



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

A Clear and Simple Commercial Bank

Business Plan 2022-2026

Siena
June 23, 2022

Disclaimer

IMPORTANT: You must read the following before continuing. The following applies to this document, the presentation of the information in this document by Banca Monte dei Paschi di Siena (the "Company", together with its consolidated subsidiaries the "Group"), or any person on behalf of the Company (collectively, the "Information"). In accessing the Information, you agree to be bound by the following terms and conditions.

THIS DOCUMENT IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION. THIS DOCUMENT, WHICH WAS PREPARED BY THE "COMPANY", IS PRELIMINARY IN NATURE AND MAY BE SUBJECT TO UPDATING, REVISION AND AMENDMENT INCLUDING THOSE THAT MAY DERIVE FROM THE AUTHORISATION PROCESS CURRENTLY IN PROGRESS CARRIED OUT BY THE COMPETENT AUTHORITIES, IT MAY NOT BE REPRODUCED IN ANY FORM, FURTHER DISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON, OR RE-PUBLISHED IN ANY MANNER, IN WHOLE OR IN PART, FOR ANY PURPOSE. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF APPLICABLE LAWS AND VIOLATE THE COMPANY'S RIGHTS.

This document was prepared by the Company solely for information purposes and for use in presentations of the Group's strategies. The information contained herein has not been independently verified, provides a summary of the Group's 2024-2026 Strategy Plan. Except where otherwise indicated, this document speaks as of the date hereof and the information and opinions contained in this document are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. No representation or warranty, explicit or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or sufficiency for any purpose whatsoever of the information or opinions contained herein. Neither the Company, nor its advisors, directors, officers, employees, agents, consultants, legal counsels, accountants, auditors, subsidiaries or other affiliates or any other person acting on behalf of the foregoing (collectively, the "Representatives") shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. The Company and its Representatives undertake no obligation to provide the recipients with access to any additional information or to update or revise this document or to correct any inaccuracies or omissions contained herein that may become apparent.

This document and the information contained herein do not contain or constitute (and are not intended to constitute) an offer of securities for sale, or solicitation of an offer to purchase or subscribe securities, nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement or recommendation to enter into any contract or commitment or investment decision whatsoever. Neither this document nor any part of it nor the fact of its distribution may form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. Any decision to invest in the Company should be made solely on the basis of information contained in any prospectus or offering circular (if any is published by the Company), which would supersede this document in its entirety.

Any securities referred to herein have not been registered and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States or in United Kingdom, Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the "Other Countries"). No securities may be offered or sold in the United States unless such securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Company does not intend to register or conduct any public offer of securities in the United States or in Other Countries. This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or in Other Countries. This document is only addressed to and is only directed at: (a) in the European Economic Area, persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 and (b) in Italy, "qualified investors", as defined by Article 34-ter, paragraph 1(b), of CONSOB's Regulation No. 11971/1999 and integrated by Article 35, paragraph 1(d) of CONSOB's Regulation No. 20307/2018. To the extent applicable, any industry and market data contained in this document has come from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein has been obtained from sources believed to be reliable, but that there is no guarantee of the fairness, quality, accuracy, relevance, completeness or sufficiency of such data. The Company has not independently verified the data contained therein. In addition, some industry and market data contained in this document may come from the Company's own internal research and estimates, based on the knowledge and experience of the Company's management in the market in which the Company operates. Any such research and estimates, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this document.

This document may include certain forward-looking statements, projections, objectives and estimates reflecting the current views of the management of the Company and the Group with respect to future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's and/or Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Group participates or is seeking to participate. Any forward-looking statements in this document are subject to a number of risks and uncertainties. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group's ability to achieve its projected objectives or results is dependent on many factors which are outside Group's control. Actual results may differ materially from those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. Moreover, such forward-looking information contained herein has been prepared on the basis of a number of assumptions which may prove to be incorrect and, accordingly, actual results may vary. All forward-looking statements included herein are based on information available to the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

By accepting this document, you agree to be bound by the foregoing limitations. This presentation shall remain the property of the Company.



Agenda

Today's Speaker



Luigi Lovaglio

Chief Executive Officer,
General Manager

Creval

 **Bank Pekao**

 **UniCredit Group**

A Clear and Simple Commercial Bank

10:30 CET

Historic Franchise with Potential

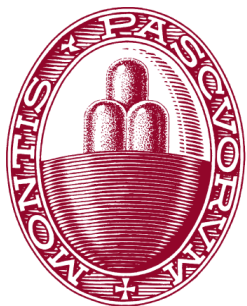
A New Clear Strategy

Effective Business and Commercial Initiatives

Sustainable Financial Targets

Closing Remarks and Q&A Session

11:45 CET



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

A Clear and Simple
Commercial Bank



A clear and simple commercial Bank

Business Plan 2022-2026: our vision and mission

“
A clear and simple commercial Bank
”



“
*Achieve sustainable profitability
on a solid balance sheet and an optimised operating platform,
by leveraging our historic strong commercial franchise and talented people*
”

A clear and simple commercial Bank

Business Plan 2022-2026: selected financial targets

Sustainable Profitability

60% / 57%
Cost / Income in
2024 / 2026

€705m / €909m
Earnings⁽¹⁾
in 2024 / 2026

Solid and Resilient Balance Sheet

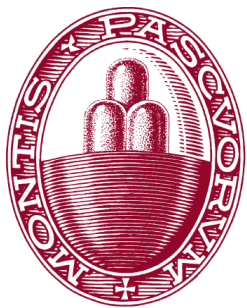
14.2% / 15.4%
CET1 Ratio Fully Loaded
in 2024 / 2026

1.9% / 1.4%
Net NPE Ratio
in 2024 / 2026

Business Plan powered by €2.5bn capital increase

Dividend pay-out ratio of 30% on 2025 and 2026 net profit






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

Historic Franchise
with Potential

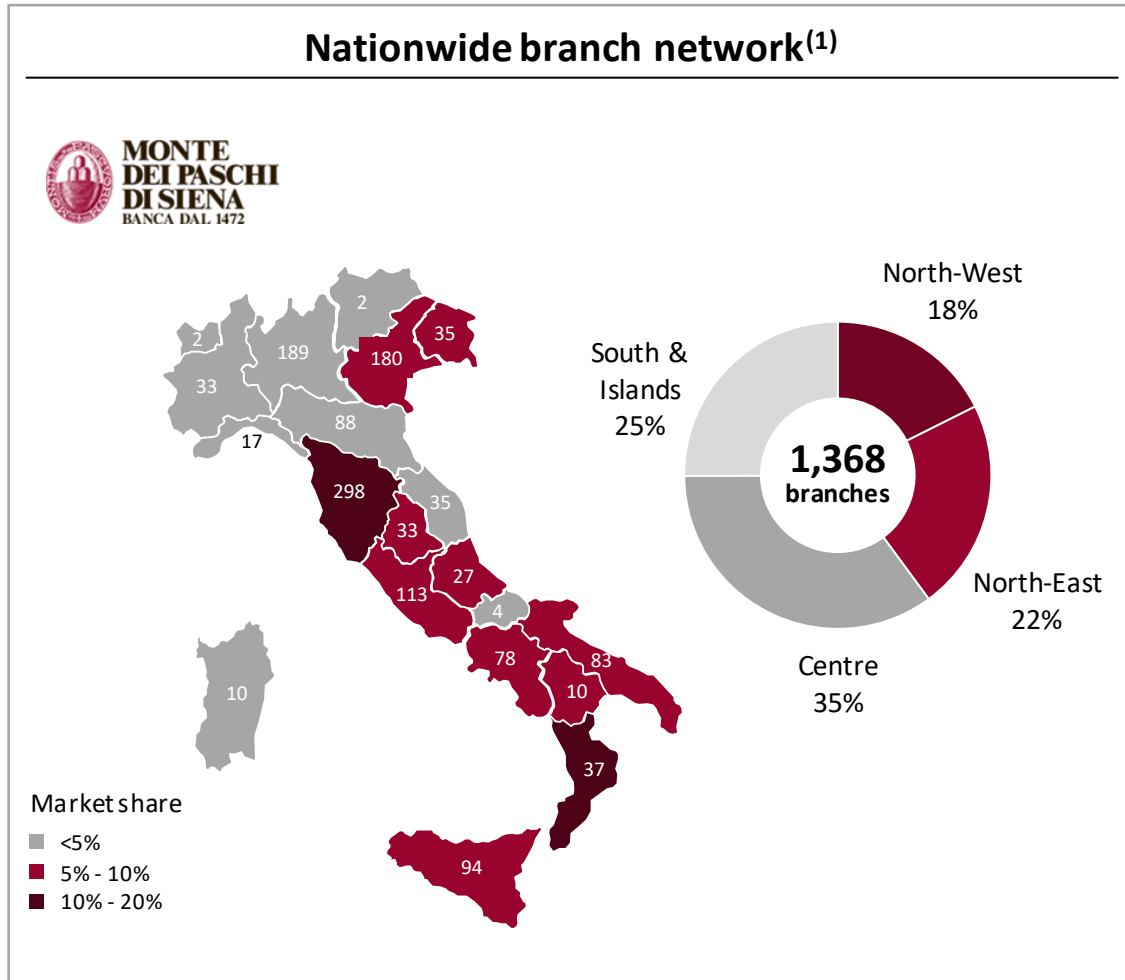


BMPS ready to seize opportunities...

Scale	Franchise	Reach	Capabilities
<p>€175bn Total Clients Assets^(1,2)</p>	<p>Historic franchise with 550 years of history</p>	<p>#1.4k Branches covering all Italian regions (6.4% m.s. nationwide⁽⁴⁾)</p>	<p> BANCAWIDIBA Digital platform with ~540 financial advisors</p>
<p>€79bn Net customer loans⁽¹⁾</p>	<p>#1 in Tuscany (18.4% m.s.⁽⁴⁾) #3 in Veneto (8.3% m.s.⁽⁴⁾) #5 in Lombardy (4.5% m.s.⁽⁴⁾)</p>	<p>~#10k Front-office specialists</p>	<p>Strong and established wealth management partnerships (Anima, AXA)</p>
<p>€3.0bn Operating income⁽³⁾</p>	<p>#5 Italian bank by Total Client Assets^(2,3)</p>	<p>#3.7m Clients⁽¹⁾</p>	<p>Proprietary platforms for Consumer Finance and Wealth Management effective distribution</p>



...leveraging its strong franchise deeply rooted across Italy...



Market shares and GDP Coverage⁽²⁾








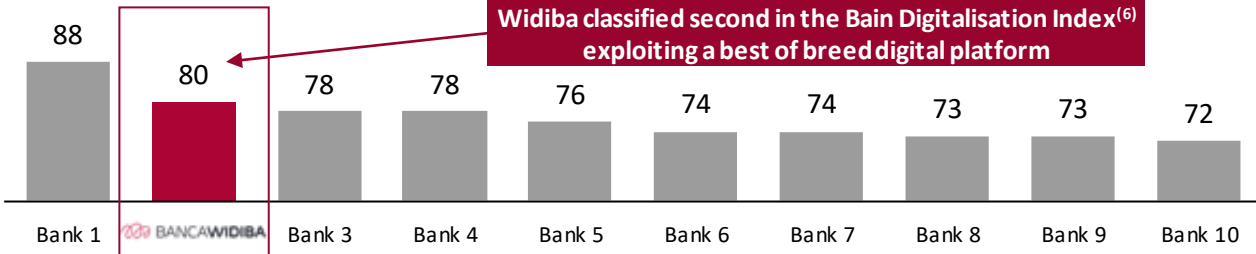
Ranked by % Italian GDP per area	% Italian GDP	Branches (#)	Market share by branches (%)	GDP Coverage ⁽²⁾
North-West	32.9%	241	3.7%	1.2%
Lombardia	22.2%	189	4.5%	1.0%
Piemonte	7.6%	33	1.9%	0.1%
Liguria	2.8%	17	2.9%	0.1%
Valle d'Aosta	0.3%	2	2.9%	0.0%
North-East	23.1%	305	5.4%	1.2%
Veneto	9.2%	180	8.3%	0.8%
Emilia Romagna	9.0%	88	4.0%	0.4%
Trentino-Alto Adige	2.7%	2	0.3%	0.0%
Friuli-Venezia Giulia	2.2%	35	5.8%	0.1%
Center	21.7%	479	10.7%	2.3%
Lazio	11.3%	113	6.3%	0.7%
Toscana	6.7%	298	18.4%	1.2%
Marche	2.4%	35	4.9%	0.1%
Umbria	1.3%	33	9.4%	0.1%
South & Islands	22.2%	343	7.2%	1.6%
Campania	6.2%	78	7.0%	0.4%
Sicilia	5.0%	94	8.4%	0.4%
Puglia	4.3%	83	8.5%	0.4%
Sardegna	1.9%	10	2.0%	0.0%
Calabria	1.9%	37	10.9%	0.2%
Abruzzo	1.9%	27	6.1%	0.1%
Molise	0.4%	4	4.7%	0.0%
Basilicata	0.7%	10	5.8%	0.0%
Total	100.0%	1,368	6.4%	6.4%

Top 5 regions by number or branches

Best-in-class nationwide distribution network deeply rooted across the wealthiest regions in Italy, with a 6.4% market share at national level, 18.4% in Tuscany, 8.3% in Veneto and 4.5% in Lombardy

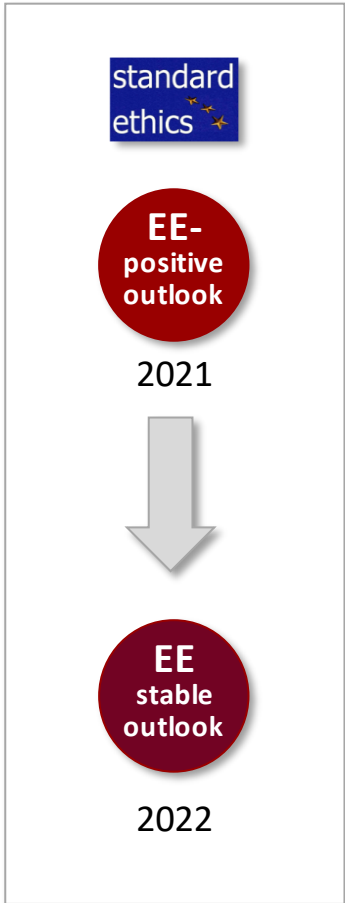
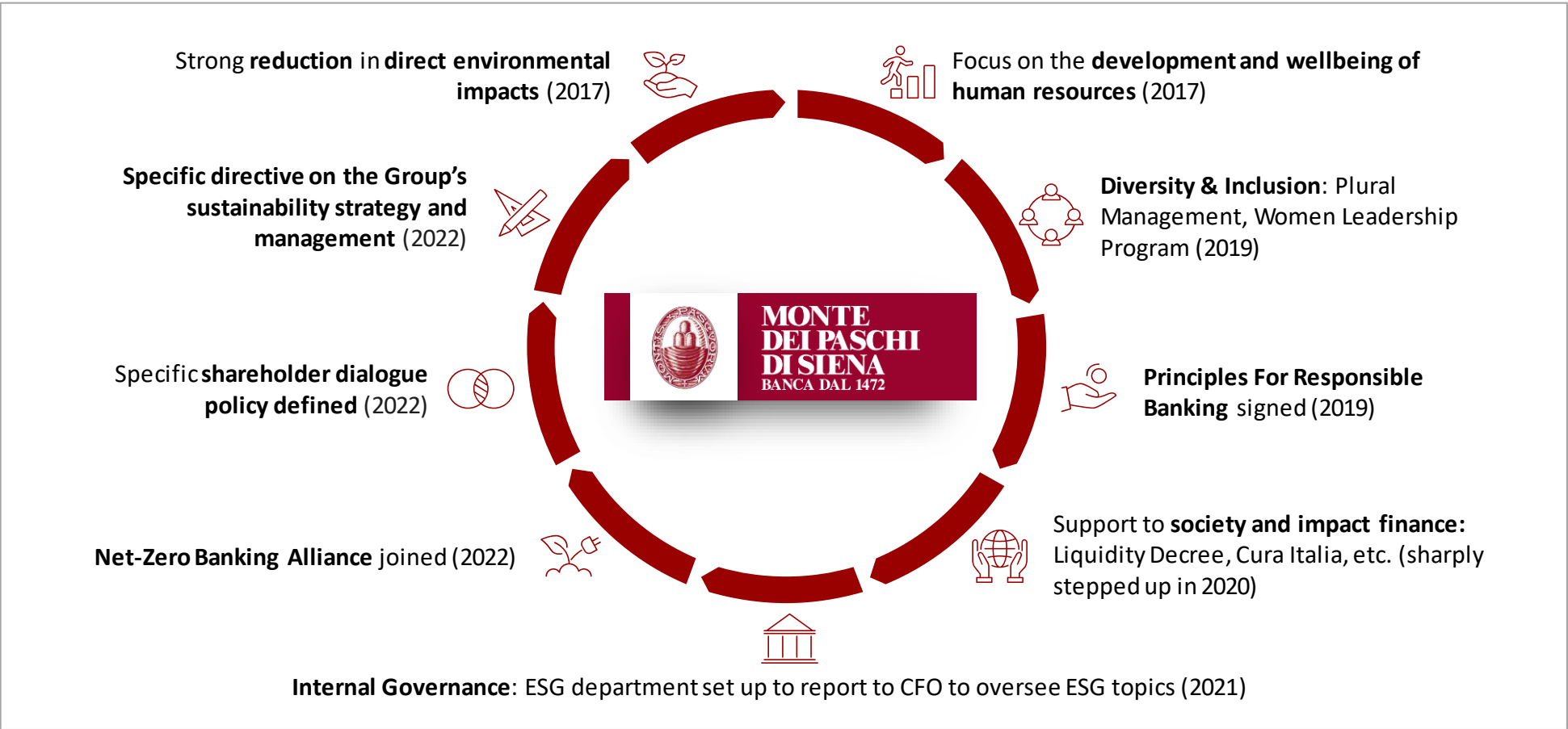


...and its best-in-class native digital platform

Selected KPIs	Customer and stakeholder satisfaction	Selected Prizes and Awards																								
<p>~540 Financial advisors⁽¹⁾</p>	<p>4.85/5 Client ratings 97% satisfaction⁽³⁾</p>	 <p>2022 MF Banking Innovation Awards (Mar-22)</p>	 <p>Novum Design Award (Sep-21)</p>	 <p>14th Grands Prix du Design - Communication & Brand Design (Sep-21)</p>																						
<p>€9.8bn Total Clients Assets^(1,2)</p>	<p>312k  Social Network Fans & Followers⁽⁴⁾</p>	 <p>2021 ABI Award for Innovation in Banking Services (Jun-21)</p>	 <p>Green Stars Award Sustainability 2021 (May-21)</p>	 <p>Indigo Design Awards (Apr-21)</p>																						
<p>~290k Customers⁽¹⁾</p>	<p>3.7/4 Advisors overall rating 93% satisfaction⁽⁵⁾</p>	<p>Digitalisation Level Among EMEA Banks – Bain Digitalisation Index</p>  <table border="1"> <caption>Digitalisation Level Among EMEA Banks – Bain Digitalisation Index</caption> <thead> <tr> <th>Bank</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Bank 1</td> <td>88</td> </tr> <tr> <td>BANCAWIDIBA</td> <td>80</td> </tr> <tr> <td>Bank 3</td> <td>78</td> </tr> <tr> <td>Bank 4</td> <td>78</td> </tr> <tr> <td>Bank 5</td> <td>76</td> </tr> <tr> <td>Bank 6</td> <td>74</td> </tr> <tr> <td>Bank 7</td> <td>74</td> </tr> <tr> <td>Bank 8</td> <td>73</td> </tr> <tr> <td>Bank 9</td> <td>73</td> </tr> <tr> <td>Bank 10</td> <td>72</td> </tr> </tbody> </table> <p>Widiba classified second in the Bain Digitalisation Index⁽⁶⁾ exploiting a best of breed digital platform</p>			Bank	Score	Bank 1	88	BANCAWIDIBA	80	Bank 3	78	Bank 4	78	Bank 5	76	Bank 6	74	Bank 7	74	Bank 8	73	Bank 9	73	Bank 10	72
Bank	Score																									
Bank 1	88																									
BANCAWIDIBA	80																									
Bank 3	78																									
Bank 4	78																									
Bank 5	76																									
Bank 6	74																									
Bank 7	74																									
Bank 8	73																									
Bank 9	73																									
Bank 10	72																									



BMPS has been actively engaged in its own ESG journey for years



Women presence

52% of total workforce
47% of Board of Directors
31% in roles of responsibility as of 2021

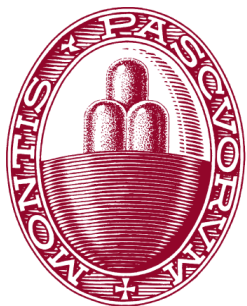
Scope 1 emissions

(48)% Scope 1 emission reduction vs. 2017 as of 2021

AuM¹

>€5bn AuM invested in ESG products in 2021 (21% of total UCITS AuM)





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

A New Clear Strategy

Business plan built on solid strategic pillars...

Vision

A clear and simple commercial Bank

Strategic Pillars

- 1 **Achieve business model sustainability**
- 2 **Build a solid and resilient balance sheet**
- 3 **Tackle the legacy issues**

Enablers

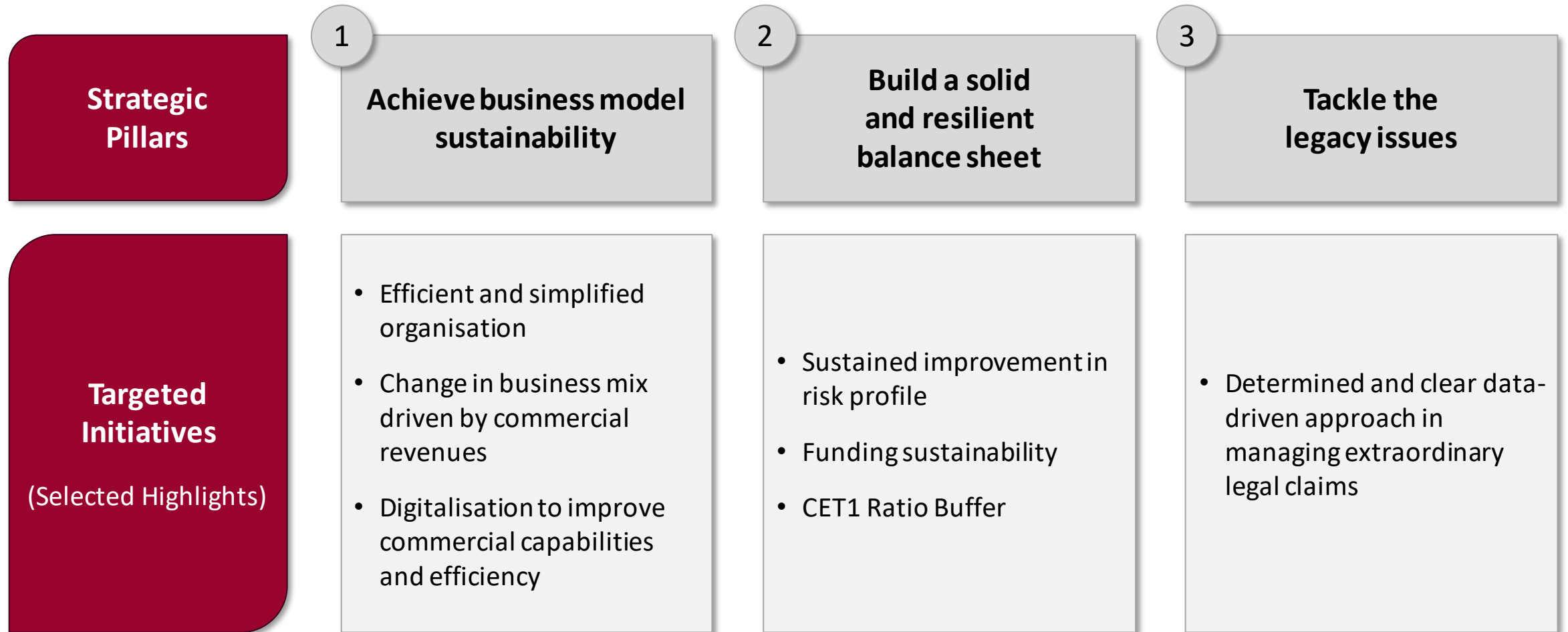
Our historic franchise and brand

Our talented and committed people

Our ESG-driven culture



...implemented through targeted initiatives



Business Plan powered by €2.5bn capital increase



1 Achieve business model sustainability

Initiatives	Key Actions	Selected Highlights
<p>Efficient and simplified organisation</p>	<ul style="list-style-type: none"> • Simplify Group structure • Implement highly rigorous and disciplined G&A cost management • Optimise and redeploy workforce • Streamline branch network 	<p>~€270m recurring savings from 2023 onwards through solidarity fund (~€0.8bn one-off restr. costs in 2022)</p> <p>~€30m savings on G&A by 2024 (~€40m by 2026)</p>
<p>Change in business mix driven by commercial revenues</p>	<ul style="list-style-type: none"> • Develop an advanced household financing offering • Enhance wealth management and protection offering, also exploiting Widiba's full potential • Uplift small business proposition • Win-back and retain clients 	<p>~€420m increase in commercial revenues⁽¹⁾ in 2021-24 (~€610m in 2021-2026)</p>
<p>Digitalisation to improve commercial capabilities and efficiency</p>	<ul style="list-style-type: none"> • Focus on investments enabling Business Plan initiatives, while protecting mandatory / regulatory projects • Maximise scalability and cost-efficiency through a technology based platform • Enhance customer experience, consistent through devices • Improve commercial capabilities with new digital CRM 	<p>Rebalancing organic investments pool into projects enabling business plan initiatives</p>



Notes: 1. Including net interest income (excl. TLTRO) and net commission income.

2 Build a solid and resilient balance sheet

Initiatives	Key Actions	Selected Highlights
<p>Sustained improvement in risk profile</p>	<ul style="list-style-type: none"> Align underwriting to new business lending priorities Reduce and proactively manage NPE stock also via disposals Enhance early warnings and monitoring systems to reduce new flows Ensure timely intervention through dedicated centralised team 	<p>1.9% net NPE ratio by 2024 (1.4% by 2026)</p> <p>53% NPE coverage by 2024 (59% by 2026)</p>
<p>Funding sustainability</p>	<ul style="list-style-type: none"> Maintain a strong liquidity position throughout the plan Achieve a more stable funding mix, re-focusing on customer deposits and institutional funding Completely remove TLTRO «dependency» 	<p>ECB funding down to ~13% of total liabilities by 2024 (currently ~22%)</p>
<p>CET1 Ratio Buffer</p>	<ul style="list-style-type: none"> Sustainable CET1 position with sizeable capital buffer vs. SREP 	<p>Capital buffer at ~335bps vs. SREP requirements⁽¹⁾ in 2024 (~455bps in 2026)</p>



Notes: 1. According to ECB final decision dated 3 February 2022 regarding own funds requirements to be fulfilled starting from 1 March 2022, the Group must fulfil an overall minimum requirement in terms of Tier 1 ratio of 10.81%.

3 Tackle the legacy issue: breakdown and coverage of gross *petitum*

Gross *petitum* (€bn – latest figures)

Ordinary	Reps and Warranties on NPE sales (Pjt. Valentine)	0.7
	NPE borrowers claims	1.3
	Other ordinary claims	2.5
	Total ordinary claims	4.5

Extraordinary	Extraordinary excluding civil parties	0.8
	Extraordinary related to civil parties	0.3
	Extrajudicial claims	0.8
	Total extraordinary claims	1.9⁽¹⁾

Key considerations

Last available date for new claims in relation to Pjt. Valentine already expired. Limited portion of *petitum* deemed grounded by BMPS

Claims / risks related to commercial banking activities with non-performing borrowers

Claims / risks related to commercial banking activities (e.g. compound interest, usury *et similia*)

Extraordinary claims related to Financial Information for the period 2008-2015 (see next slide for additional information)

3 Tackle the legacy issue: deep dive on extraordinary legal claims

Gross *petitum* (€bn – latest figures)

Claims excluding civil parties

Financial information 2014-2015	0.3
Financial information 2008-2011	0.5
Subordinated bonds mis-selling	0.03
Total	0.8

Claims related to civil parties

Financial information 2014-2015	0.2
Financial information 2008-2011	0.1
Total	0.3

Extrajudicial claims

Financial information 2014-2015	0.2
Financial information 2008-2011	0.6
Total	0.8

Total	1.9
--------------	------------

Key considerations and recent developments

- Positive jurisprudential trend, in connection with losses claimed after the financials restatement carried out by the Bank on 6 Feb 2013
- In the most relevant civil case (brought by Alken with €450m of damage request), the claim was rejected by the Court of Milan in July 2021
- In May-2022 the Milan Appeals Court fully acquits former Chairman and General Manager in the criminal litigation 2008-2011
- Extrajudicial claims: notwithstanding undetermined and vague nature of such claims, considering the high number and the seriality of the requests, the Bank resolved to make provisioning for conservative purposes

- Adequate provisioning level against claims and likely risks already in place
- Further comfort coming from the jurisprudential trend and the conclusions stemming from legal opinions of a pool of established law firms as well as independent technical experts
- Determined and clear data-driven approach in managing extraordinary legal claims, in particular extrajudicial ones



Incremental contribution to gross operating profit

Financial highlights – €m	Δ 2021–24E	Δ 2021–26E
Increase in Commercial Revenues ¹	424	612
Decrease in TLTRO, Trading and Other Revenues	(303)	(306)
Reduction in Operating Expenses	248	221
Incremental Gross Operating Profit	370	527

Selected P&L KPIs	2024E	2026E
Cost/Income Ratio	60%	57%
Cost of Risk	<50bps	<50bps



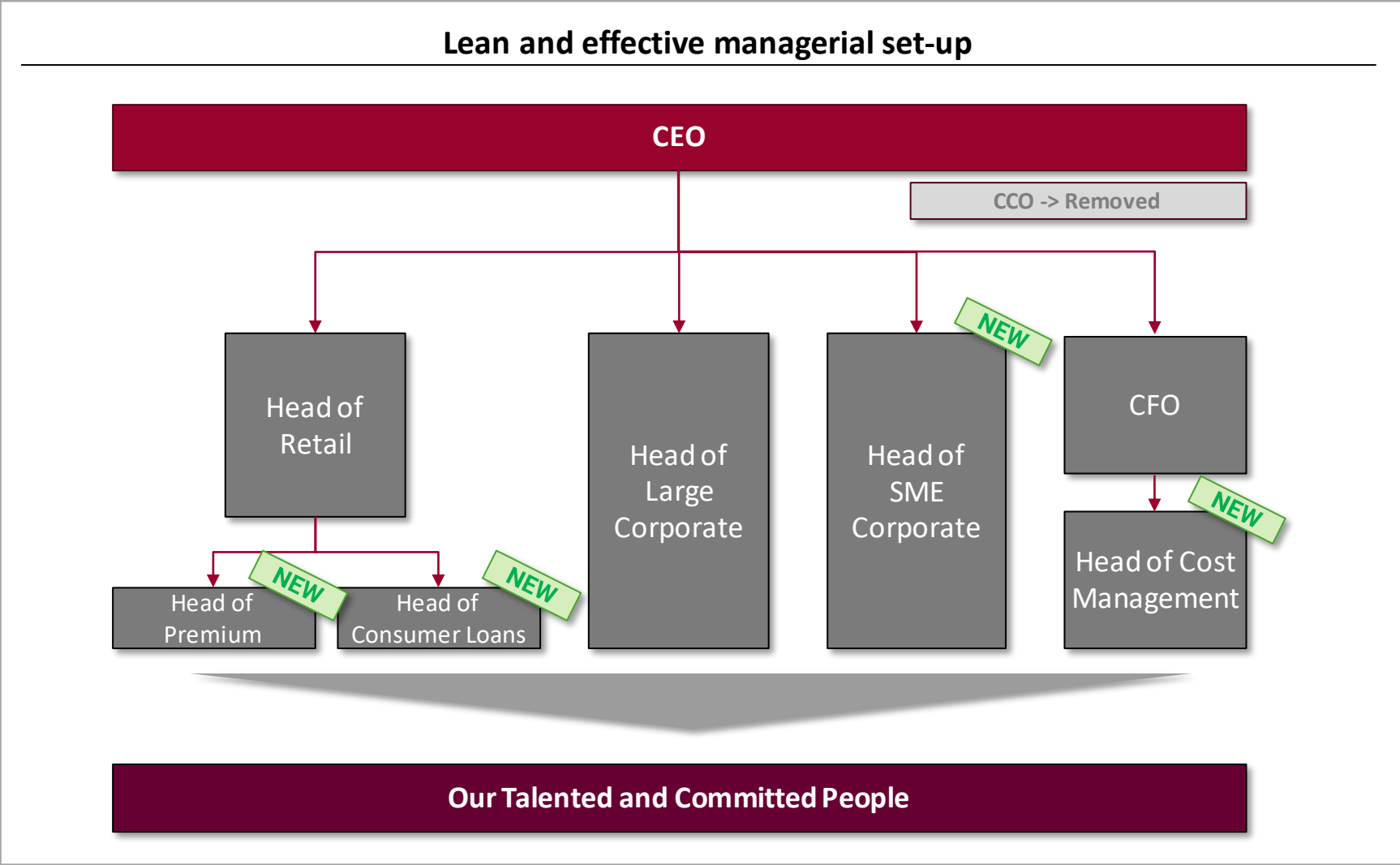
Incremental contribution to gross operating profit of ~€370m by 2024 and ~€530m by 2026



Notes: 1. Commercial revenues including net interest income (excluding TLTRO) and net commission income.

Newly and enhanced internal decision making processes and set-up...

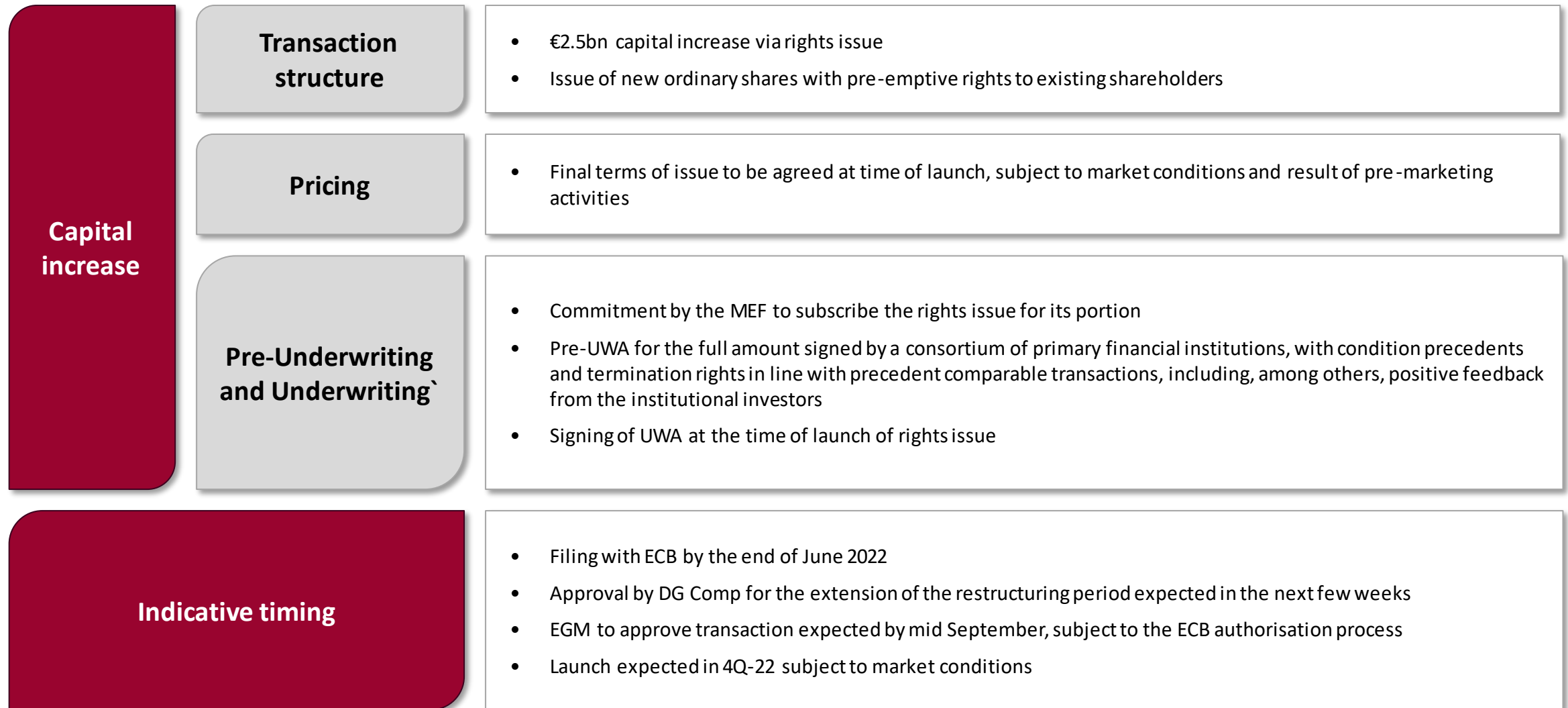
- Owners of specific pillars already identified
- Greater focus on Business Plan priorities
- Flatter structure closer to customers
- Faster decision processes

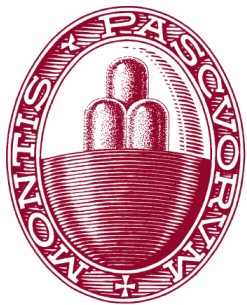


...and effective framework in place to ensure successful execution and delivery



Expected process and timeline





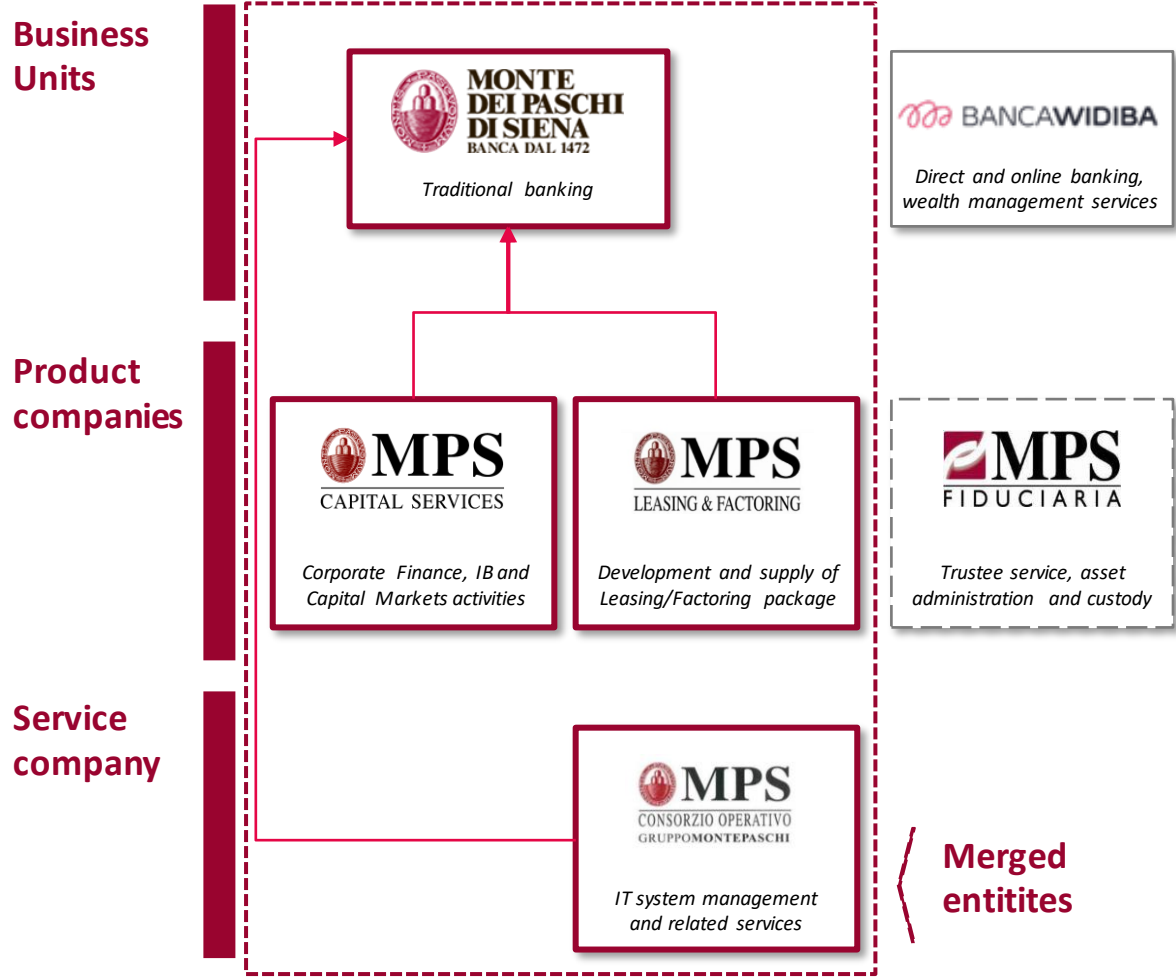
**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

Effective Business and
Commercial Initiatives



1.A Simplify group structure

Planned simplification actions for BMPS Group



Key initiatives and strategic rationale

Planned actions	<ul style="list-style-type: none"> • Three separate mergers into BMPS of: <ul style="list-style-type: none"> • MPS Capital Services (“MPSCS”) • MPS Leasing & Factoring (“MPSL&F”) • MPS Consorzio Operativo Gruppo MPS (“COG”)
Strategic Rationale	<ul style="list-style-type: none"> • MPSCS: integration and positioning as an hub on structuring and project finance, exploiting enhanced cross selling of value-added products • MPSL&F: integration of the business and full exploitation of the factoring capabilities through the synergies with the BMPS network • COG: integration and revamp of the organizational structure, with enhanced effectiveness in the design and implementation of the IT systems
Indicative timeline (key dates)	<ul style="list-style-type: none"> • 23 June 2022: approval of merger projects • Sep-Dec 2022: expected ECB authorization process • Dec-22: expected signing of COG merger deed (integration from 01.01.23) • Jan-1 2023: accounting effect from the three mergers



1.B Implement highly rigorous and disciplined G&A cost management

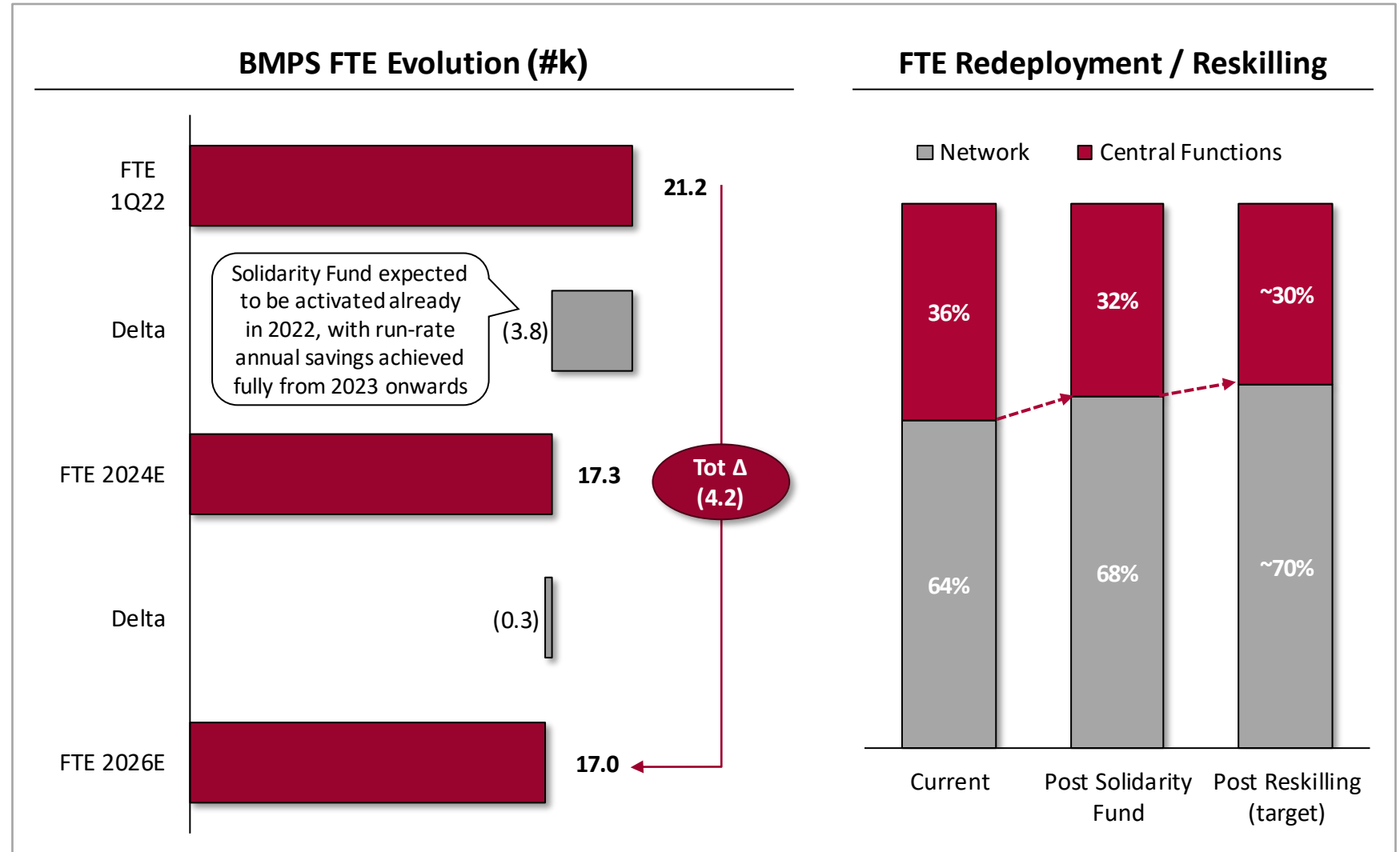
Clearly identified actions

<p>Centralisation of cost management</p>	<ul style="list-style-type: none"> • Redefine cost governance end-to-end with centralisation of several cost owners under one single unit with enhanced accountability • Cost management empowered by data analytics
<p>“Zero-based” approach to costs</p>	<ul style="list-style-type: none"> • Implement disciplined and rigorous non-HR cost management • Redesign spending policies and processes in a "zero-based" perspective
<p>Demand management optimisation and segregation of procurement</p>	<ul style="list-style-type: none"> • Optimise processes to better assess demand and definition of expense targets • Segregate procurement activities • Renegotiate current contracts, including IT agreements
<p>Processes rationalisation and change in corporate perimeter</p>	<ul style="list-style-type: none"> • Review processes/policies end-to-end to redeploy central resources for value-added commercial activities • Optimise space management and expenses following the rationalisation of branches and employees redeployment • Implement ICT actions (rationalisation of application maintenance contracts, SMS, etc.) • Reduce database expenses with approach to market standards • Rationalise / internalise outsourced activities (e.g. guarantees, assistance call centers, etc.)



1.C Optimise and redeploy workforce

- Resizing of workforce through dedicated "Solidarity Fund" exits:
 - One-off restructuring costs of €0.8bn in 2022
 - Annual recurring savings of c. €270m from 2023 onwards
- Reskilling and redeployment of human capital on selected and specific value-added commercial activities
- Enhanced training framework with tailored programs
- No operational risk stemming from FTE redundancies



1.D Streamline branch network

Wind down of 150 branches (of which 100 by 2024)



Strategic Rationale and Driving Principles

Optimisation of commercial network

- Branch network streamlining driven by commercial factors (e.g. financial profitability, etc.), operational activity and efficiency improvements, prepared by dedicated actions to preserve customer base
- Merger of small, local branches into “mid-sized” ones able to cover a full range array of services and provide a comprehensive offer
- Offload of part of physical branch activities to remote ones

Revamping of redundant operating roles

- Reduction of support staff mainly employed in back-office activities with no direct contact with the clients
- Allocation of part of cashiers’ time not at full capacity to commercial activities (i.e., basic campaigns) or to fulfil “support operative” activities

Tailored program for customers retention in place ahead of branches wind down



2 Key actions for change in business mix driven by commercial revenues (1/2)

2.A

Develop an advanced household financing offering

2.B

Enhance wealth management and protection offering

Key considerations

- In-house consumer finance production exploiting new platform focusing on existing customer base
- Product range enrichment, also leveraging partners' support
- Improvement of analytical capabilities to increase share of wallet
- Mortgages as key product to ensure customer retention and proactive coverage

- Enhancement of affluent customer base coverage
- Product range enrichment across all wealth bands
- Newly implemented CRM solution
- Full exploitation of innovative Widiba's digital & advisory platform

Selected highlights

- Consumer finance gross revenues of €135m in 2024E and €262m in 2026E
- Mortgages loans volumes up by €3.1bn in 2026E

- Asset management:
 - AuM¹ of €36.6bn in 2024E and €40.7bn in 2026E
- Bancassurance:
 - Life & protection commission income of €281m in 2024E and €333m in 2026E
 - Life stock of €32.4bn in 2024E and €36.2bn in 2026E



2 Key actions for change in business mix driven by commercial revenues (2/2)

2.C Uplift small business proposition

2.D Win-back and retain clients

Key considerations

- Redesigned commercial approach based on new cluster definition
- Deployment of digital platform, to support and simplify customer operations
- Specialised hubs focused on different business verticals
- Focus on revolving, self-liquidating facilities and factoring

- Set-up of specific "win-back" programs
- Full deployment of Widiba as a best-in-class digital channel with advisory proposition
- Early warning system and special retention programs

Selected highlights

- SME loans volumes up by ~€3bn in 2026E
- Interest income up by ~€110m in 2024E and ~€210m in 2026E, vs. 2021

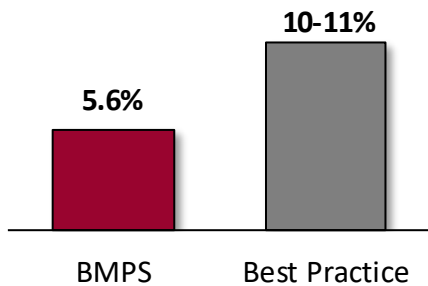
- Focus on ~€3bn clients' assets lost over last 2 years, with target of €600m to win back by 2024E



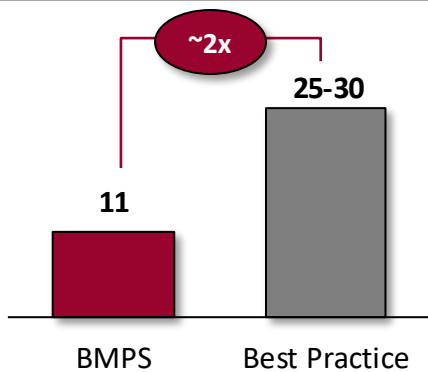
2.A Focus on Consumer Finance

Examples of Untapped Potential¹

Consumer Finance Penetration²



Commercial Effectiveness³

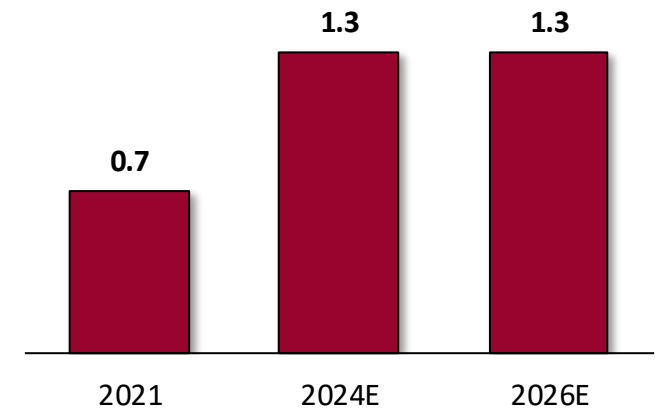


Strategic Levers Envisaged in the Plan

- Internal proprietary consumer finance product factory alongside partners' offering
- End-to-end commercial steering / lead conversion
- Strengthening of online offering
- Increase in number of product specialists to serve the commercial network
- Marketing / advertisement efforts

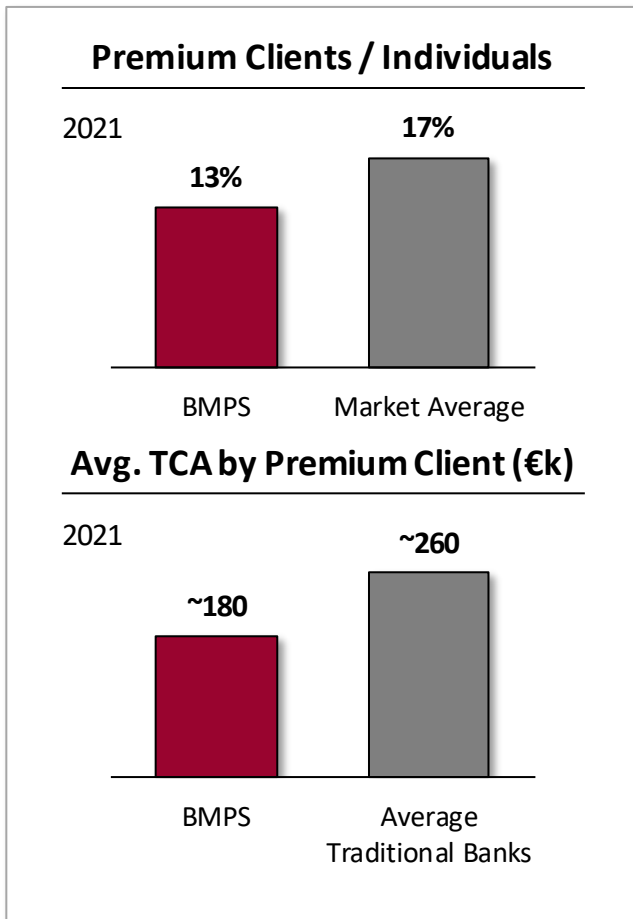
Consumer Finance Loan Volumes (€bn)

- Significant boost in volumes due to full deployment of proprietary product factory
- Alignment to "best practice" penetration level already by 2024E



2.B Focus on Asset Management

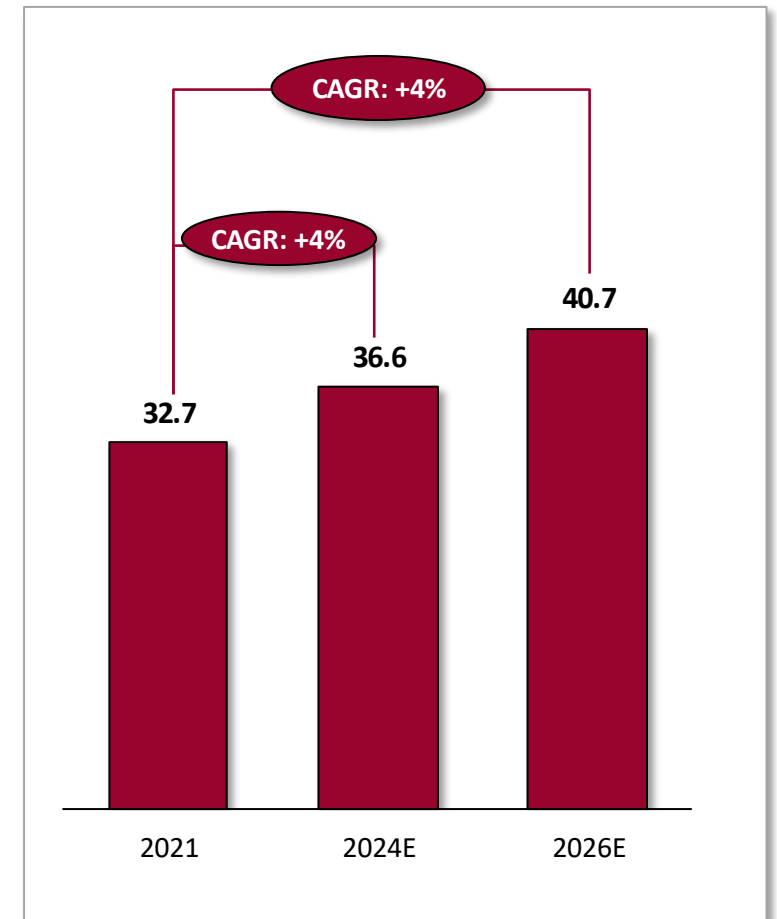
Examples of Untapped Potential¹



Strategic Levers Envisaged in the Plan

- Strong and established partnership with Anima
- Full adoption of new CRM solution
- Step-up of “advisory” efforts on customer base
- Improved service model through wealth bands redefinition
- Increase in number of dedicated financial advisors for premium segment²
- Digital / remote collaboration

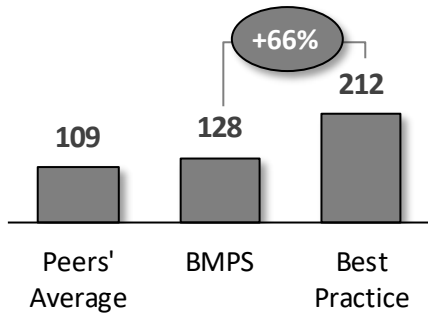
AuM³ (Excl. Insurance) Evolution (€bn)



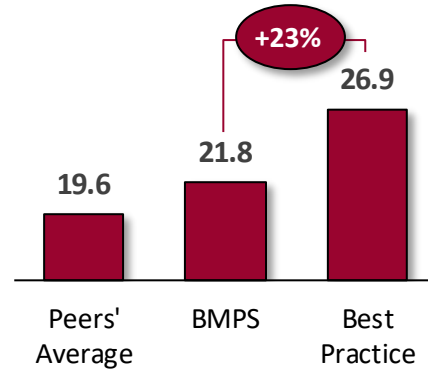
2.B Focus on Bancassurance

Leading platform with further growth potential¹

Non-Life GWP per Branches (€000)



Life GWP per Branches (€m)

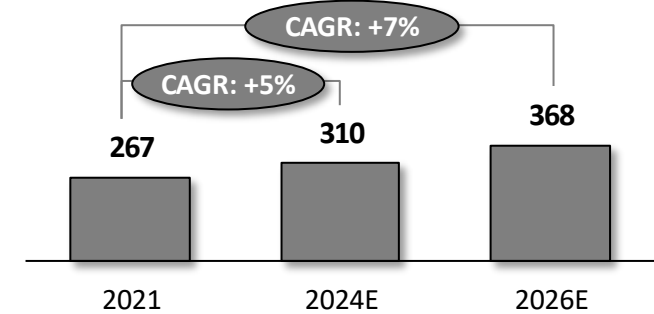


Strategic Levers Envisaged in the Plan

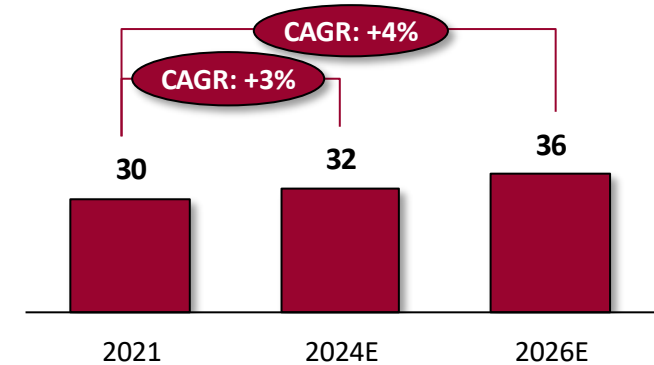
- Market leading positioning achieved through the long-term and successful partnership with AXA
- Address emerging customer protection needs with upgraded product offering (e.g. cyber, unit ESG / protected, health)
- Deliver modular and flexible product proposition aimed at maximising share of wallet
- Boost omni-channel commercial proposition
- Improve customer experience across the insurance journey through a highly dedicated service model (from subscription to claims)

Insurance Business Volumes Evolution

Non-Life GWP (€m)



Life Stock (€bn)



3 Focus on BANCAWIDIBA

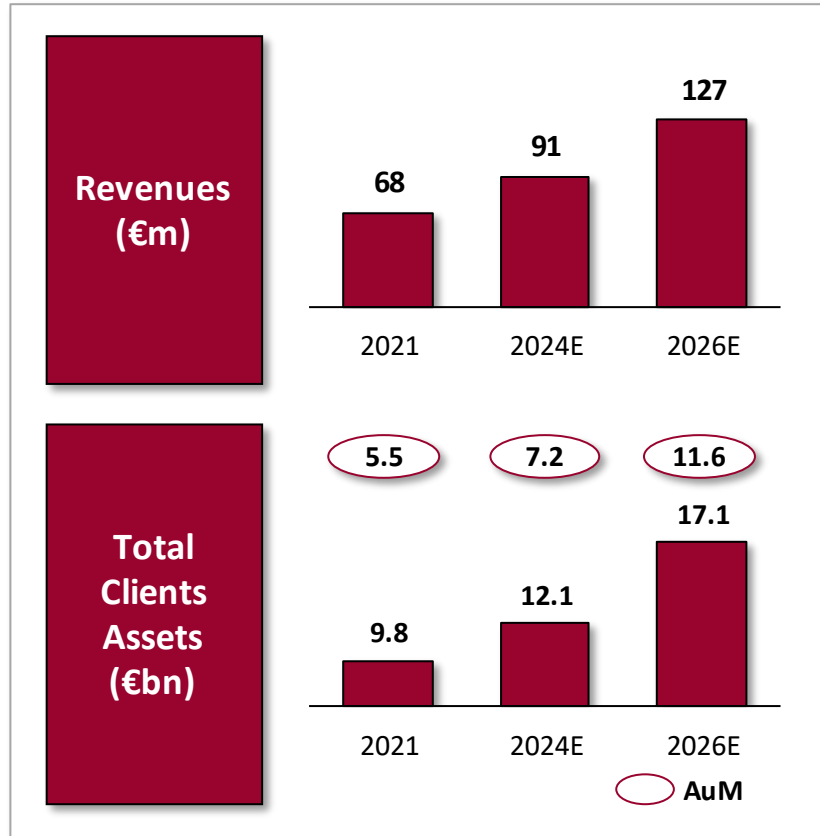
Full potential of Banca Widiba's standalone Business Plan **NOT** entirely captured in BMPS' 2022-26E Business Plan for conservative purposes



Banca Widiba Strategy

- Financial Advisors Scale (Wealth Management Volumes)**
 - Recruiting strategy
 - Structured approach to pipeline
 - Investments in marketing
- Client Base Scale (Banking Volumes)**
 - Value proposition - excellent customer experience
 - Digital innovation leadership
 - Investments in awareness and acquisition
- Productivity (Profitability and Efficiency)**
 - Commercial: pricing / mix, service model, data intelligence
 - Offering: platform evolution, products, R&D
 - Platform: full digitalisation, cost-to-serve scale, talent and skills quality
- Asset Gathering / Lending Policies**
 - Focus on indirect funding
 - Physiological lending growth
 - Reduction in financial assets

Banca Widiba Standalone Projections



Leading European digital platform within digital and wealth advisory
 Great value asset within BMPS Group with high brand recognition
 Highly scalable platform

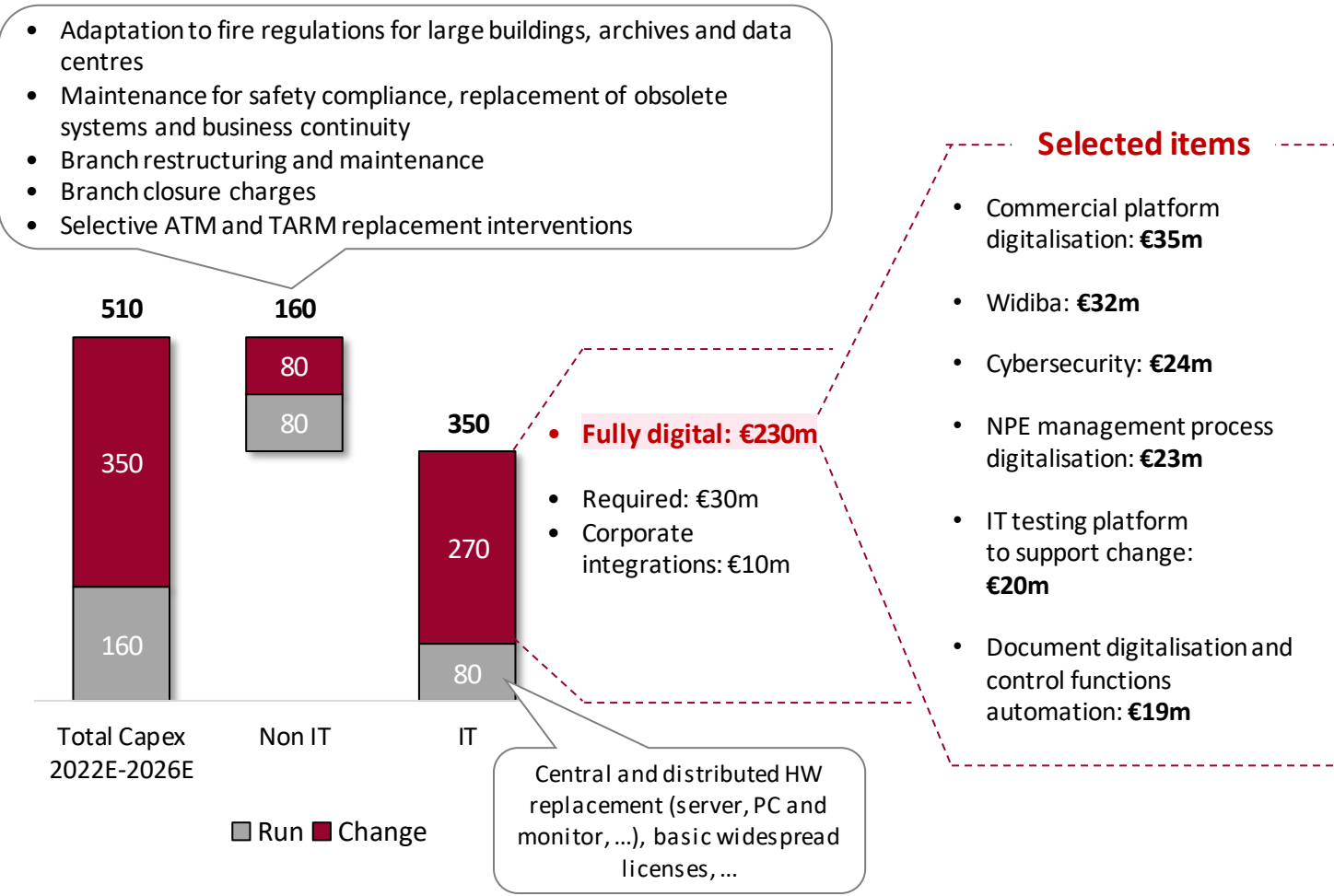


3 Digitalisation to improve commercial capabilities and efficiency

Investments Principles

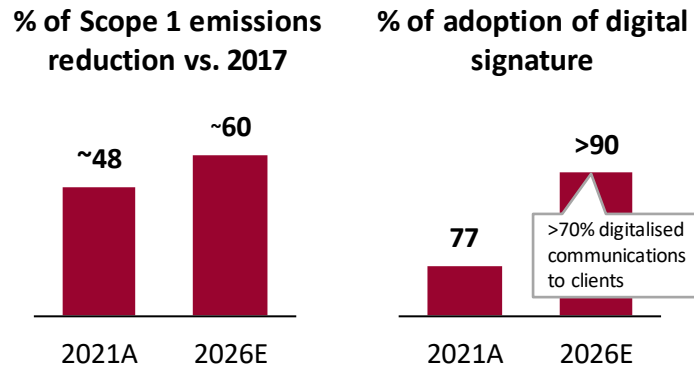
- A** Safeguard mandatory projects / regulatory constraints
- B** Complete projects at an advanced stage
- C** Select rigorously enabling actions for the Business Plan (with focus on business development / short term efficiencies)
- D** Focus on operational and "IT for IT" interventions on priority areas (e.g. product plan)
- E** Reduce / eliminate projects not aligned with the Business Plan or with excessively diluted returns over time

Capex and Investments Composition 2022-2026 (€m)



ESG objectives defined for the next years will enable the achievement of a market distinctive position...

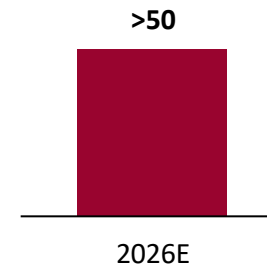
Environmental impact



Sustainable Finance



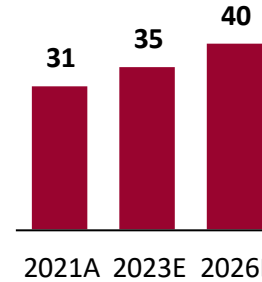
New investments in Banking Book corporate bonds:
Share of ESG corporate bonds (%)



Diversity & Inclusion



% of women in roles of responsibility



Adoption of **internal Rules on Inclusion**

Pre-certification **gender equality**

Unlocking Human Capital Potential



- **Promotion of ESG culture** through ESG training and awareness programs for all employees
- Full enablement of **Smart Working**
- Enhancement of company welfare through targeting of **emerging employees' needs**

ESG Integration in Company Processes






- Full integration of **ESG criteria in strategic and managerial processes**
- ESG criteria embedded in **performance management and variable incentive schemes**

ESG Governance









- Evolution of **ESG KPI** monitoring through the automation and construction of dedicated dashboards
- Integration of **ESG reporting** and **development of a managerial Control system**
- **Acquisition of** at least 1 further **“general” ESG rating**

...supporting customers in their own sustainable transformation process





 *Completed*
 *On-going*
 *To be launched*

ESG Credit and Risk Governance

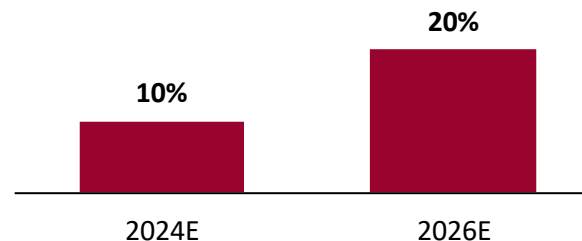
-  Integration of ESG factors in **credit strategies**
-  Definition of selective approach (sectorial policies) for **sectors with high transition risk**
-  Focus on **Action Plan** implementation for **climate and environmental risks management**
-  Inclusion of ESG risk factors in the **Risk Appetite Framework and in the risk evaluation models**
-  Development of an **ESG credit rating**
-  Definition of **2030 objectives for financed emissions reduction for NZBA high-priority sectors**

- Activation of **ESG credit rating**
- **Credit policy to support the transition**
- **2030 objectives for financed emissions reduction for NZBA high-priority sectors** (objectives' definition by June 2023)


Development of the Country and companies' sustainable transition

-  Already signed **agreement** with SACE for supporting companies green projects
-  **Project financing**: €0.5bn of funding already disbursed for taxonomy-compliant projects
-  Acceleration of **PNRR-related programs**, including **Superbonus 2.0, Agri Green, Facile 4.0 and Tourism**
-  Strengthening of **commercial offering** to support **companies' sustainable transition**

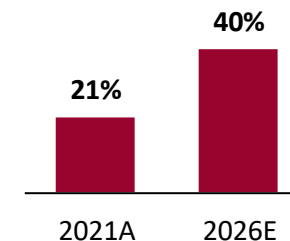
% New medium-long term ESG lending on Total New Lending



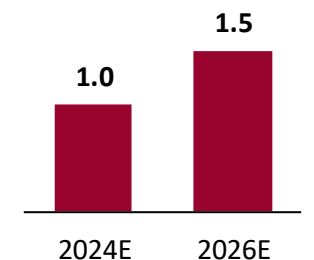
ESG investment offering

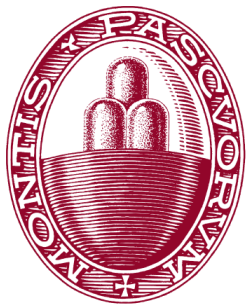
-  **Further development of commercial offering** for ESG investment products:
 - **UCITS**: 55% of ESG-compliant funds: according to SFDR «Primo Passo ESG 2024 (I & II)» and «Step Equality»;
 - **Asset management**: 57% ESG-compliant: according to SFDR «Global Equity Bias ESG», strategies related to climate and demographic changes,

AuM invested in ESG products, % of total UCITS AuM¹



Issuances of Green and Social Bonds (€bn)





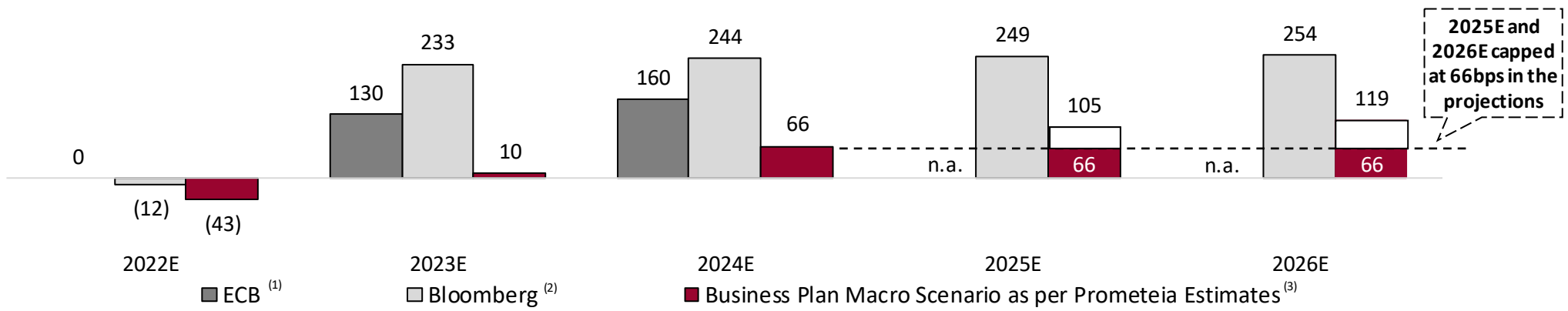
**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

Sustainable Financial Targets

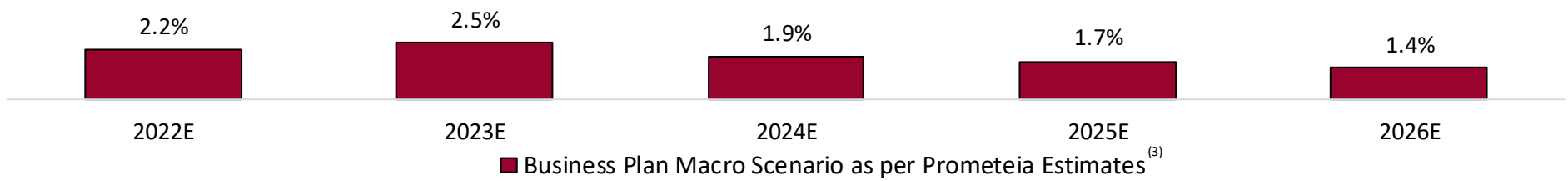
Overview of macroeconomic scenario: conservative assumptions

Key Macroeconomic Figures

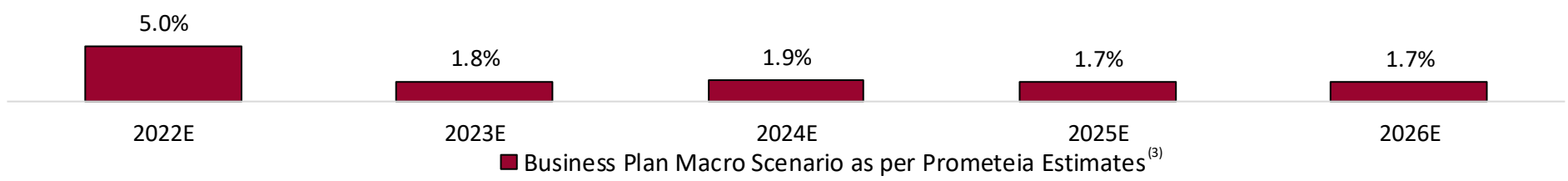
Euribor 3 months (bps)



Real GDP Growth (YoY %)



Inflation (%)



Business Plan reflects **conservative rates assumptions throughout the plan**



Key financial targets recap

Achieve business model sustainability (Delta vs. 2021)

Commercial Revenues
+ €424m by 2024
+ €612m by 2026

TLTRO, Trading & Other
- €303m by 2024
- €306m by 2026

Operating Costs
- €248m by 2024
- €221m by 2026

Build a solid and resilient balance sheet

Net NPE ratio
1.9% in 2024
1.4% in 2026

Reduction of ECB Funding
~13% of liabilities in 2024
~13% of liabilities in 2026

CET1 Ratio Fully Loaded
14.2% in 2024
15.4% in 2026

2.6% in 2021

~22% in 2021

11.0% in 2021

Sustainable Profitability
€705m / €909m
Earnings¹
in 2024 / 2026

Attractive Dividends Prospect
Dividend Pay-Out
Ratio of 30%
on 2025 / 2026
Net Profit



Notes:1. Pre-tax profit before taking into account the net impact of taxes and positive effect related to off-balance sheet DTA (€3.5bn as of March 2022)

New Business Plan powered by deployment of €2.5bn capital increase and translated into targets with low execution risk

	2021A	2024E	2026E	21-24E	21-26E
Selected P&L Items (€m)				CAGR	CAGR
Operating Income	2,980	3,102	3,286	1.3%	2.0%
Operating Costs	(2,106)	(1,858)	(1,885)	(4.1%)	(2.2%)
Gross Operating Profit	874	1,244	1,401	12.5%	9.9%
Pre-tax Profit ¹	263	705	909	38.8%	28.1%
Net Profit ¹	310	1,003	833	48.0%	21.9%
Selected KPIs				Delta	Delta
Cost / Income Ratio	71%	60%	57%	(11p.p.)	(13p.p.)
Cost of Risk (bps)	31	<50	<50	<20	<20
Gross NPE Ratio	4.9%	3.9%	3.3%	(1.0p.p.)	(1.6p.p.)
NPE Coverage	48%	53%	59%	5p.p.	11p.p.
CET1 Ratio FL	11.0%	14.2%	15.4%	3p.p.	4p.p.
RoATE ²	4.6%	8.0%	8.7%	3p.p.	4p.p.

30% pay-out ratio on 2025-26 Net Profit

Sustainable revenues with improved mix

Enhanced structural efficiency at operating level

Sustained improvement in risk profile

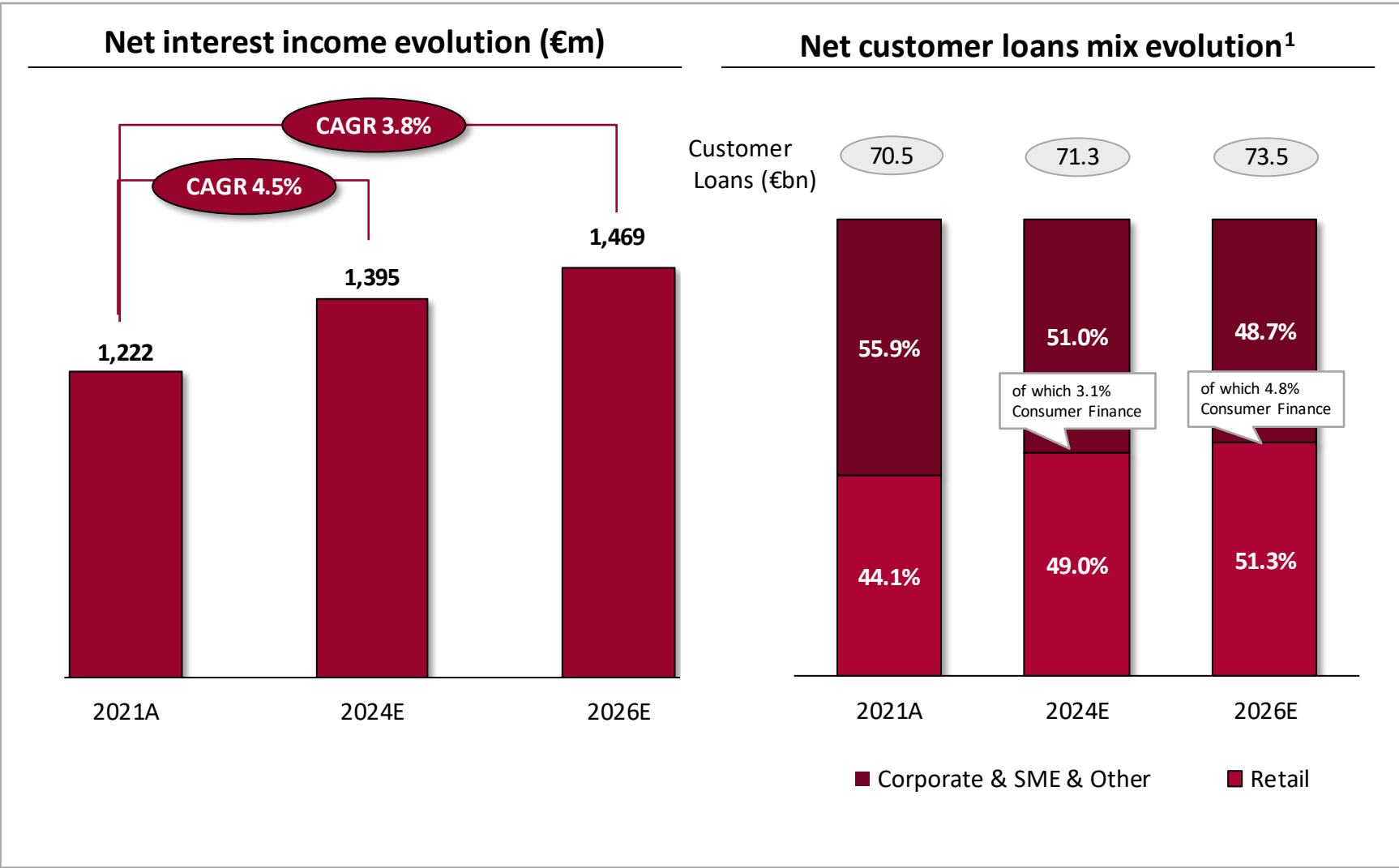
Strengthened capital and sound liquidity

Sustainable profitability with attractive dividend prospects



Net interest income increase supported by change in business mix and rates shift

- Steady growth of **net interest income** at 4.5% CAGR 21-24E (3.8% 21-26E) driven by positive interest rates development and business mix shift
- Retail share** (including consumer finance) reaching >51% of total volumes driven by consumer loans

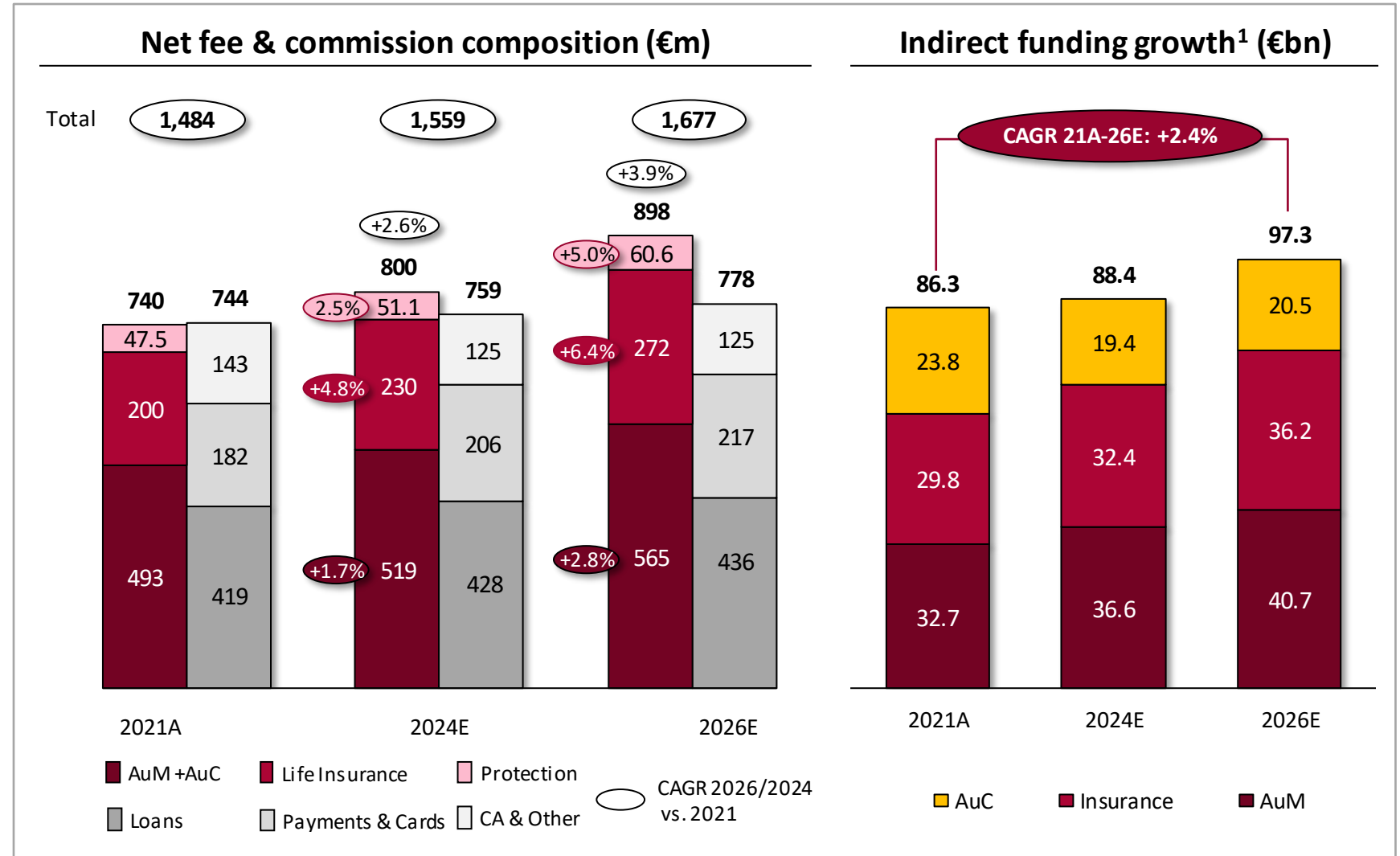


Notes: 1. Refers to performing customer loans.



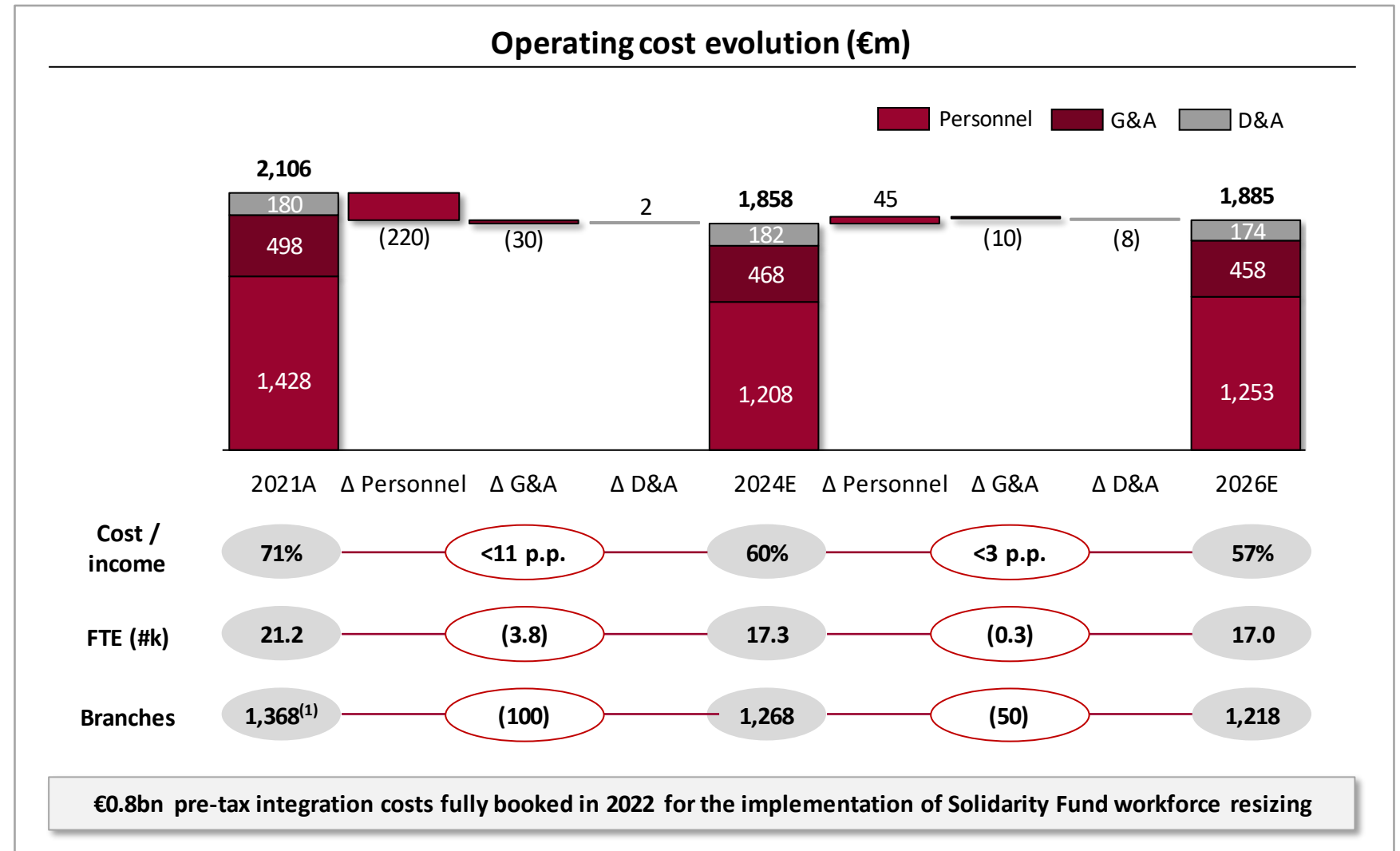
Focus on commission income: evolution and breakdown

- Growth in **net fee & commission income** over the plan, mainly driven by:
 - A sustained growth in commissions from **Life insurance** (+4.8% CAGR 21-24)
 - **AuM + AuC** commissions growing at 1.7% CAGR 21-24 and 2.8% CAGR 21-26 over the plan period
- Indirect fund mainly driven by **AuM and insurance stock** development



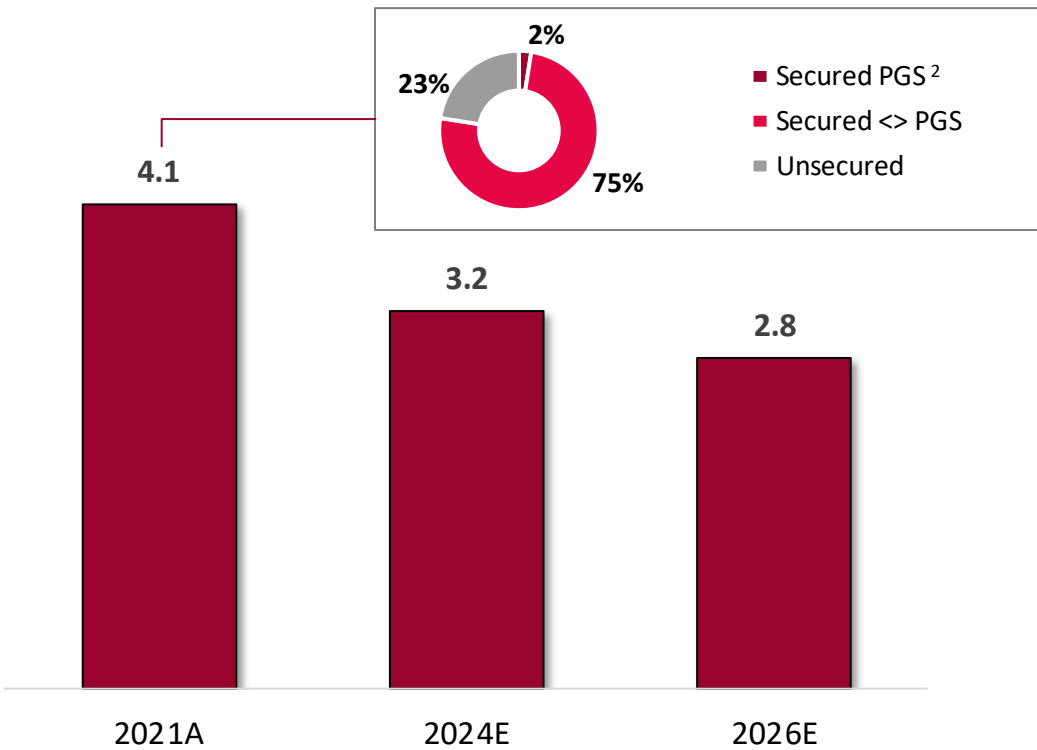
Cost reduction envisaged over the plan

- **Operating Costs** contraction at a (4.1%) CAGR 2021-2024E and (2.2%) CAGR 2021-2026E
- ~€220m net savings on **personnel expenses** by 2024, mainly supported by the activation of the solidarity fund resulting in annual recurring savings of ~€270m from 2023 onwards
- Personnel costs over the plan time horizon also impacted by wage dynamics
- ~€30m savings in **G&A** over the plan by 2024 and ~€40m by 2026

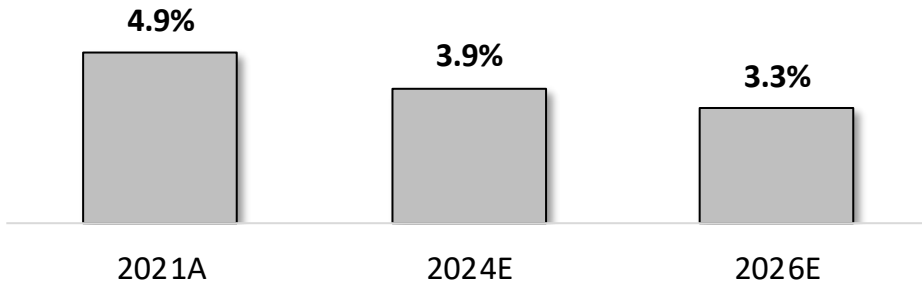


Focus on NPE (1/2)

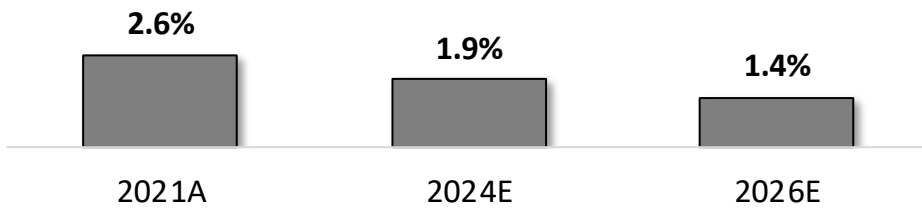
Gross NPE¹ evolution (€bn)



Gross NPE¹ Ratio



Net NPE Ratio



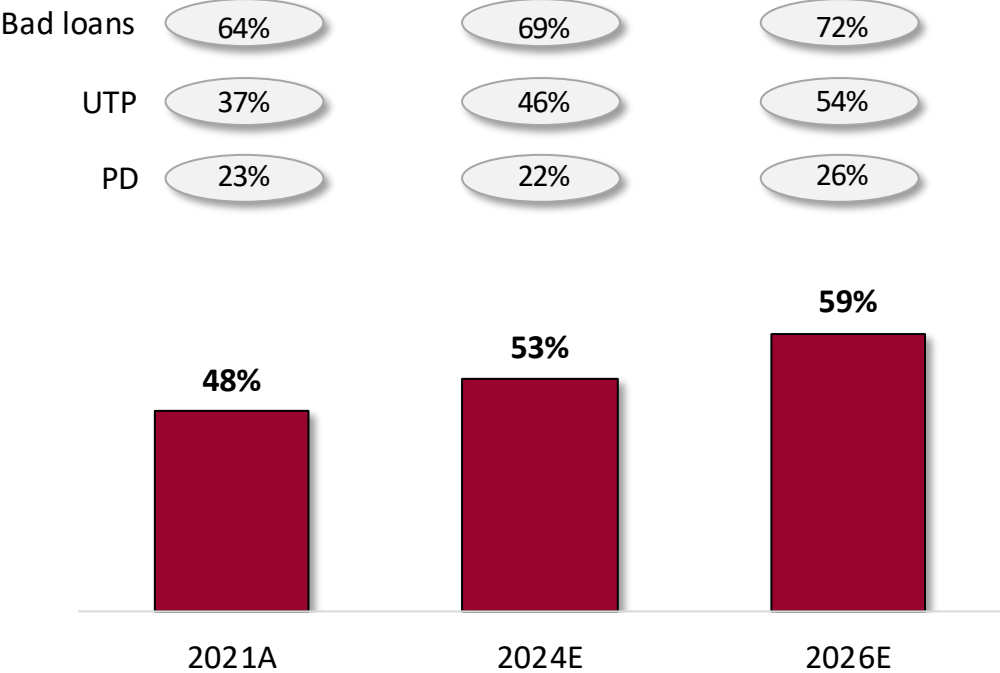
Reduction of NPE stock (c. €1.3bn) throughout the plan, leveraging on collection, sales and write-offs
€0.8bn NPE disposal currently in progress with completion expected in the 2H2022



Notes: 1. On-balance sheet exposures. 2. Public guarantee schemes.

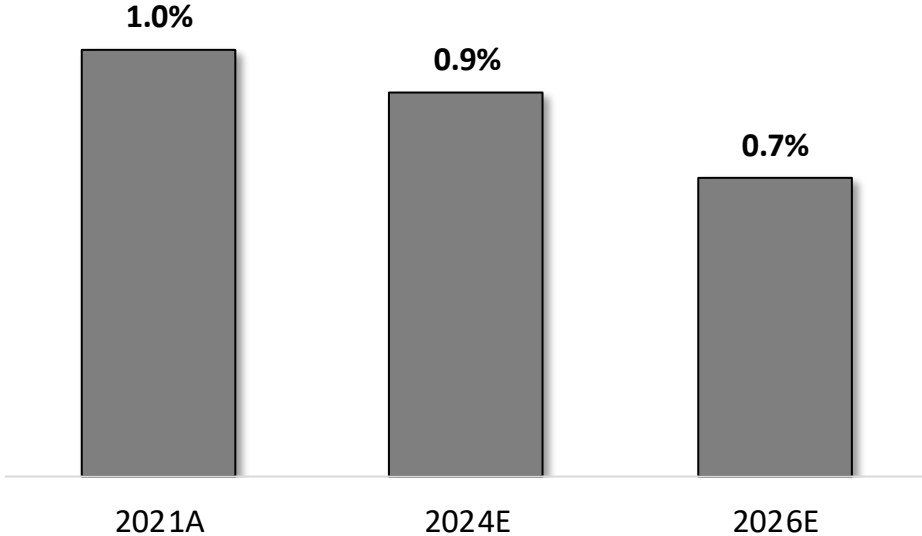
Focus on NPE (2/2)

NPE¹ Coverage



Increase in cash coverage levels

Default Rate



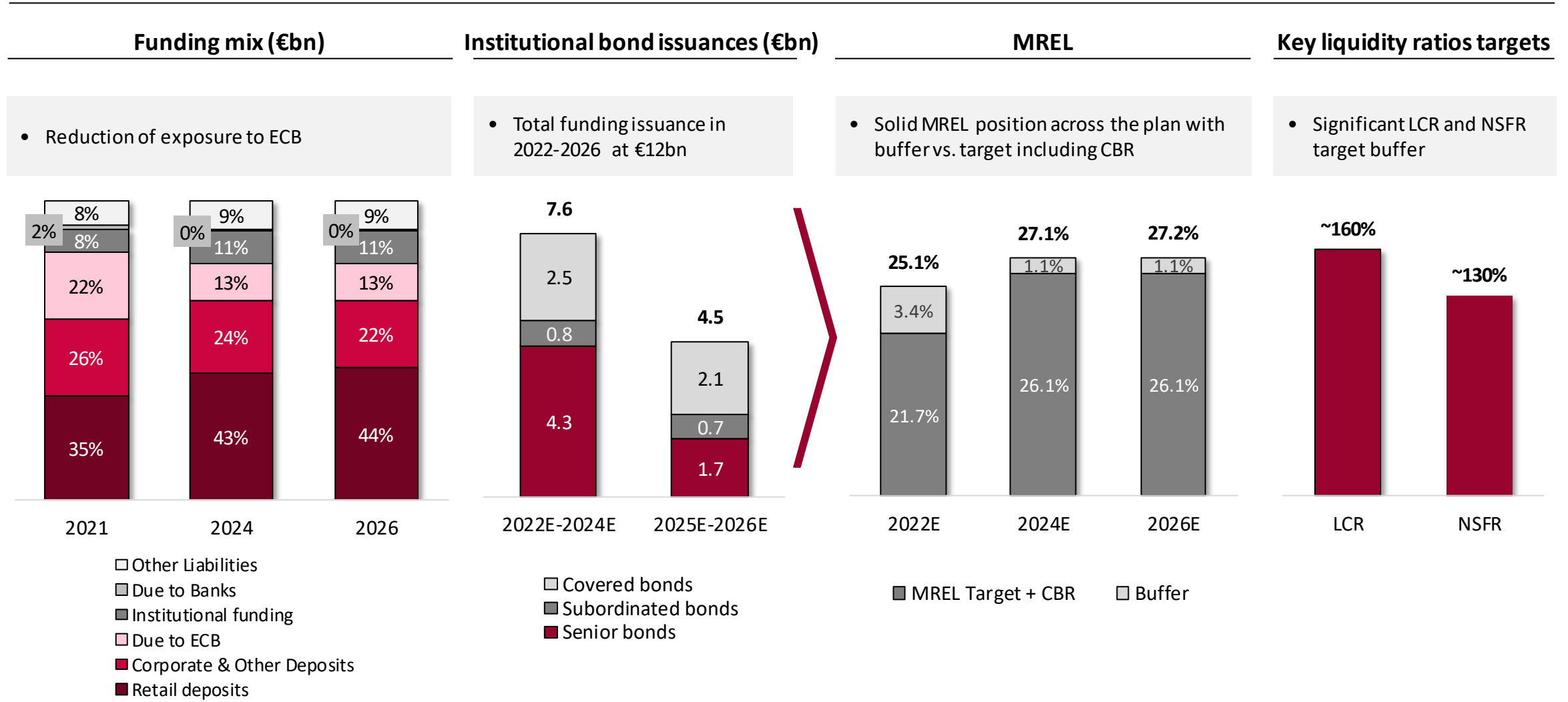
Cost of Risk <50bps throughout the plan



Notes: 1. On balance sheet exposures.

Clear funding strategy

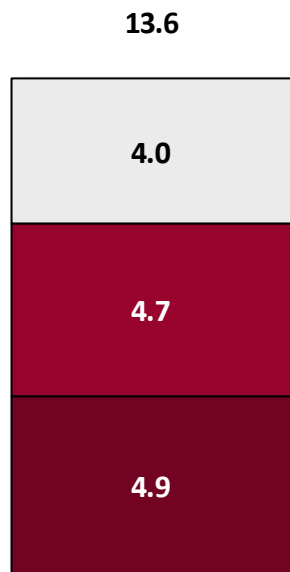
Group ample liquidity buffer and diversified funding strategy



Italian Govies portfolio

Italian Govies Portfolio Breakdown¹ (1Q-22, €bn)

- Financial assets FVTPL
- Financial assets FVTOCI
- Amortised cost portfolio



Mar-22

Steep reduction in total Italian Govies exposure (-€4.4bn or (24)% vs. 2016)

FVTPL Govies to decrease over time given expected reduction in market making activity on Italian BTP executed by MPSCS after the merger into BMPS

FVTOCI Govies to represent smaller share of total portfolio over time

Amortised cost portfolio NOT subject to value fluctuations driven by market movements

Focus on FVTOCI Portfolio

	Mar-21	Dec-21	Mar-22
FVTOCI Duration	~2.3 years	~2.1 years	~1.8 years
FVTOCI Credit spread sensitivity²	€(1.0)m	€(1.1)m	€(1.1)m

- Significant decrease of Italian govies portfolio over the last years, coupled with lower duration in FVTOCI component
- FVTPL portfolio driven by MPS Capital Services' market-specialist activity, with maturity of 78% of the portfolio <1 year



Significant value creation from DTA

Current Stock of DTA (1Q-22)

Convertible DTAs	€0.6bn
Non-convertible losses	€0.2bn
Other non-convertible DTAs	€0.3bn
DTAs not recorded on balance sheet	€3.5bn

DTA P&L and Stock Evolution

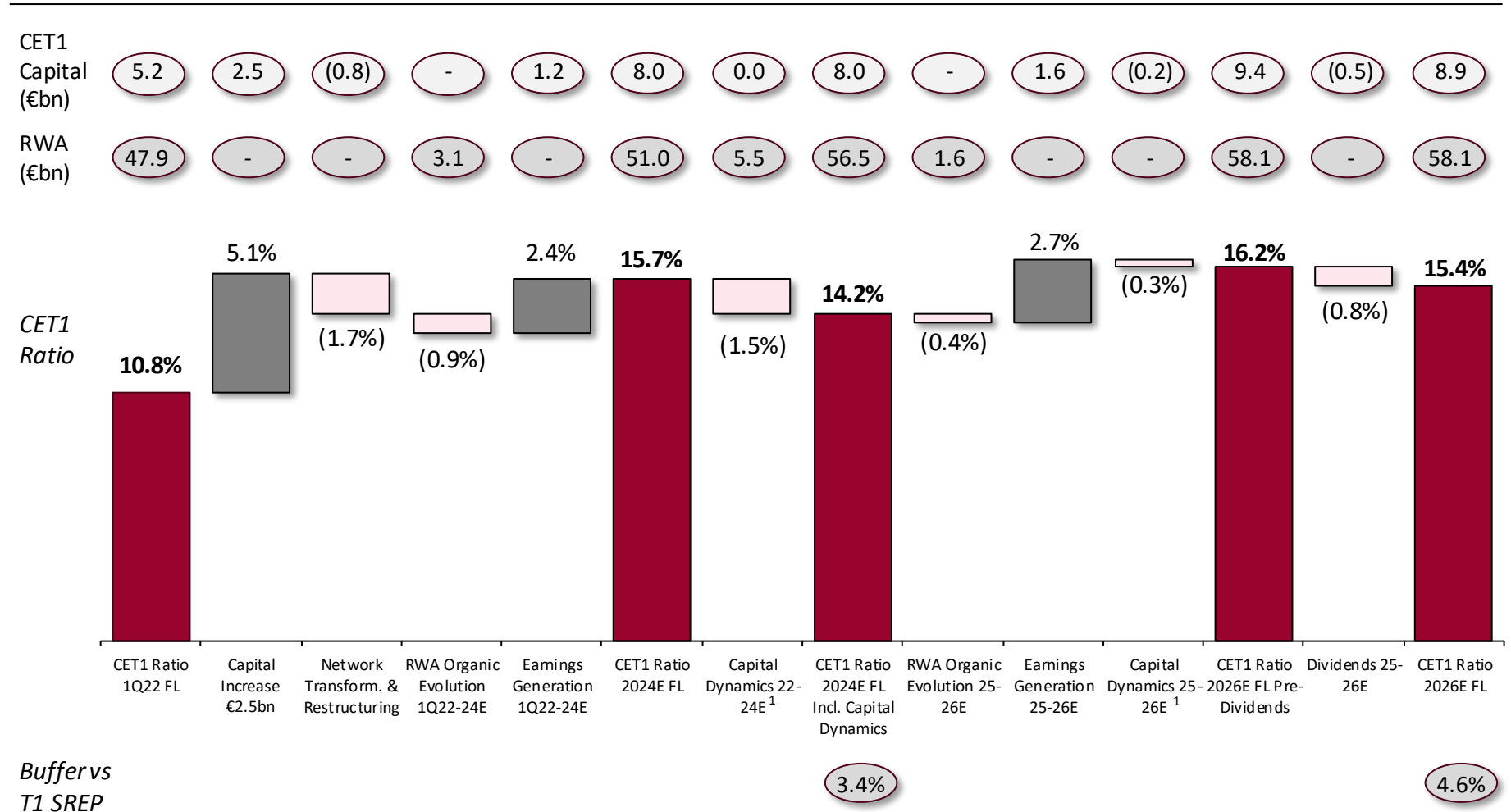
	2021A	2024E	2026E
Income Statement			
Pre-tax profit	€263m	€705m	€909m
Net tax impact	€49m	€300m	€(73)m
<i>Effective tax rate</i>	<i>n.m.</i>	<i>n.m.</i>	<i>8.1%</i>
Net Profit	€310m	€1,003m	€833m
DTA Stock			
DTA on Balance Sheet	€1.0bn	€1.7bn	€1.6bn
DTA off Balance Sheet	€3.5bn	€2.8bn	€2.4bn

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

Future capital evolution supported by capital increase and driven by clear strategic initiatives

- **Solid CET1 ratio throughout the plan**, with a 14.2% and 15.4% CET1 ratio fully-loaded in 2024 and 2026, well-above peers
- **Earnings generation to contribute positively to CET1 in addition to capital increase**, mitigating capital dynamics, network transformation & restructuring and RWA organic evolution
- **Plan targets attractive dividends starting from 2025**
- **Impact of Basel 4 manageable** over the Plan horizon, taking into account also phase-in rules

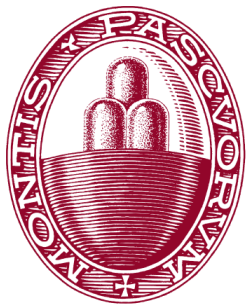
CET1 ratio walk: 1Q22 – 2026E



Buffer vs
T1 SREP



Note: 1. Capital dynamics includes regulatory headwinds and thresholds effects.



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

Closing Remarks and Q&A session

Making BMPS a clear and simple commercial bank

Efficient and simplified organisation on the back of key initiatives such as subsidiary mergers and human capital redeployment

Change in business mix driven by commercial revenues reflecting efforts in consumer finance and wealth management

Sustained improvement in risk profile through proactive risk management and enhanced monitoring systems

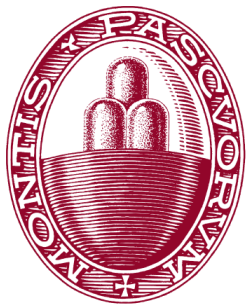
Solid and resilient balance sheet with strengthened capital and sound liquidity position

Sustainable profitability with attractive dividend prospects on 2025 and 2026 net income



Q&A



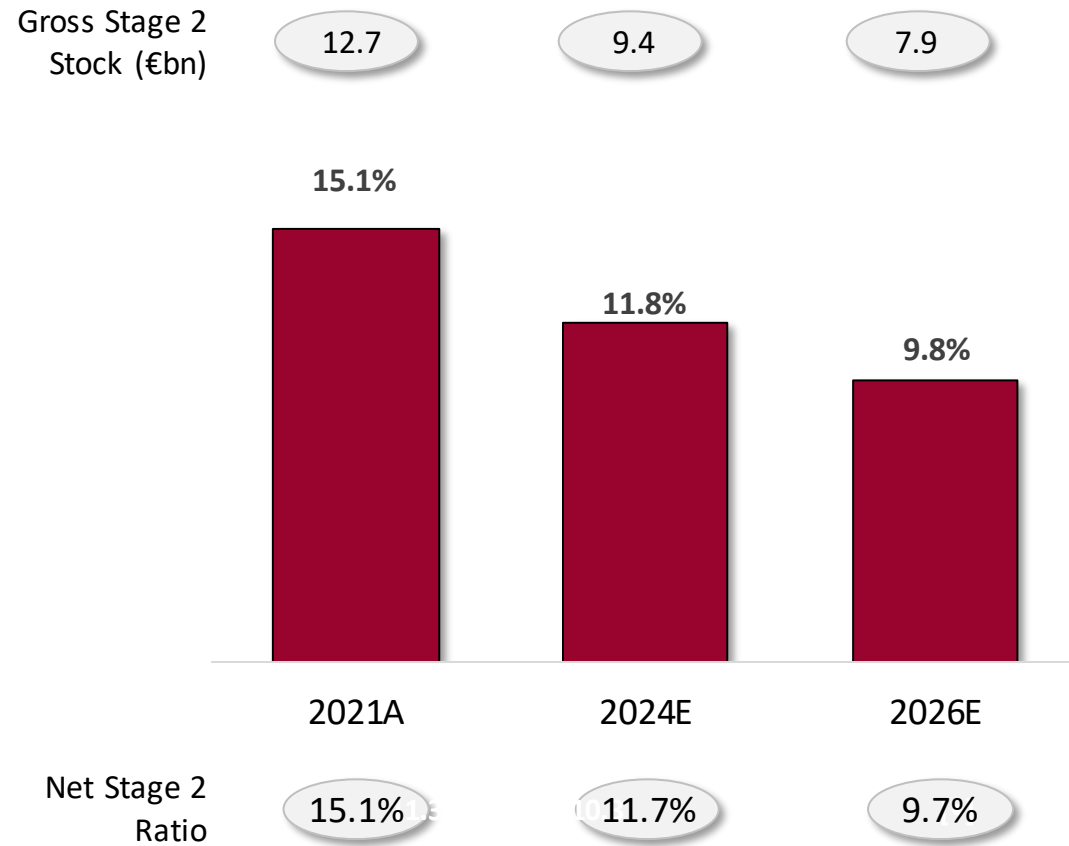


**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

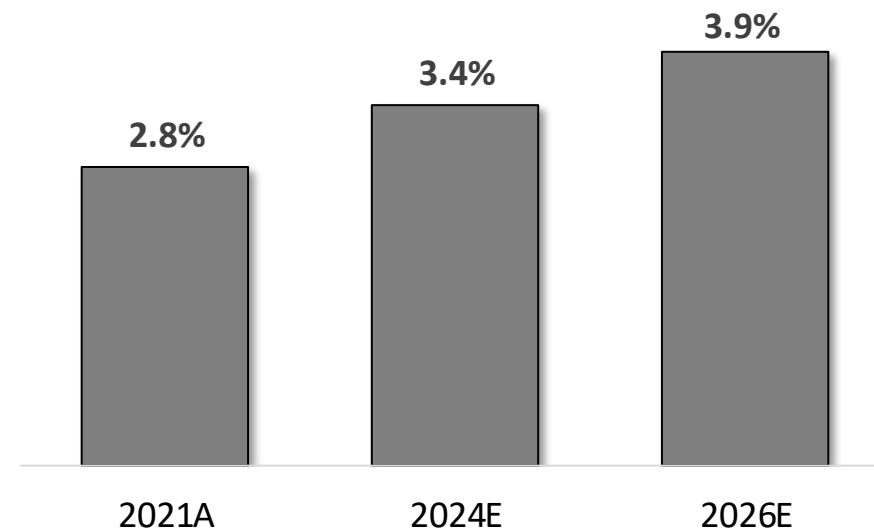
Appendix

Overview of Stage 2 evolution

Stage 2 Evolution

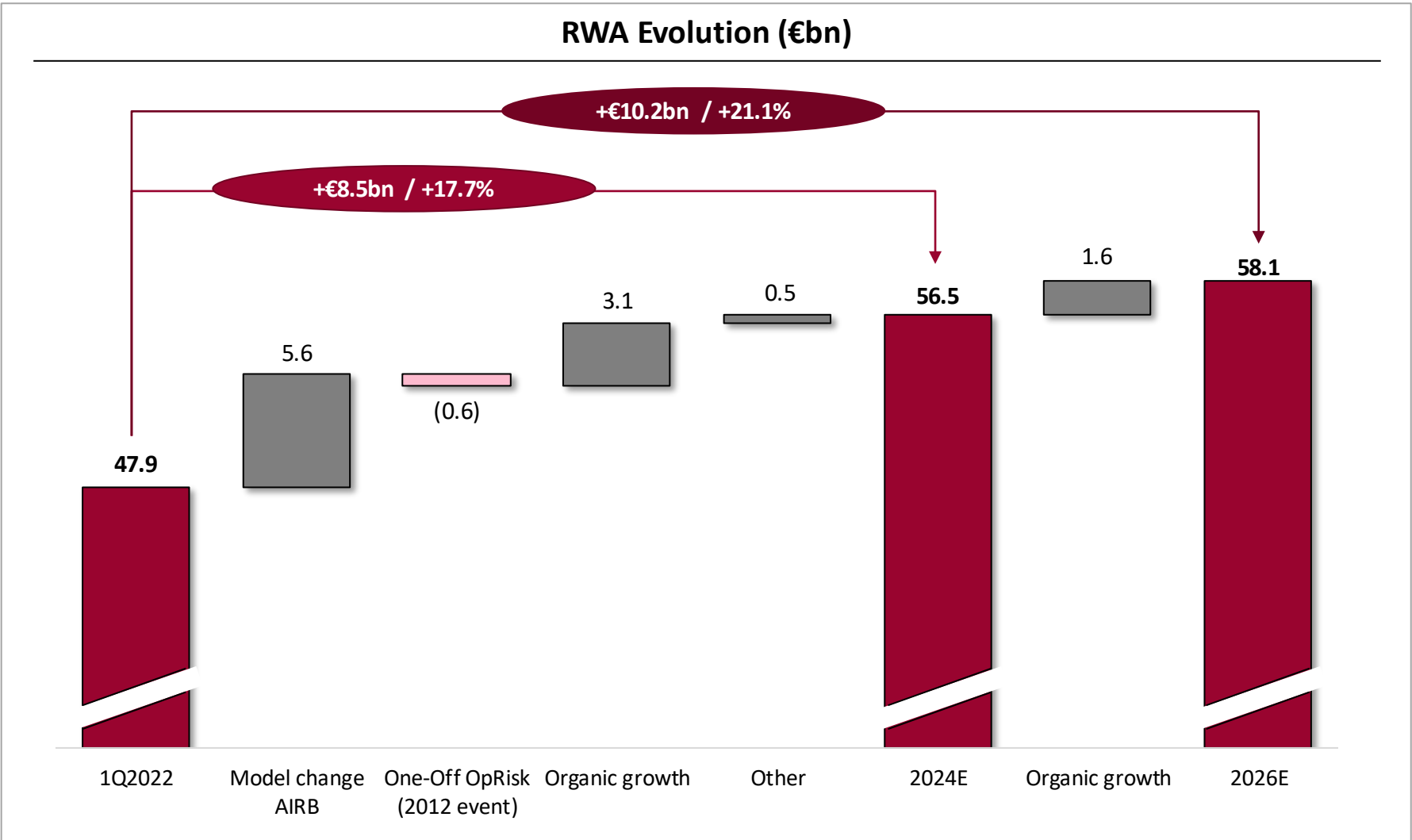


Stage 2 Coverage



RWA evolution

- RWA increase of €8.5bn from 1Q22 to 2024 mainly driven by model change AIRB amounting at c. €5.6bn impact
- 1Q22A-2024E organic business growth exceeding €3bn of RWA
- One-off RWA reduction impact in relation to operating risk equal to €0.6bn
- Organic growth expected to further contribute to RWA increase between 2024 and 2026 with a €1.6bn impact



Regulatory headwinds

		Regulatory headwinds (€m)					
		2022	2023	2024	2025	2026	Cum.
CET1 impact	FTA IFRS9		(330)				(330)
	Calendar provisioning	(20)	(35)	(50)	(30)	(30)	(165)
	Total	(20)	(375)	(50)	(30)	(30)	(495)
RWA	Model Change AIRB	5,600					5,600
	One-Off OpRisk (2012 events)	(600)					(600)
	Total	5,000	-	-	-	-	5,000



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