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**BANCA MONTE DEI PASCHI DI SIENA S.P.A.**

**SHAREHOLDERS' MEETING**

6 April 2021 (single call)

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS**

**CONCERNING ITEM 1) ON THE ORDINARY SESSION OF THE AGENDA**

**FINANCIAL STATEMENTS AT 31 DECEMBER 2020, INCLUDING THE REPORTS OF THE BOARD OF DIRECTORS, THE INDEPENDENT AUDITOR AND THE BOARD OF STATUTORY AUDITORS. SUBMITTAL OF THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020; RESOLUTIONS PERTAINING THERETO AND RESULTING THEREFROM.**



## EXPLANATORY REPORT BY THE BOARD OF DIRECTORS CONCERNING ITEM 1) ON THE ORDINARY SESSION OF THE AGENDA

Dear Shareholders,

You have been called to the Shareholders' Meeting to resolve upon the following **item 1)** on the agenda of the Ordinary Session:

**“Financial statements at 31 December 2020, including the reports of the Board of Directors, of the Independent Auditor and of the Board of Statutory Auditors. Submittal of the consolidated financial statements at 31 December 2020; resolutions pertaining thereto and resulting therefrom.”**

Following that set forth in art. 2364 of the Civil Code and in articles 13 and 30 of the company by-laws, the Annual General Meeting is called to pass the approval of Banca Monte dei Paschi di Siena S.p.a.'s financial statements for the year that closed on 31 December 2020, which shows a EUR 1,882,682,981 loss for the year. Together with the other negative reserves, this determines the integration of the premises under article 2446 of the Civil Code, since the share capital dropped by more than one third. For more information about the assets and liabilities of reference as set forth in article 2446 paragraph one of the Civil Code, see the report under point 2 of the agenda of today's Ordinary shareholders' meeting.

Moreover, Monte dei Paschi di Siena Group's consolidated financial statements as at 31 December 2020, are presented to the Shareholders' Meeting. They closed with a total loss for the year of EUR 1,689,113,097, of which EUR 1,688,983,652 derive from the parent company.

To delve into their content, please refer to the 2020 draft financial statements, approved by the Board of Directors on 25 February 2021, together with the reports by the Board of Directors, Independent Auditor and the Board of Statutory Auditors, made available to the Shareholders by the means and deadlines prescribed by the laws and regulations in effect which may be consulted on the web *site [www.gruppomps.it](http://www.gruppomps.it)*, in the *Corporate Governance – Annual General Meetings and BoD* section at the *link*:

<https://www.gruppomps.it/corporate-governance/assemblea-azionisti/archivio-assemblee.html>

**Motion.**

Dear Shareholders, we ask you to pass this resolution:

*“The Annual General Meeting of Banca Monte dei Paschi di Siena S.p.a., as an ordinary item, having shared the content and the arguments expounded in the Board of Directors’ Report, having reviewed the content of the Board of Statutory Auditors’ and Independent Auditor’s Report,*

**RESOLVES**

*to approve the financial statements for the year that closed on 31 December 2020, for Banca Monte dei Paschi di Siena S.p.a., which close with a € 1,882,682,981 loss for the year.”*

Siena, 25 February 2021

For the Board of Directors  
Maria Patrizia Grieco  
Chairperson of the Board of Directors