaranteed	14.9k	3.4	3.4	3.3
guaranteed by SACE	0.4k	2.0	1.9	1.8

* Figures related to MPS Group. Latest update: 1 January 2022 for moratoria, 31 December 2021 for new-guaranteed loans.

** Bad loans not included in percentage calculation.

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