MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

A Clear and Simple Commercial Bank

Business Plan 2022-2026

Siena
June 23, 2022

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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
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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		Solid and Resilient Balance Sheet	
60% / 57% Cost / Income in 2024 / 2026	**€705m / €909m** Earnings[(1)] in 2024 / 2026	**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

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

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Historic Franchise with Potential

BMPS ready to seize opportunities…

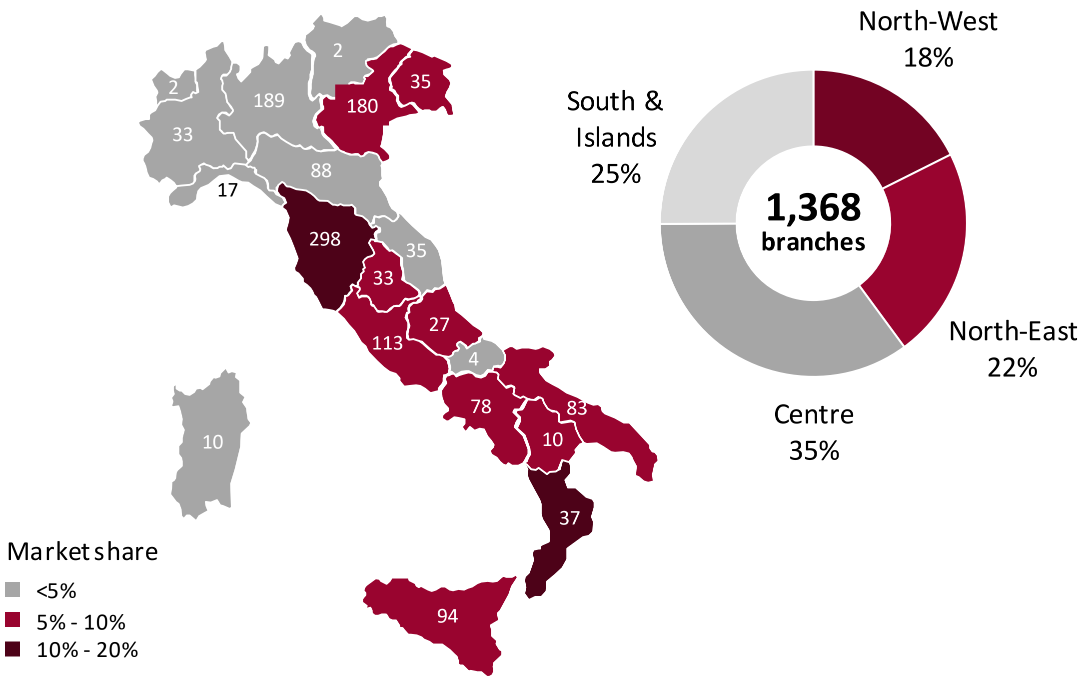
Scale	Franchise	Reach	Capabilities
€175bn Total Clients Assets[1,2]	Historic franchise with **550** years of history	**#1.4k** Branches covering all Italian regions (6.4% m.s. nationwide[4])	BANCAWIDIBA Digital platform with ~540 financial advisors
€79bn Net customer loans[1]	**#1** in Tuscany (18.4%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

Source: Bank of Italy, Istat

Notes: 1. As of 1Q22; 2. Calculated as indirect funding plus customer deposits (incl. REPO); 3. As of FY2021; 4. Market share by branches. Bank of Italy figures as of Mar-22 for branches, excluding Banca Widiba and BMPS Capital Services branches for BMPS

…leveraging its strong franchise deeply rooted across Italy…

Nationwide branch network[1]



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**

Source: Bank of Italy, Istat

Notes: 1. Bank of Italy figures as of Mar-22 for branches, for BMPS excluding Banca Widiba and BMPS Capital Services branches; 2. Computed as sum of market share by regions times GDP by region as per Istat figures as of Dec-20 (latest available data released in Dec-21)

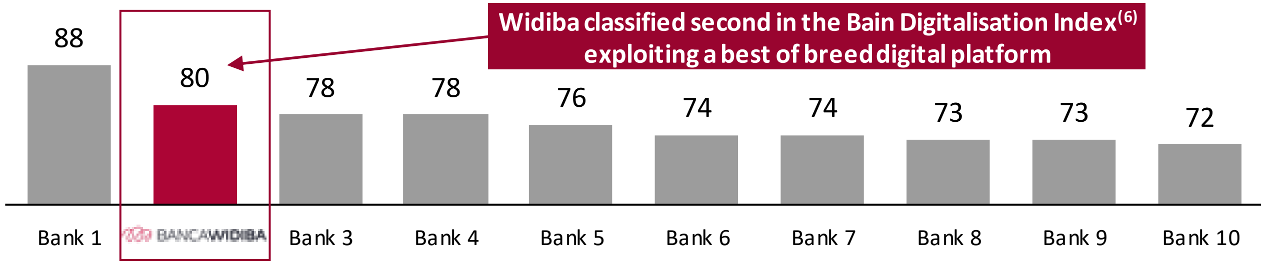
…and its best-in-class native digital platform BANCAWIDIBA

Selected KPIs	Customer and stakeholder satisfaction
~540 Financial advisors(1)	**4.85/5** Client ratings 97% satisfaction(3)
€9.8bn Total Clients Assets(1,2)	**312k** Social Network Fans & Followers(4)
~290k Customers(1)	**3.7/4** Advisors overall rating 93% satisfaction(5)

Selected Prizes and Awards

- **2022 MF Banking Innovation Awards** (Mar-22)
- **Novum Design Award** (Sep-21)
- **14th Grands Prix du Design - Communication & Brand Design** (Sep-21)
- **2021 ABI Award for Innovation in Banking Services** (Jun-21)
- **Green Stars Award Sustainability 2021** (May-21)
- **Indigo Design Awards** (Apr-21)

Digitalisation Level Among EMEA Banks – Bain Digitalisation Index



Source: Bain digitalisation Index, public information

Notes: 1. As of FY21. 2. Calculated as indirect funding plus customer deposits. 3. Client rating based on #1m feedbacks as of Dec-21. 4. As of 19 June 2022. 5. Finer CF Explorer 2021. 6. The Bain digitalisation Index is an omni-comprehensive metrics that summarizes detailed scores assigned on vision, proposition, episodes, channels, NPS system, operating model and tech & data, both through an inside-out and outside-in method

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

Strong **reduction** in **direct environmental impacts** (2017)

Specific directive on the Group's sustainability strategy and management (2022)

Specific **shareholder dialogue policy defined** (2022)

Net-Zero Banking Alliance joined (2022)

Focus on the **development and wellbeing of human resources** (2017)

Diversity & Inclusion: Plural Management, Women Leadership Program (2019)

Principles For Responsible Banking signed (2019)

Support to **society and impact finance:** Liquidity Decree, Cura Italia, etc. (sharply stepped up in 2020)

Internal Governance: ESG department set up to report to CFO to oversee ESG topics (2021)

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standard ethics

EE- positive outlook

2021

EE stable outlook

2022

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
AuM[1]	**>€5bn** AuM invested in ESG products in 2021 (21% of total UCITS AuM)

Notes: 1. Funds ex art. 8 and 9 SFDR.

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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

Strategic Pillars	1 Achieve business model sustainability	2 Build a solid and resilient balance sheet	3 Tackle the legacy issues
Targeted Initiatives (Selected Highlights)	• Efficient and simplified organisation • Change in business mix driven by commercial revenues • Digitalisation to improve commercial capabilities and efficiency	• Sustained improvement in risk profile • Funding sustainability • CET1 Ratio Buffer	• Determined and clear data-driven approach in managing extraordinary legal claims

Business Plan powered by €2.5bn capital increase

1 Achieve business model sustainability

Initiatives	Key Actions	Selected Highlights
Efficient and simplified organisation	• Simplify Group structure • Implement highly rigorous and disciplined G&A cost management • Optimise and redeploy workforce • Streamline branch network	**~€270m recurring savings from 2023 onwards through solidarity fund** (~€0.8bn one-off restr. costs in 2022) **~€30m savings on G&A by 2024 (~€40m by 2026)**
Change in business mix driven by commercial revenues	• 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	**~€420m increase in commercial revenues[1] in 2021-24 (~€610m in 2021-2026)**
Digitalisation to improve commercial capabilities and efficiency	• 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	**Rebalancing organic investments pool into projects enabling business plan initiatives**

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
Sustained improvement in risk profile	• 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	**1.9% net NPE ratio by 2024 (1.4% by 2026)** **53% NPE coverage by 2024 (59% by 2026)**
Funding sustainability	• 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»	**ECB funding down to ~13% of total liabilities by 2024 (currently ~22%)**
CET1 Ratio Buffer	• Sustainable CET1 position with sizeable capital buffer vs. SREP	**Capital buffer at ~335bps vs. SREP requirements[1] in 2024 (~455bps in 2026)**

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*)

Notes: 1. Figures including all kind of risk (probable, possible and remote)

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

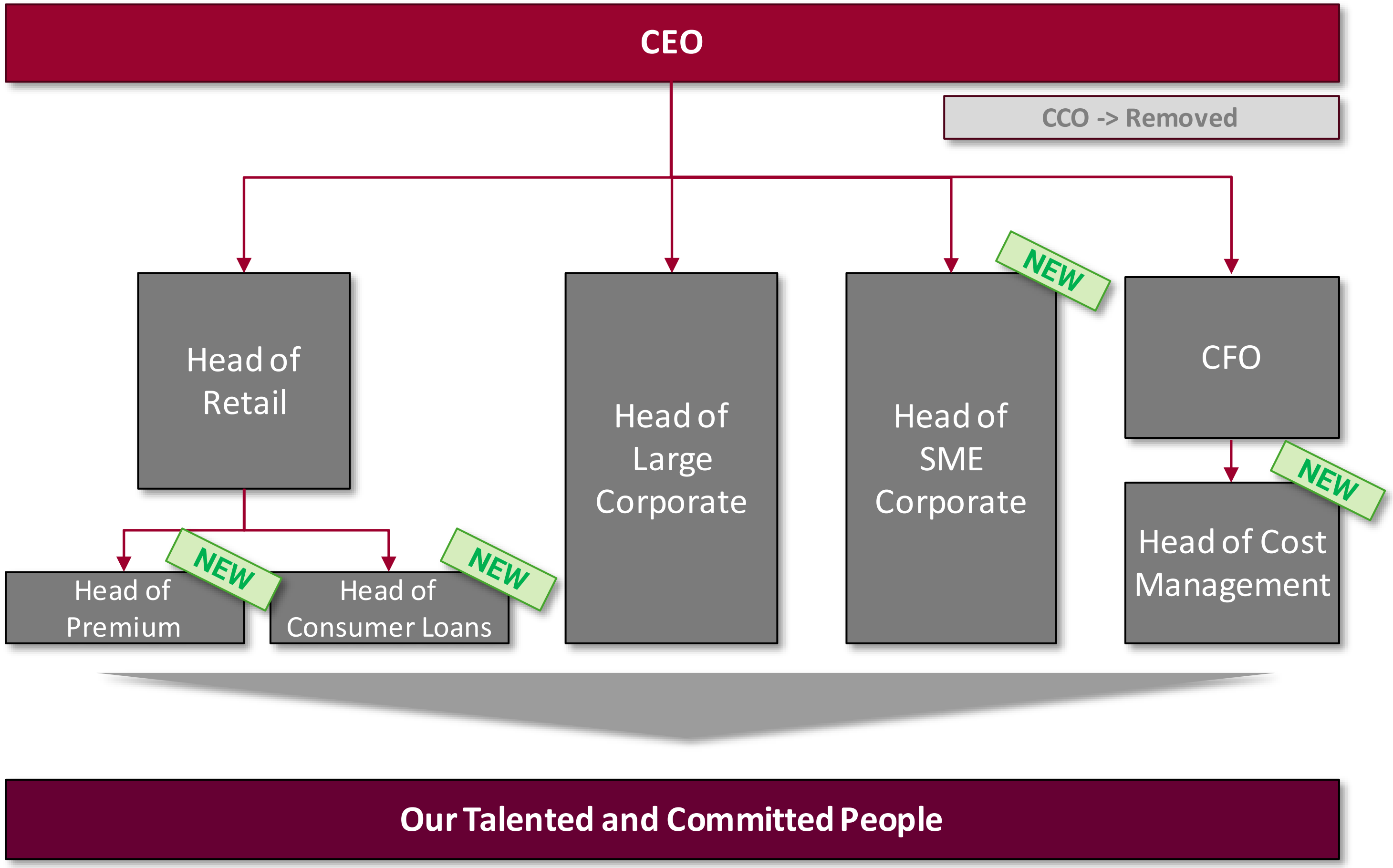
Incremental contribution to gross operating profit of ~€370m by 2024 and ~€530m by 2026

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

Lean and effective managerial set-up



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

Business Plan projects	• Owners identified with clear accountability • Defined specific initiatives to achieve Business Plan objectives
Platforms – **Centralized IT demand structure**	• In charge of prioritising and optimizing IT demand
Platforms – **Strict financial & commercial monitoring**	• Strict ongoing control of results
Platforms – **HR platform**	• HR platform to ensure smooth redeployment and execution
Governance	• Weekly commercial meetings • Monthly steering committee meetings

Clear and accountable execution plan to deliver results

Expected process and timeline

Capital increase

Transaction structure

- €2.5bn capital increase via rights issue
- Issue of new ordinary shares with pre-emptive rights to existing shareholders

Pricing

- Final terms of issue to be agreed at time of launch, subject to market conditions and result of pre-marketing activities

Pre-Underwriting and Underwriting`

- Commitment by the MEF to subscribe the rights issue for its portion
- Pre-UWA for the full amount signed by a consortium of primary financial institutions, with condition precedents and termination rights in line with precedent comparable transactions, including, among others, positive feedback from the institutional investors
- Signing of UWA at the time of launch of rights issue

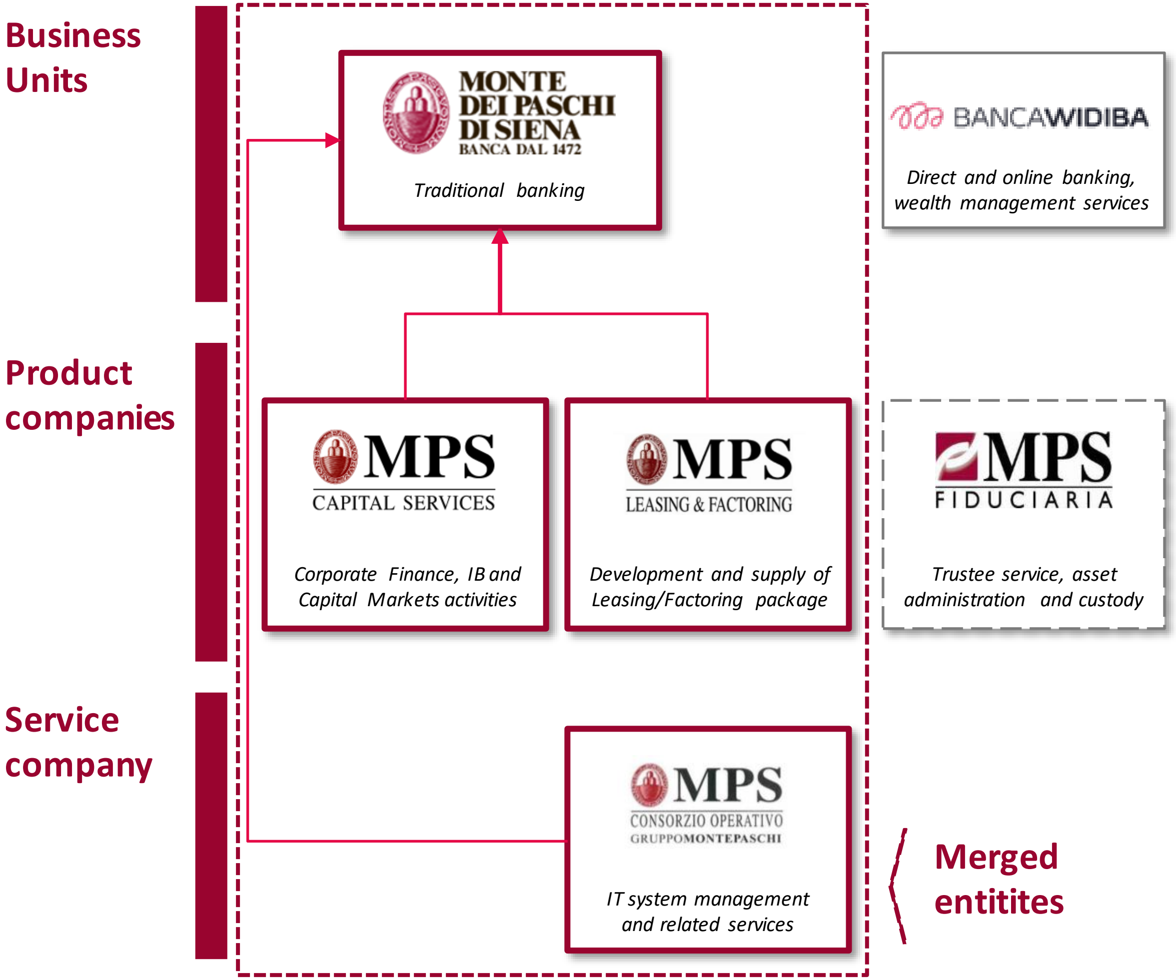
Indicative timing

- Filing with ECB by the end of June 2022
- Approval by DG Comp for the extension of the restructuring period expected in the next few weeks
- EGM to approve transaction expected by mid September, subject to the ECB authorisation process
- Launch expected in 4Q-22 subject to market conditions

Effective Business and Commercial Initiatives

1.A Simplify group structure

Planned simplification actions for BMPS Group



Key initiatives and strategic rationale

Planned actions

- Three separate mergers into BMPS of:
  - **MPS Capital Services** (“MPSCS”)
  - **MPS Leasing & Factoring** (“MPSL&F”)
  - **MPS Consorzio Operativo Gruppo MPS** (“COG”)

Strategic Rationale

- **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)

- **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

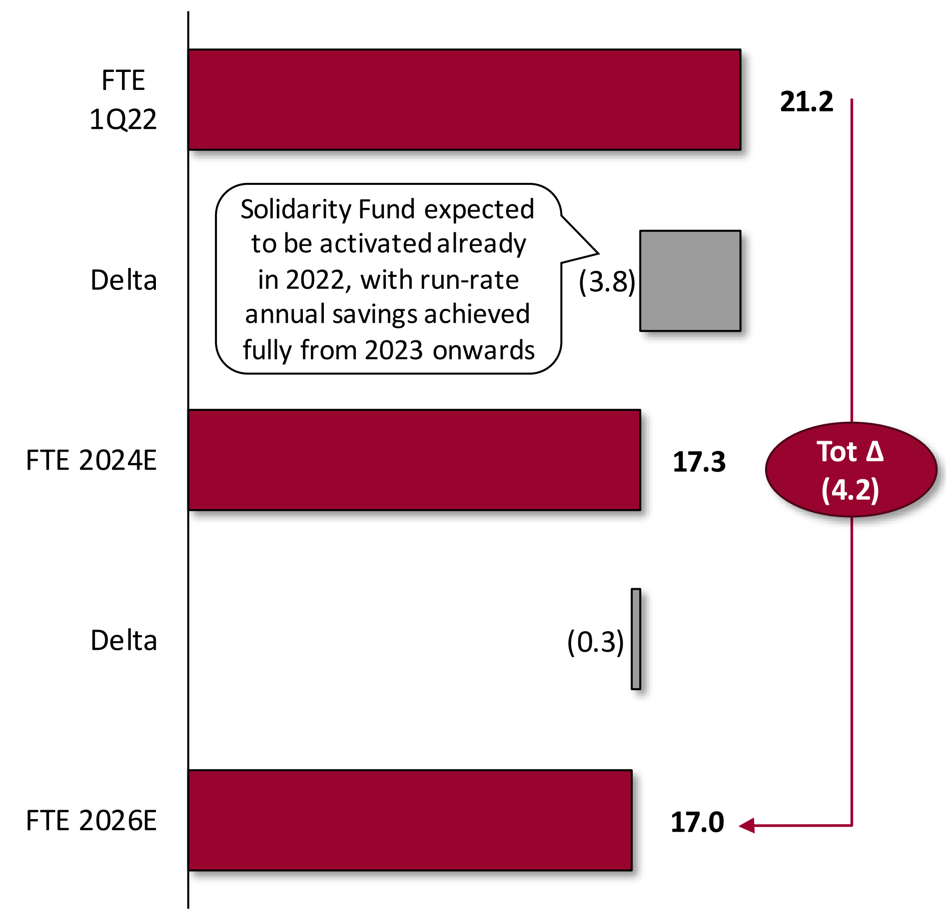
1.B Implement highly rigorous and disciplined G&A cost management

	Clearly identified actions
Centralisation of cost management	• 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
“Zero-based” approach to costs	• Implement disciplined and rigorous non-HR cost management • Redesign spending policies and processes in a "zero-based" perspective
Demand management optimisation and segregation of procurement	• Optimise processes to better assess demand and definition of expense targets • Segregate procurement activities • Renegotiate current contracts, including IT agreements
Processes rationalisation and change in corporate perimeter	• 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.)

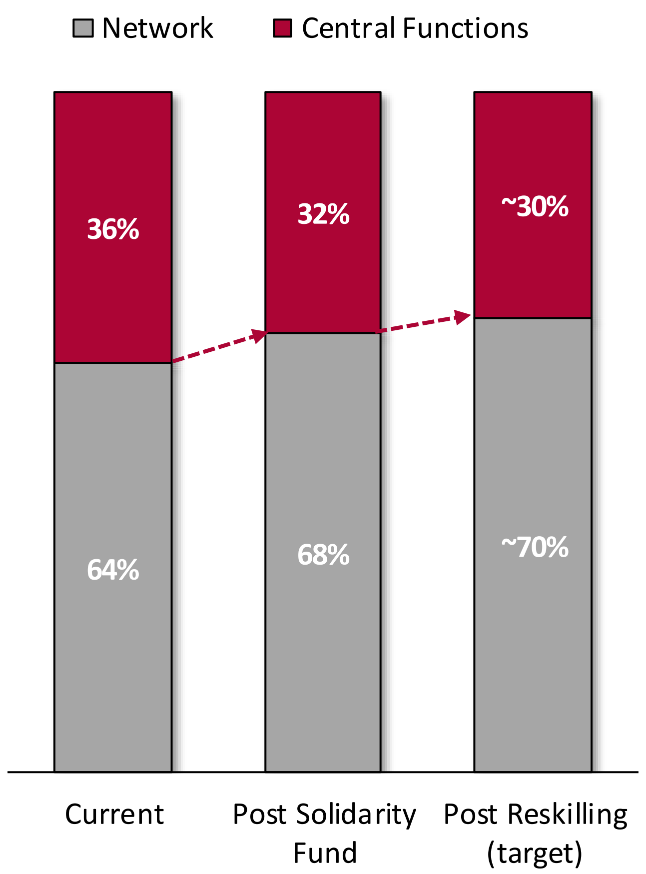
1.C Optimise and redeploy workforce

- 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

BMPS FTE Evolution (#k)



FTE Redeployment / Reskilling



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:
		  • AuM[1] 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

Notes: 1. AuM not including certain internal pension funds.

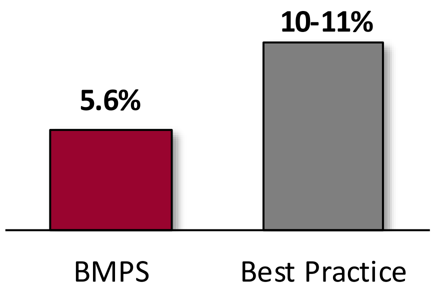
2 Key actions for change in business mix driven by commercial revenues (2/2)

	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

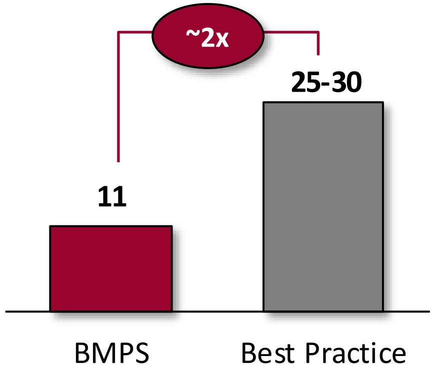
2.A Focus on Consumer Finance

Examples of Untapped Potential[1]

Consumer Finance Penetration[2]



Commercial Effectiveness[3]

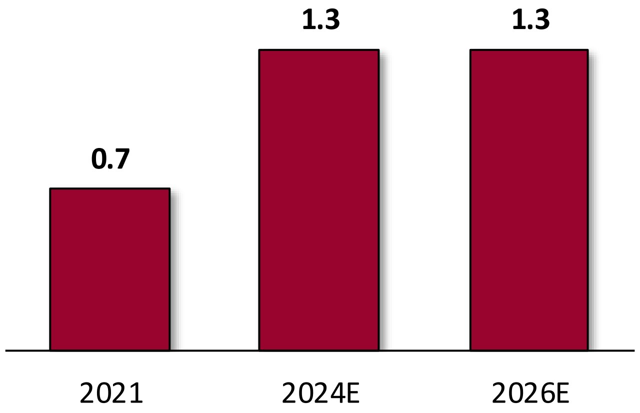


Strategic Levers Envisaged in the Plan

- 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

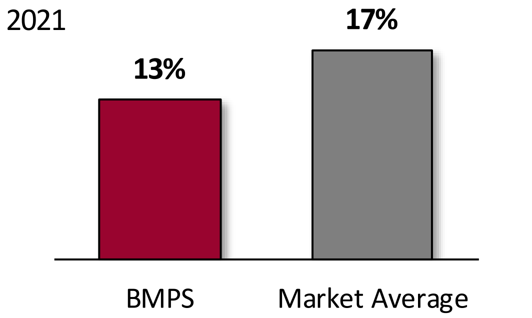


Notes: 1. Source Bain database. 2. # of loans / # of clients. 3. Annual number of loans per sales person.

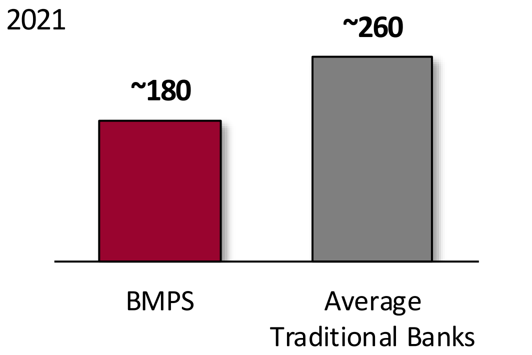
2.B Focus on Asset Management

Examples of Untapped Potential[1]

Premium Clients / Individuals



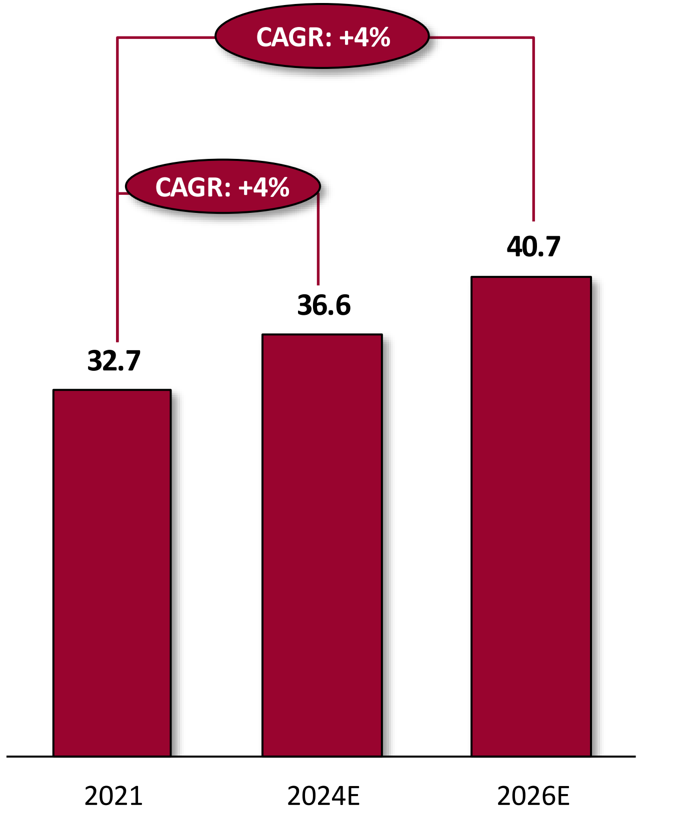
Avg. TCA by Premium Client (€k)



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 segment[2]
- Digital / remote collaboration

AuM[3] (Excl. Insurance) Evolution (€bn)

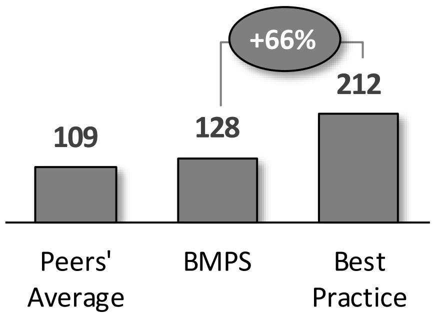


Notes: 1. Source Bain database 2. Excluding Widiba. Premium`s segment based on internal BMPS classification. 3. AuM not including certain internal pension funds.

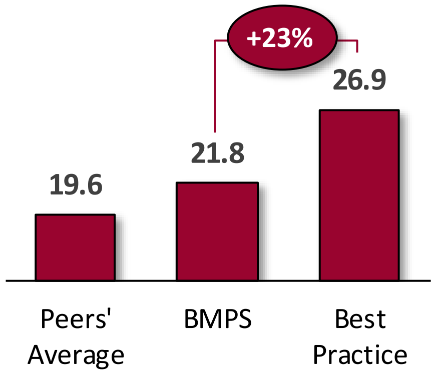
2.B Focus on Bancassurance

Leading platform with further growth potential[1]

Non-Life GWP per Branches (€000)



Life GWP per Branches (€m)

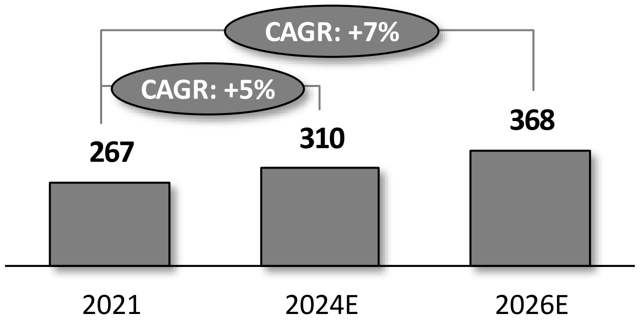


Strategic Levers Envisaged in the Plan

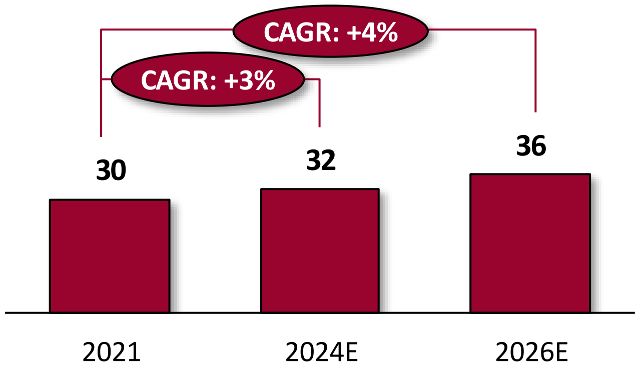
- Market leading positioning achieved through the long-term and successful partnership with AXA
- Address emerging customer protection needs with upgraded product offering (e.g. cyber, unit ESG / protected, health)
- Deliver modular and flexible product proposition aimed at maximising share of wallet
- 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)



Notes: 1. Source Bain database.

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

Competitors – Market Benchmark

Historical Growth and Investment Trends

BANCAWIDIBA

Market Leader Ambition

Banca Widiba Strategy

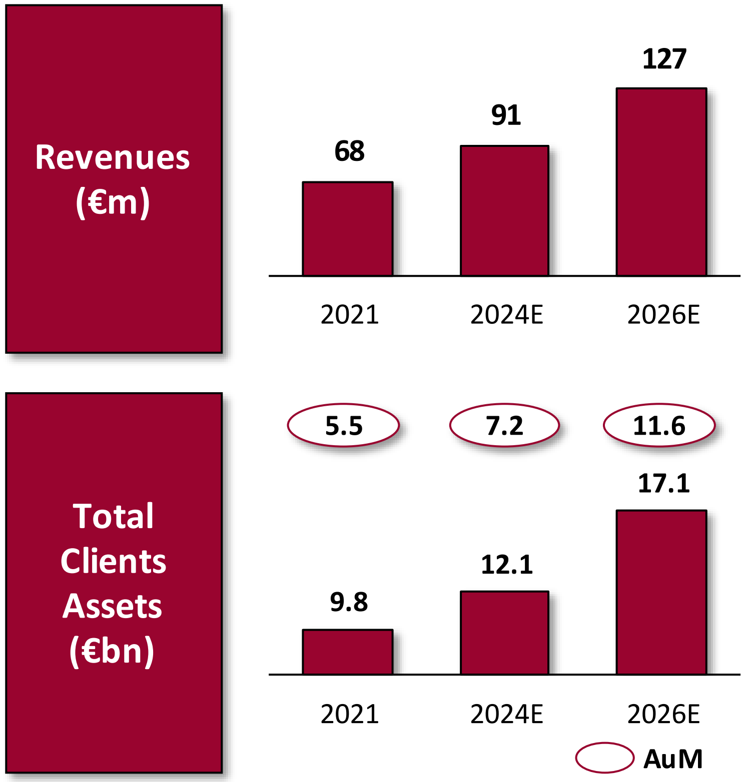
Financial Advisors Scale (Wealth Management Volumes)
- Recruiting strategy
- Structured approach to pipeline
- Investments in marketing

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

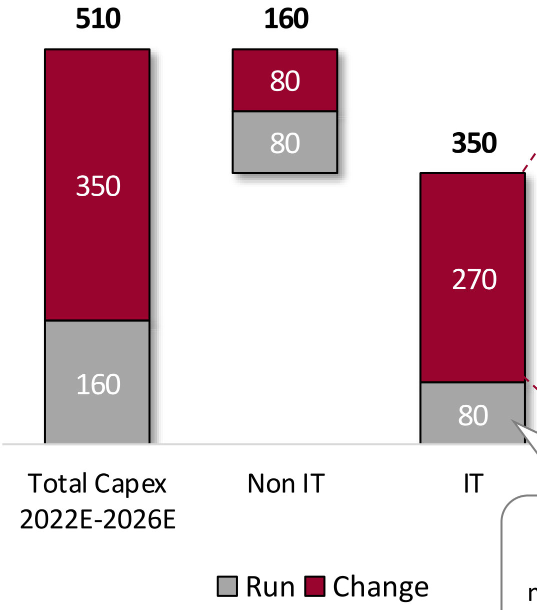
Digitalisation to improve commercial capabilities and efficiency

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)

- Adaptation to fire regulations for large buildings, archives and data centres
- Maintenance for safety compliance, replacement of obsolete systems and business continuity
- Branch restructuring and maintenance
- Branch closure charges
- Selective ATM and TARM replacement interventions



- **Fully digital: €230m**
- Required: €30m
- Corporate integrations: €10m

Central and distributed HW replacement (server, PC and monitor, ...), basic widespread licenses, ...

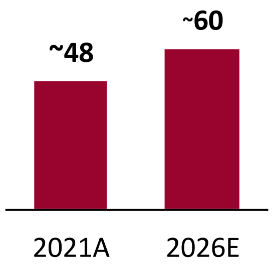
Selected items

- Commercial platform digitalisation: **€35m**
- Widiba: **€32m**
- Cybersecurity: **€24m**
- NPE management process digitalisation: **€23m**
- IT testing platform to support change: **€20m**
- Document digitalisation and control functions automation: **€19m**

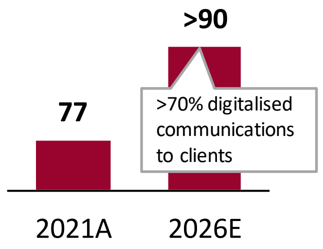
ESG objectives defined for the next years will enable the achievement of a market distinctive position…

Environmental impact

% of Scope 1 emissions reduction vs. 2017

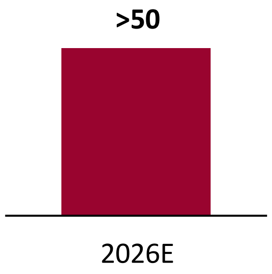


% of adoption of digital signature



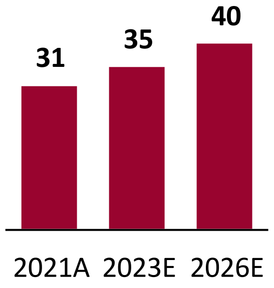
Sustainable Finance

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

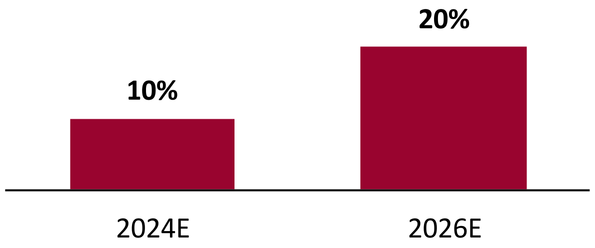
- Integration of ESG factors in **credit strategies**
- Definition of selective approach (sectorial policies) for **sectors with high transition risk**
- Focus on **Action Plan** implementation for **climate and environmental risks management**
- Inclusion of ESG risk factors in the **Risk Appetite Framework 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**

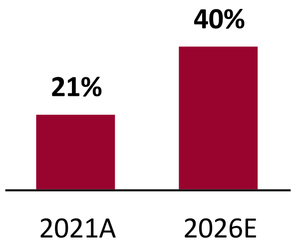
% New medium-long term ESG lending on Total New Lending



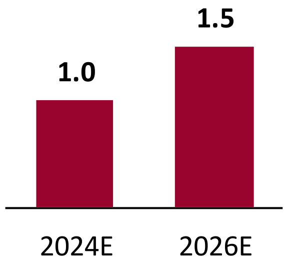
ESG investment offering

- **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 AuM[1]



Issuances of Green and Social Bonds (€bn)



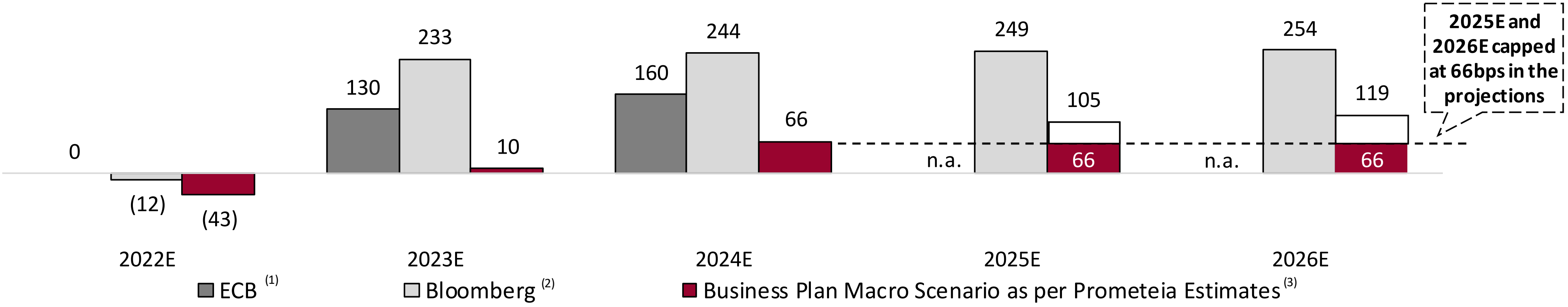
Notes: 1. Funds ex art. 8 and 9 SFDR.

Sustainable Financial Targets

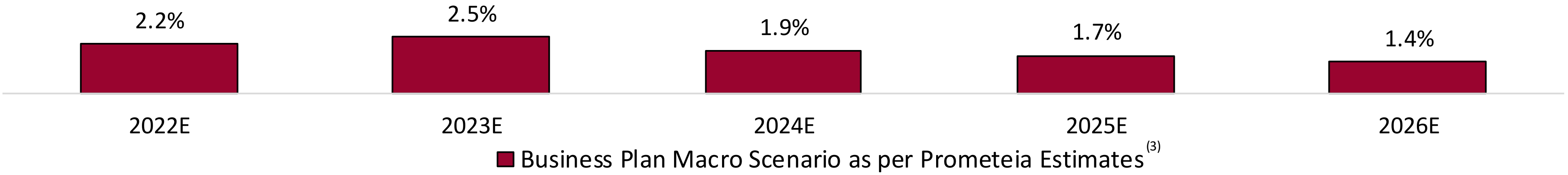
Overview of macroeconomic scenario: conservative assumptions

Key Macroeconomic Figures

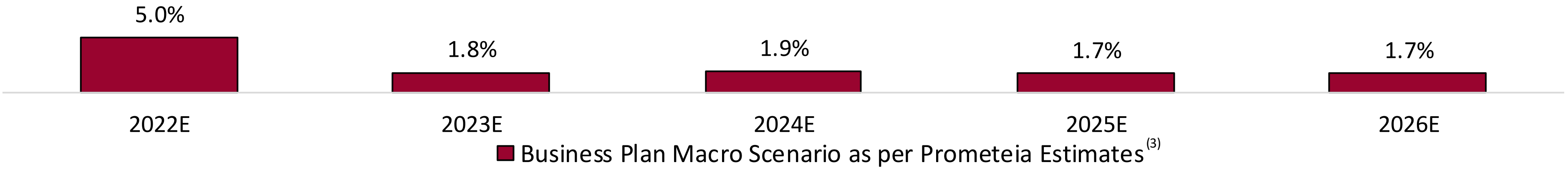
Euribor 3 months (bps)



Real GDP Growth (YoY %)



Inflation (%)



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

Notes: 1. ECB figures from Eurosystem staff macroeconomic projections for the euro area dated June 2022. 2. Bloomberg Euribor 3M forward rate as of 20 June 2022. 3. Business Plan Macro Scenario as per Prometeia estimates as of April 2022.

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

2.6% in 2021

Reduction of ECB Funding

~13% of liabilities in 2024
~13% of liabilities in 2026

~22% in 2021

CET1 Ratio Fully Loaded

14.2% in 2024
15.4% in 2026

11.0% in 2021

Sustainable Profitability

€705m / €909m Earnings[1] 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

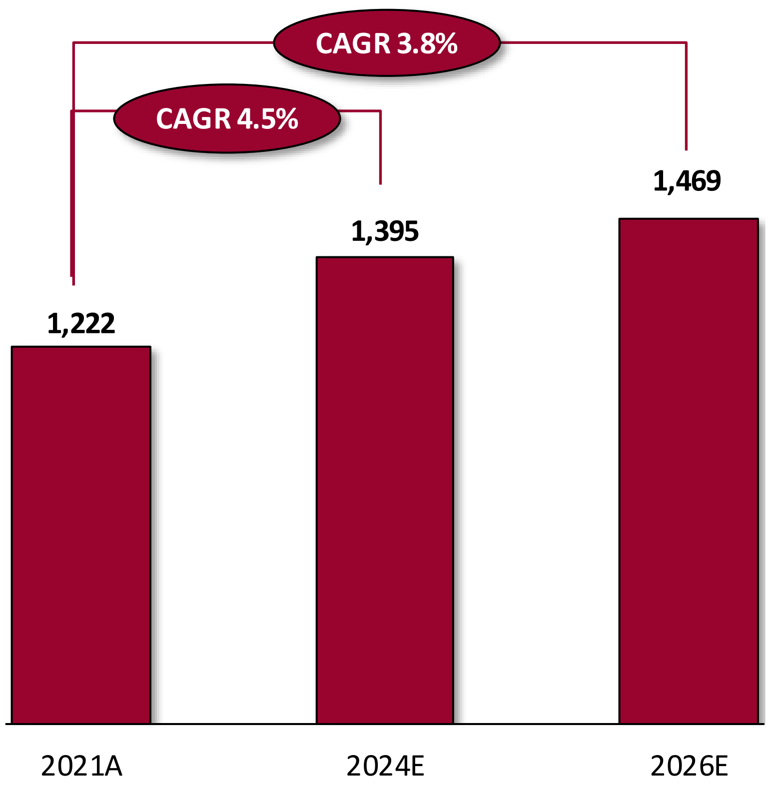
Sustainable profitability with attractive dividend prospects

Notes: 1. Includes €83m / €40m systemic charges in 2024E and 2026E. 2. RoATE calculated considering Earnings (i.e. pre-tax profit before taking into account the net impact of taxes and positive effect related to off-balance sheet DTA reassessment) and average tangible book value.

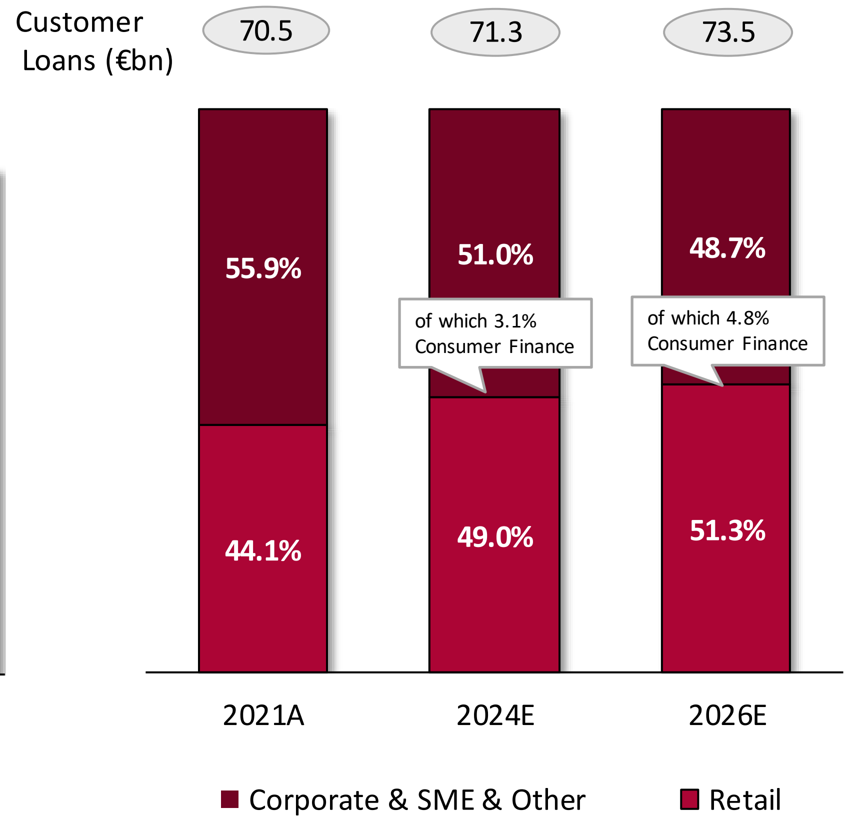
Net interest income increase supported by change in business mix and rates shift

- 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

Net interest income evolution (€m)



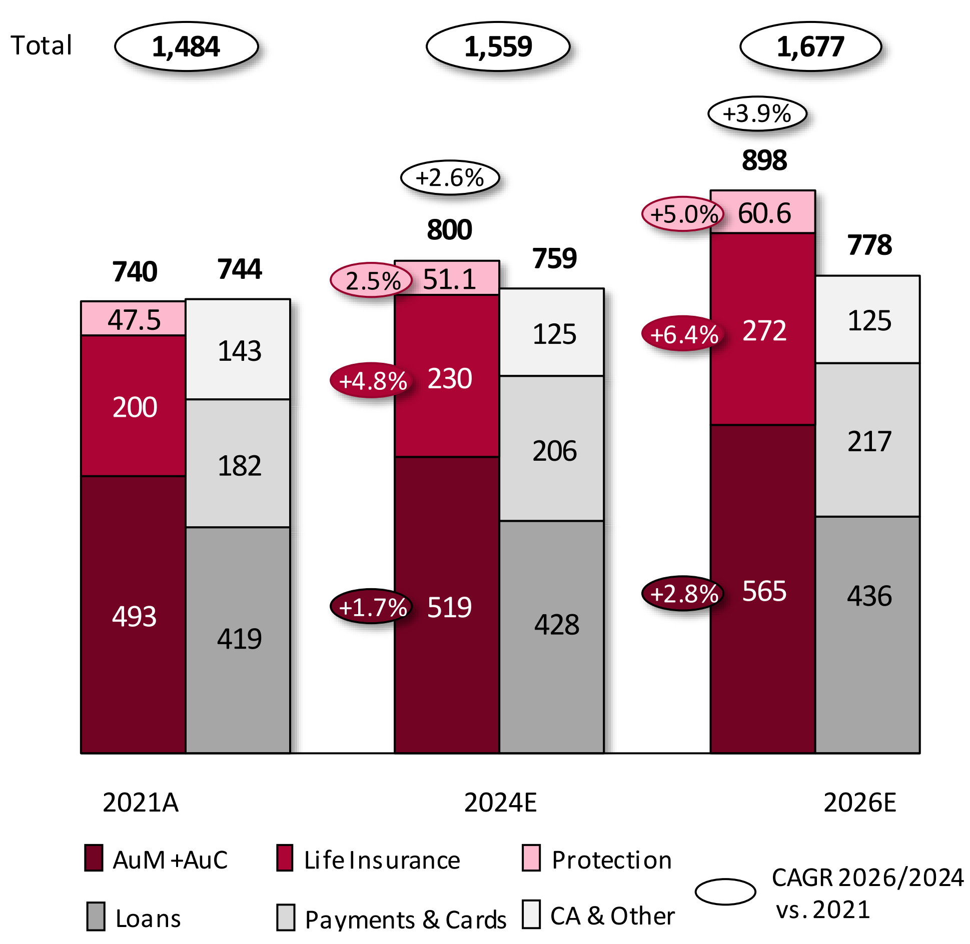
Net customer loans mix evolution[1]

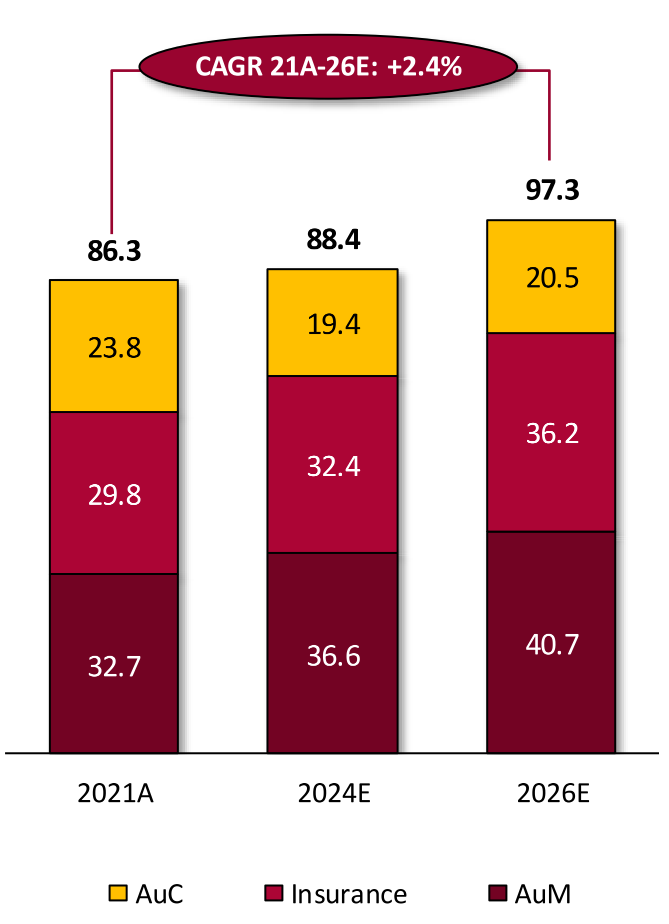


Notes: 1. Refers to performing customer loans.

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



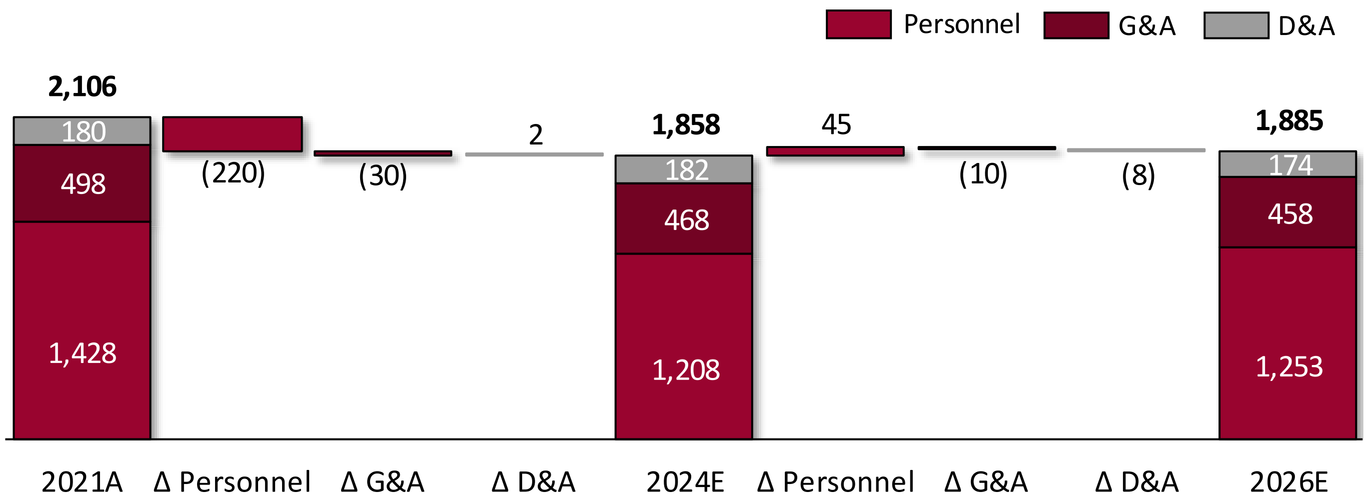


Notes: 1. Indirect funding not including certain corporate deposits for securities transactions and internal pension funds.

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

Operating cost evolution (€m)



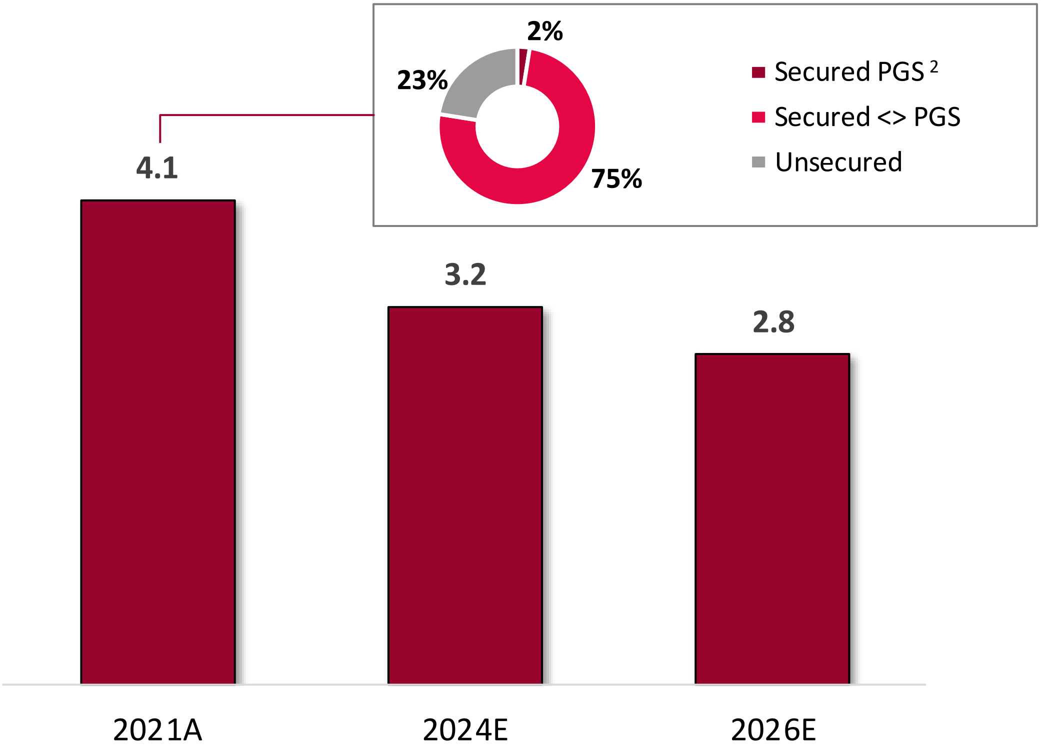
	2021A		2024E		2026E
Cost / income	**71%**	**<11 p.p.**	**60%**	**<3 p.p.**	**57%**
FTE (#k)	**21.2**	**(3.8)**	**17.3**	**(0.3)**	**17.0**
Branches	**1,368[1]**	**(100)**	**1,268**	**(50)**	**1,218**

€0.8bn pre-tax integration costs fully booked in 2022 for the implementation of Solidarity Fund workforce resizing

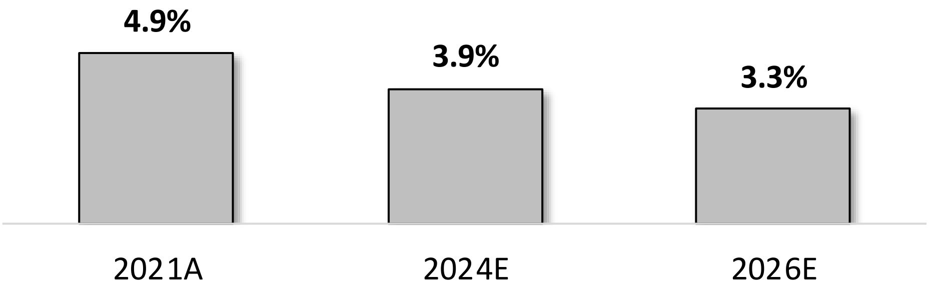
Notes: 1. Figures as of 1Q-22, excluding Banca Widiba and BMPS Capital Services branches

Focus on NPE (1/2)

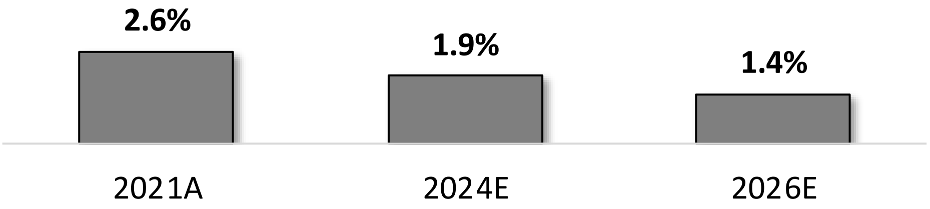
Gross NPE[1] evolution (€bn)



Gross NPE[1] Ratio



Net NPE Ratio



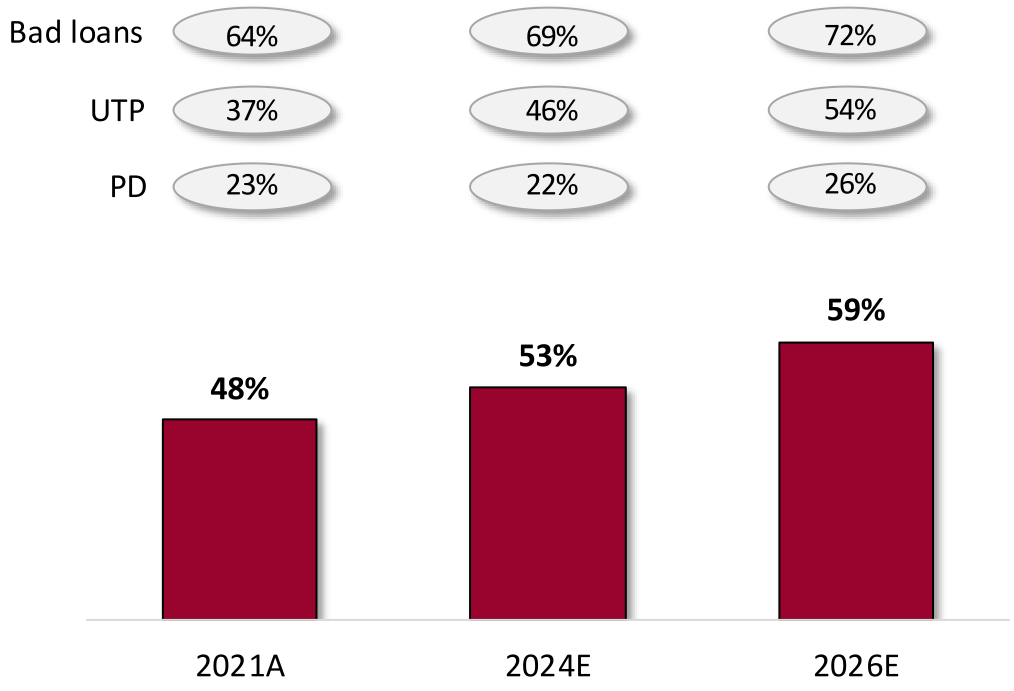
Reduction of NPE stock (c. €1.3bn) throughout the plan, leveraging on collection, sales and write-offs

€0.8bn NPE disposal currently in progress with completion expected in the 2H2022

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

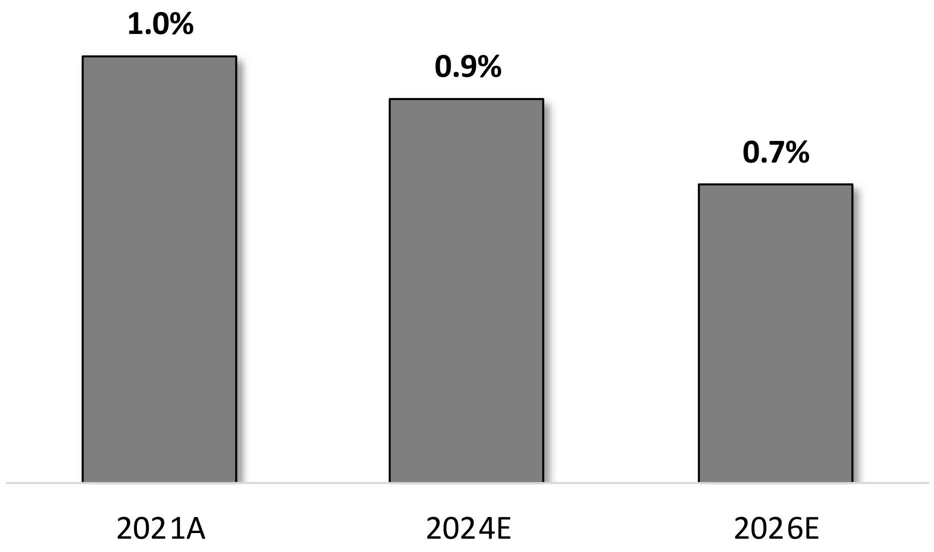
Focus on NPE (2/2)

NPE[1] Coverage



Increase in cash coverage levels

Default Rate



Cost of Risk <50bps throughout the plan

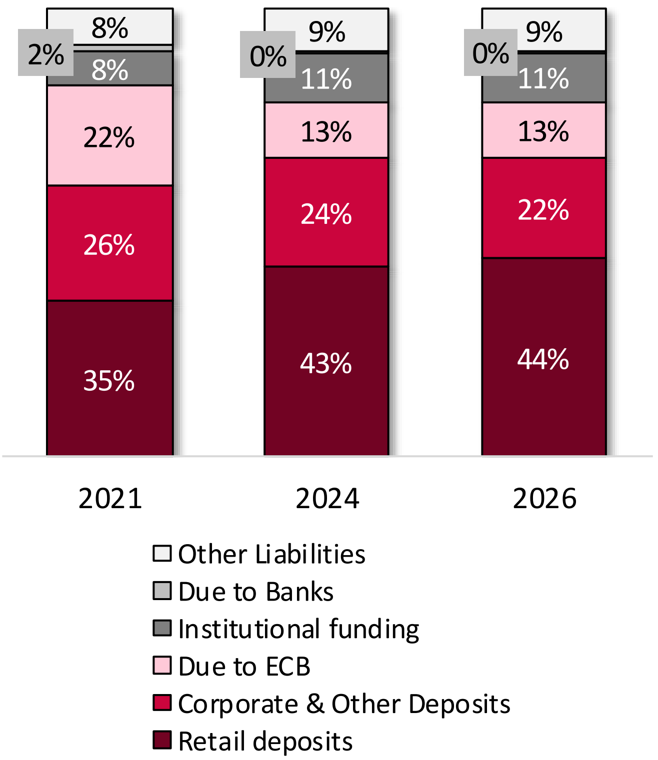
Notes: 1. On balance sheet exposures.

Clear funding strategy

Group ample liquidity buffer and diversified funding strategy

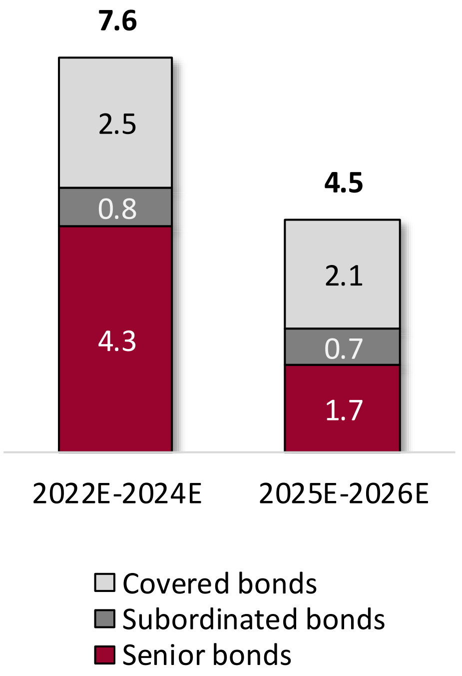
Funding mix (€bn)

- Reduction of exposure to ECB



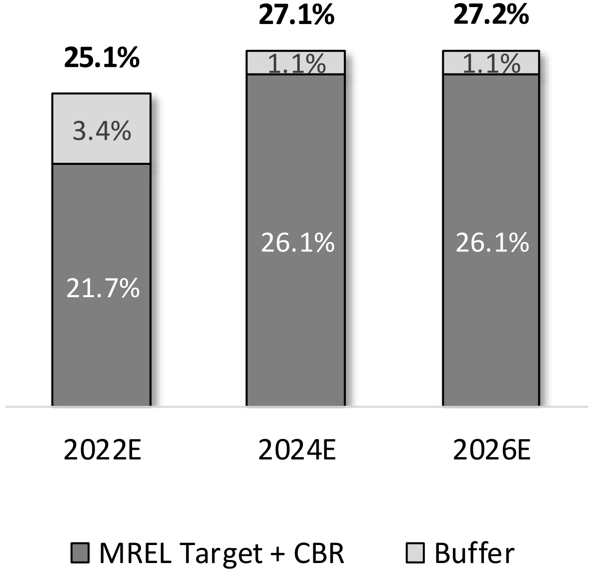
Institutional bond issuances (€bn)

- Total funding issuance in 2022-2026 at €12bn



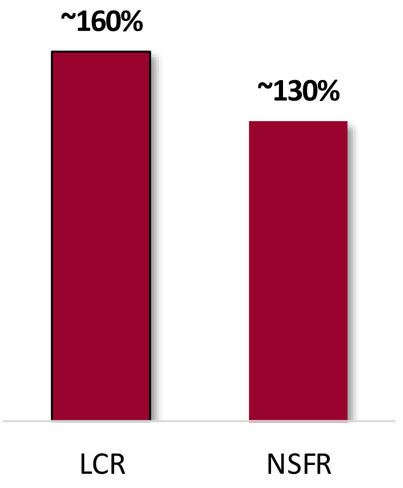
MREL

- Solid MREL position across the plan with buffer vs. target including CBR



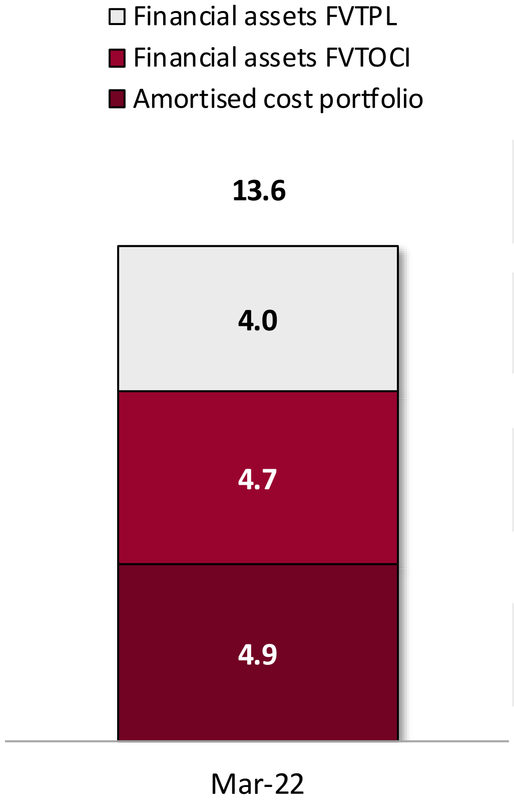
Key liquidity ratios targets

- Significant LCR and NSFR target buffer



Italian Govies portfolio

Italian Govies Portfolio Breakdown[1] (1Q-22, €bn)



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 sensitivity[2]	€(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**

Notes: 1. FVTPL and FVTOCI based on managerial data; Nominal value for Italian govies at amortized cost. 2. Sensitivity, before tax, to 1bp increase in BTP / Bund spread

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
Effective tax rate	*n.m.*	*n.m.*	*8.1%*
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

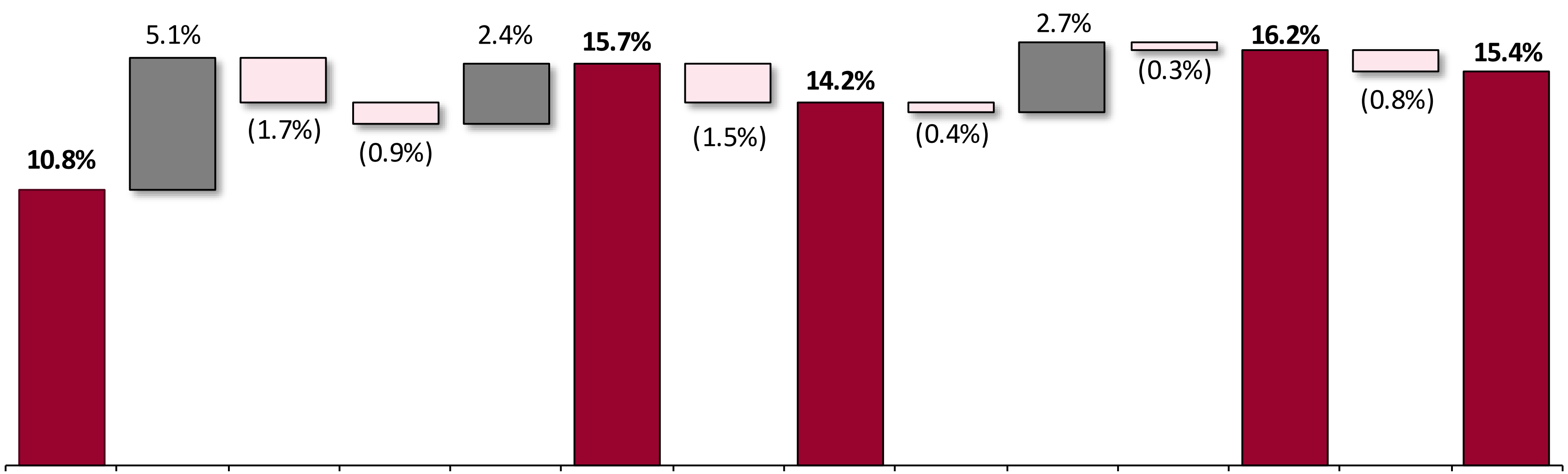
Current Italian fiscal regulations do not set any time to the use of fiscal losses against the taxable income of subsequent y ears

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

	CET1 Ratio 1Q22 FL	Capital Increase €2.5bn	Network Transform. & Restructuring	RWA Organic Evolution 1Q22-24E	Earnings Generation 1Q22-24E	CET1 Ratio 2024E FL	Capital Dynamics 22-24E [1]	CET1 Ratio 2024E FL Incl. Capital Dynamics	RWA Organic Evolution 25-26E	Earnings Generation 25-26E	Capital Dynamics 25-26E [1]	CET1 Ratio 2026E FL Pre-Dividends	Dividends 25-26E	CET1 Ratio 2026E FL
CET1 Capital (€bn)	5.2	2.5	(0.8)	-	1.2	8.0	0.0	8.0	-	1.6	(0.2)	9.4	(0.5)	8.9
RWA (€bn)	47.9	-	-	3.1	-	51.0	5.5	56.5	1.6	-	-	58.1	-	58.1
CET1 Ratio	10.8%	5.1%	(1.7%)	(0.9%)	2.4%	15.7%	(1.5%)	14.2%	(0.4%)	2.7%	(0.3%)	16.2%	(0.8%)	15.4%
Buffer vs T1 SREP								3.4%						4.6%



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

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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

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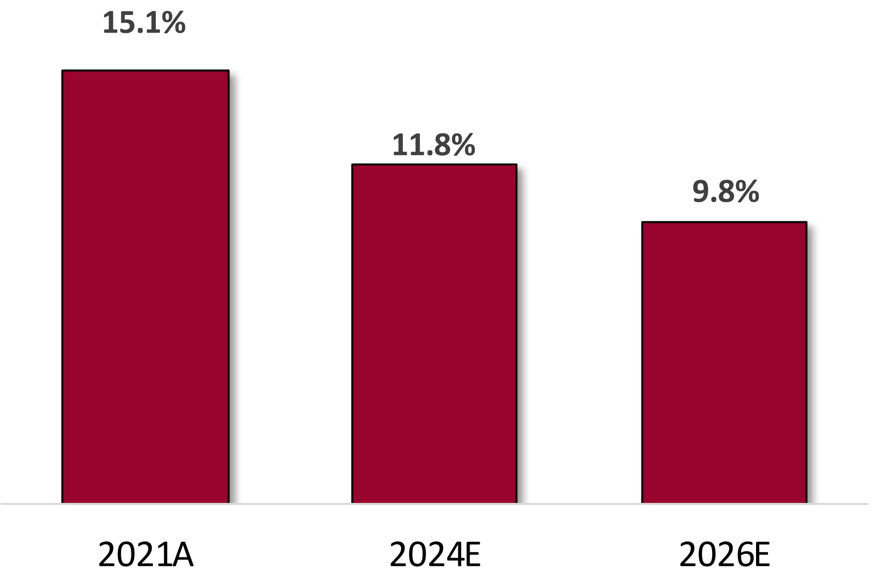
Appendix

Overview of Stage 2 evolution

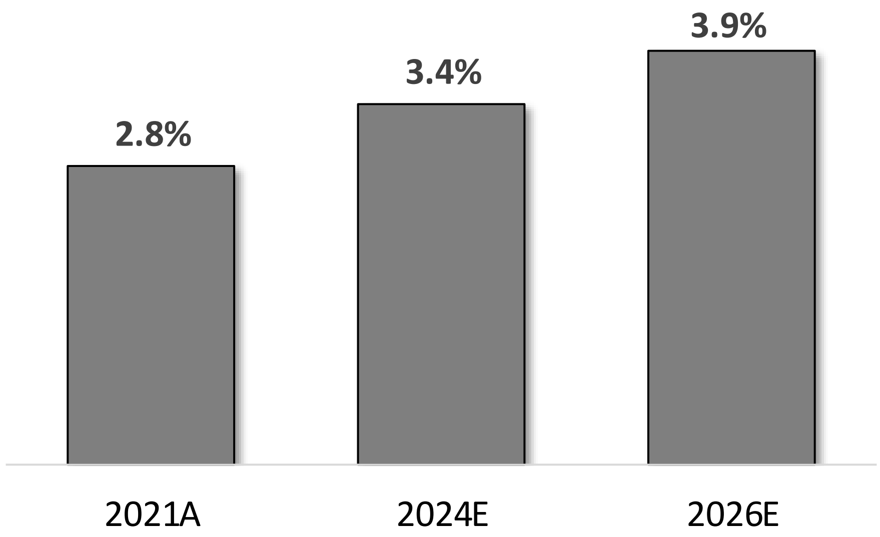
Stage 2 Evolution

	2021A	2024E	2026E
Gross Stage 2 Stock (€bn)	12.7	9.4	7.9



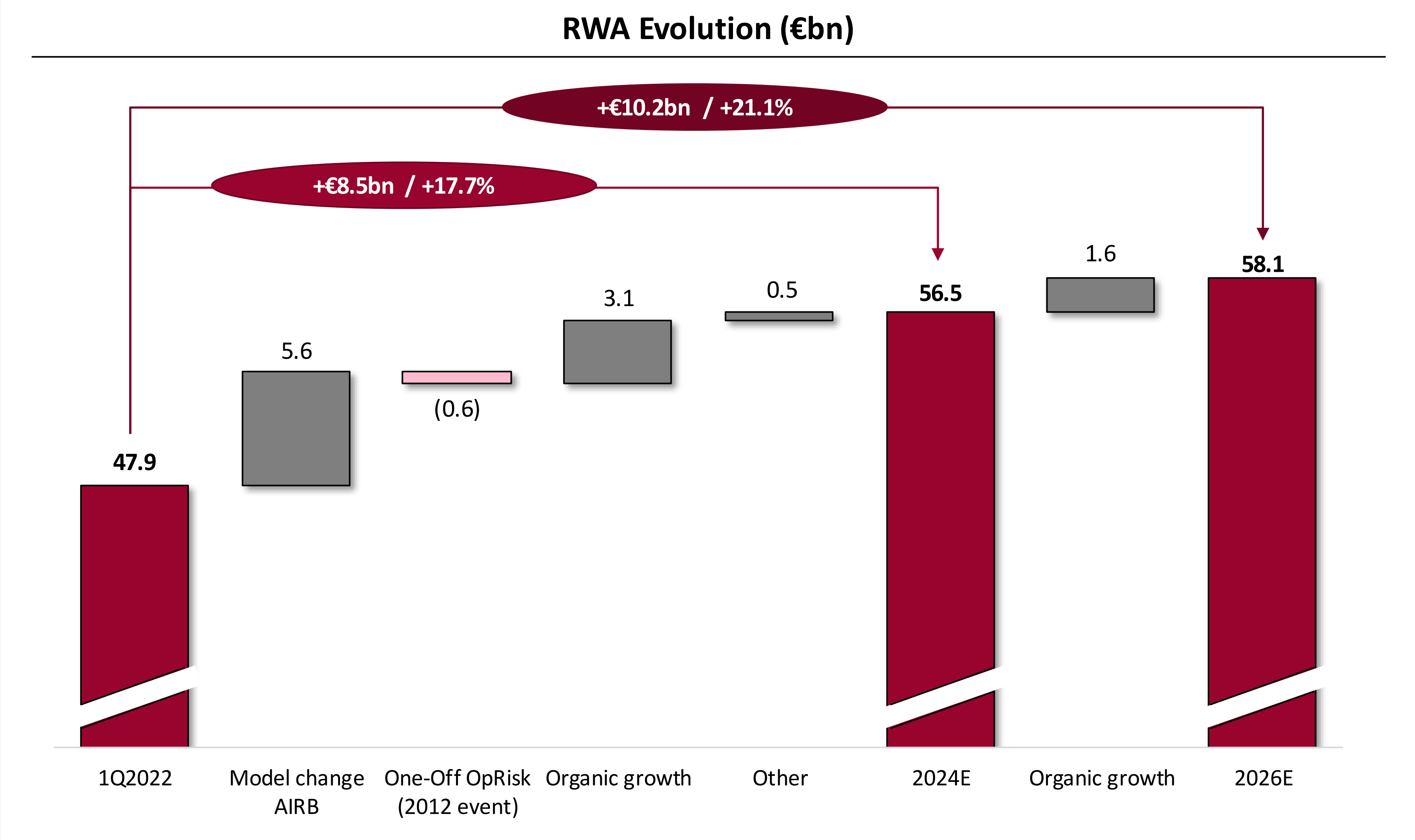
	2021A	2024E	2026E
Net Stage 2 Ratio	15.1%	11.7%	9.7%

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**

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