MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

BMPS FY2019 and 4Q19 Preliminary Results

7 February 2020

Agenda

- MPS 2017-2019: a Restructuring and Relaunching Story
- FY19 and 4Q19 Results
- Details on 4Q19 Results
- Focus on Asset Quality

Highlights of FY19 Results

Pre-provision profit

EUR 934mln
(in line with FY18)

Net operating result

EUR 323mln
(+3.3% YoY)

Cost of risk

Cost of risk at 68bps
(72bps for FY18)

Default rate: 1.4% (2.1% for FY18)
Danger rate: 8.8% (15.6% for FY18)
Cure rate: 10.1% (7.5% for FY18)

Net income

EUR -1,033mln

impacted
by write-down of recorded DTAs

Gross NPE ratio

12.4%

Net NPE ratio

6.8%

CET1

14.7% (transitional)
12.7% (fully loaded)*

Total Capital (pro forma)**

17.4% (transitional)
15.4% (fully loaded)*

Liquidity indicators

>150% LCR
>100% NSFR

EUR 24.7bn
Unencumbered Counterbalancing Capacity
(18.7% of total assets)

* Ratios calculated considering the full deduction of IFRS9 FTA.
** Pro forma figures including EUR 0.4bn T2 issued in January 2020. Stated figures: 16.7% transitional, 14.7% fully loaded.

MPS 2017-2019: a deep Restructuring together with a visible Relaunching

Targets met ...

- ✓ Solid and less volatile capital ratios
- ✓ Sound liquidity position, also thanks to access to wholesale funding market
- ✓ Reduction of NPE stock and cost of risk normalisation
- ✓ Commercial direct funding stabilisation
- ✓ Relaunch of lending activity
- ✓ Network rationalisation
- ✓ Return to positive net operating result
- ✓ Focus on innovation and sustainability

	YE2016	YE2017	YE2018	YE2019	Δ 16-19
Transitional CET1 ratio (%)	8.2%	14.8%	13.7%	14.7%	c. +650bps
Counterbalancing capacity (€/bn)	6.9	21.1	21.2	24.7	+EUR 17.8bn
Gross NPE stock (€/bn)	45.8	42.9	16.8	12.0	-74%
Cost of credit (bps)	419	585	72	68	Level normalised
Commercial direct funding* (€/bn)	51.1	61.9	62.0	65.6	+28%
Customer loans (net of Repos and NPEs) (€/bn)	77.5	71.6	76.2	78.8	+10% since 2017
Staff (K)	25.6	23.5	23.1	22.0	-3.6k
Branches (#)	2,032	1,745	1,529	1,422	-30%
Net operating result** (€/mln)	-2,848	-3,934	312	323	n.m.

... while sailing through a heavy Restructuring Plan with many commitments in a worsening macro scenario

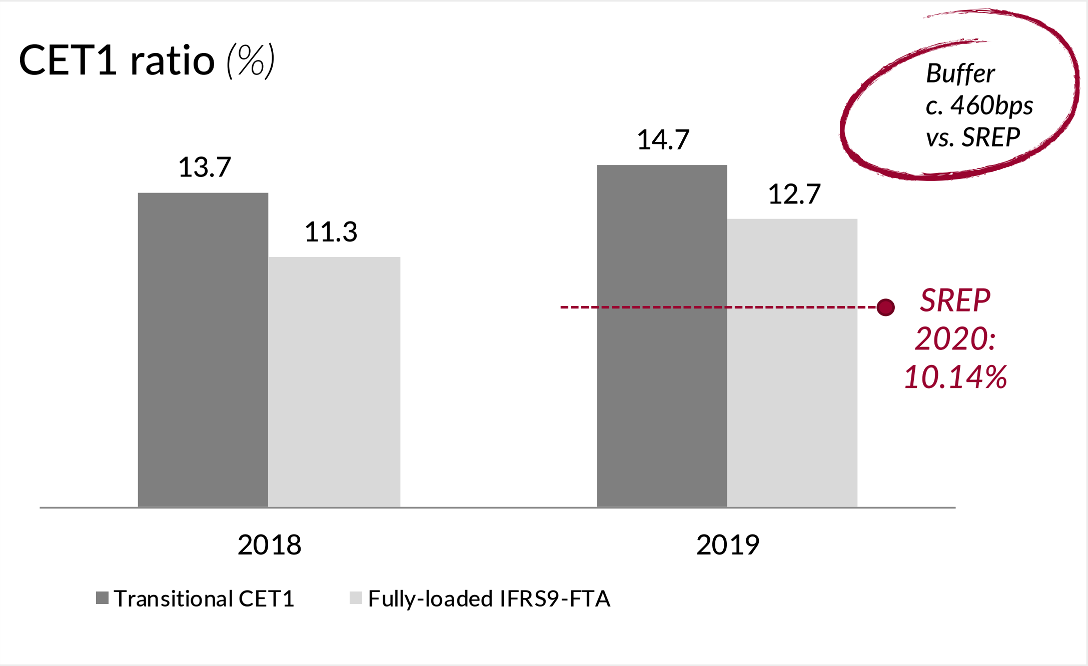
EUR -12.7%
operating costs
since Dec-16

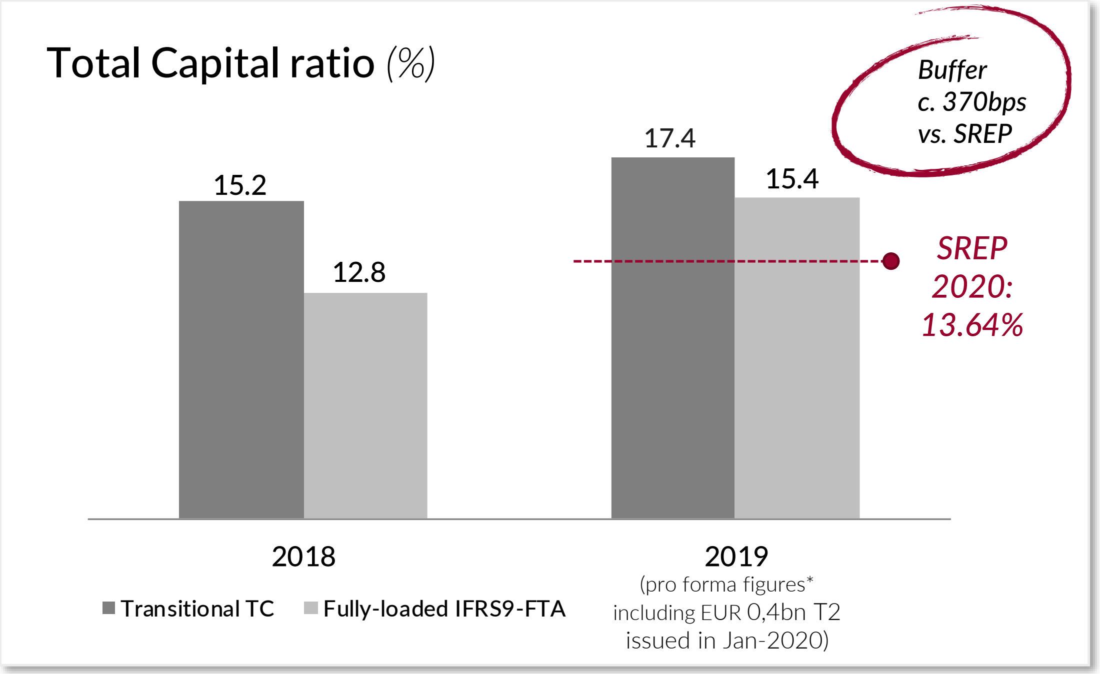
EUR -0.9bn
non-operating
items in 2017-19

* Current account + time deposits.

** Before non-operating items and taxes.

Solid capital ratios: fully-loaded CET1 at 12.7%, well above regulatory requirements





- Strong capital ratios, well above 2020 SREP Overall Capital Requirements (including Combined Buffer** of 2.64%), also on a fully-loaded basis
- RWA reduction from EUR 65.5 in 2016 to EUR 58.6 in 2019, thanks to derisking activity carried out over the last 3 years
- Potential volatility of capital from govies reduced, thanks to continuous portfolio optimisation (credit spread sensitivity*** of the FVTOCI component down to EUR -1.5mln from EUR -2.9mln in 2018 and from EUR -8.9 in 2016)

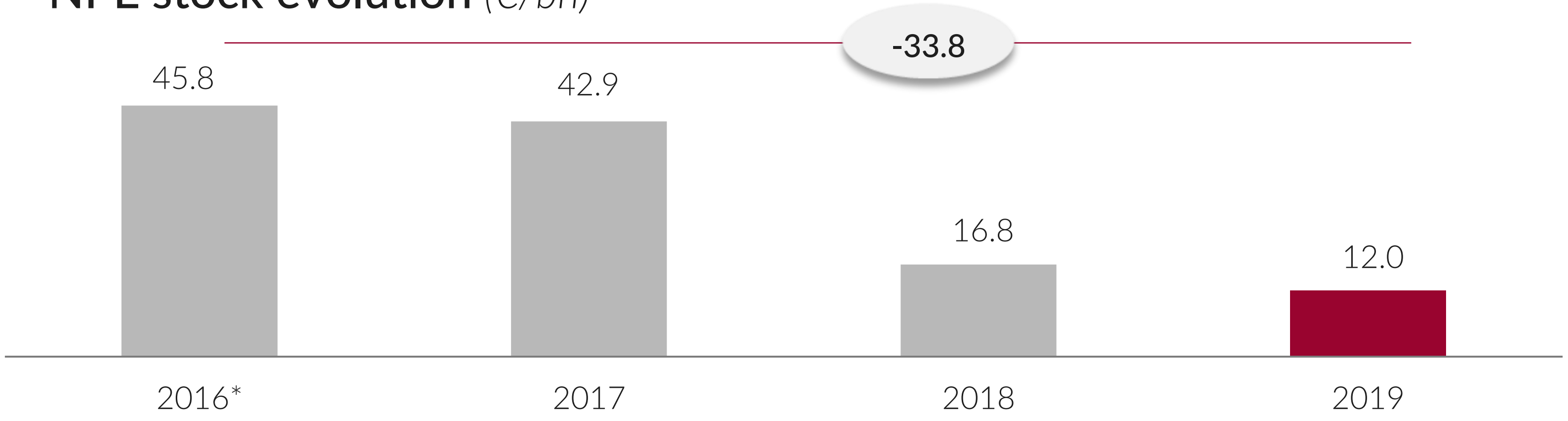
* Stated Total Capital ratios (excluding EUR 0.4 T2 issued in January 2020): Phased-in Total Capital at 16.7%, fully-loaded Total Capital at 14.7%.

** Combined Buffer of 2.64: 2.50% Capital Conservation Buffer + 0.13% O-SII Buffer + 0.01% Countercyclical Capital Buffer.

*** Credit spread sensitivity: EUR/mln before tax for 1bp increase in the BTP/Bund spread.

NPE stock reduced by c. EUR 34bn since 2016; Gross NPE ratio at 12.4%

NPE stock evolution *(€/bn)*



	2016*	2017	2018	2019
Gross NPE ratio	**34.5%**	**35.8%**	**17.3%**	**12.4%**
Net NPE ratio	**19.0%**	**16.3%**	**9.0%**	**6.8%**
Texas Ratio**	**145%**	**112%**	**95%**	**86%**

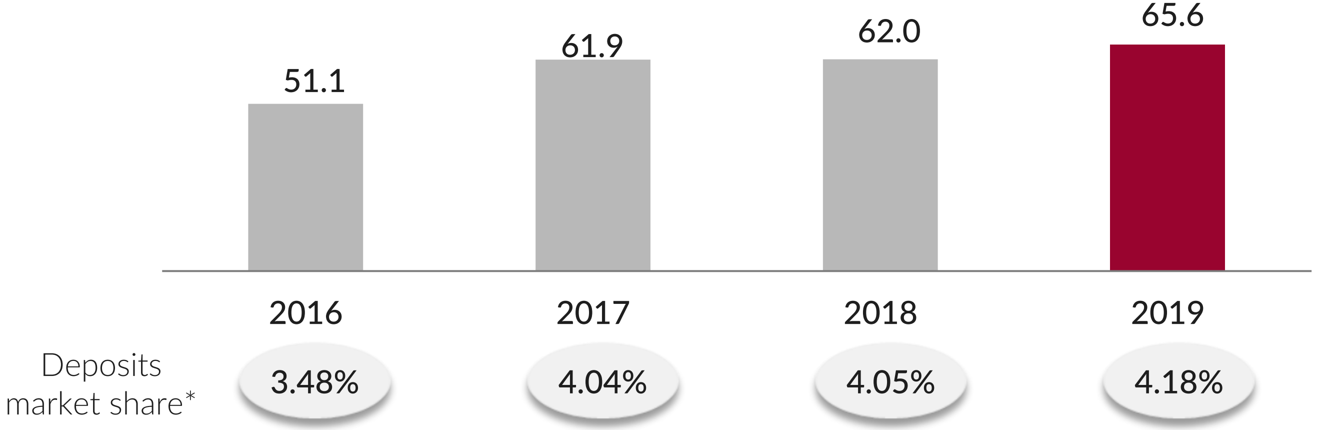
- ✓ 2021 Restructuring Plan target of 12.9% reached two years in advance
- ✓ Estimated overall impact on book value from c. EUR 9bn NPE disposals*** completed in 2018-2019: c. EUR 1.2bn (c. EUR 1bn as IFRS9 FTA and c. EUR 0.2bn on P&L)

- ❑ In 2019 NPE stock reduced by c. EUR 4.9bn**** of which:
  - ✓ EUR 2.0bn UTP disposal/reductions (of which EUR 0.5bn in 4Q19)
  - ✓ EUR 2.7bn bad loans disposal***** (of which EUR 1.9bn in 4Q19)
- ❑ Pro-active management and improved quality of NPE portfolio: cure rate at 10.1% in 2019 vs. 4.8% in 2016; UTP danger rate at 8.8% vs. 20.3% in 2016

* Including interest in arrears.
** Gross NPEs / (tangible equity + LLPs).
*** Excluding EUR 24bn securitisation.
**** Including, in addition to disposals/reductions (data from operational data management system), c. EUR -0.2 billion due to other effects.
***** Including the deconsolidation of EUR 0.6bn leasing bad loans sold in 2018 but perfected in 2019.

Direct and Indirect funding: retail market confidence confirmed

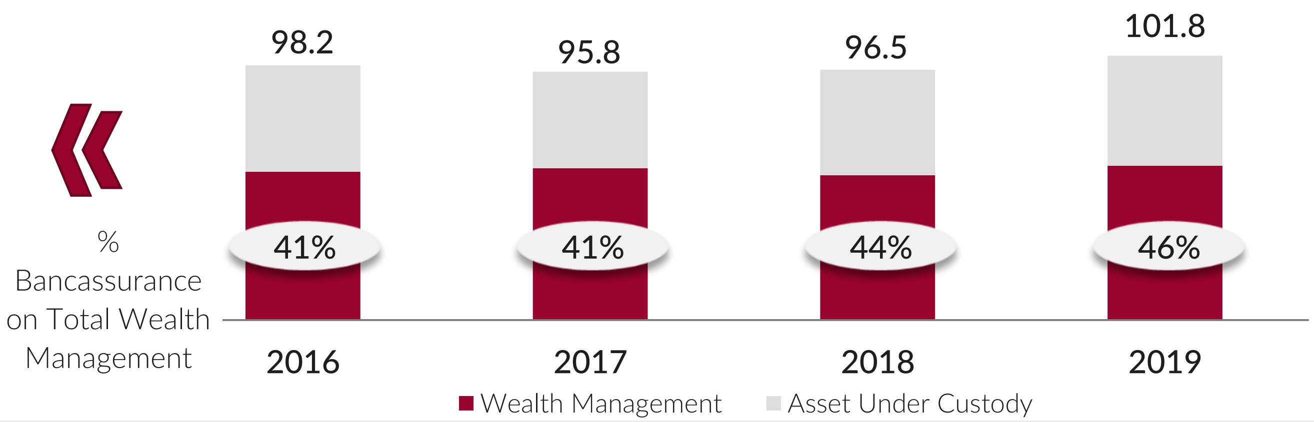
Current accounts and time deposits *(€/bn)*



- ✓ Retail market confidence completely restored: current accounts and time deposits continue to increase: EUR +3.6bn in 2019
- ✓ Cost of deposits gap vs. the market: 15bps in November 2019 (37bps in August 17, 14bps in December 2018)
- ✓ Direct funding increases without penalizing the stock of indirect funding

- ✓ Gross WM flows in 2019: EUR +11bn, of which EUR 4.7bn related to Bancassurance partnership with AXA (+17.7% YoY)
- ✓ Bancassurance Savings market share: 6.81%** (+100bps YoY)
- ✓ Bancassurance P&C market share**: 5.98%, of which motor market share 9.32%

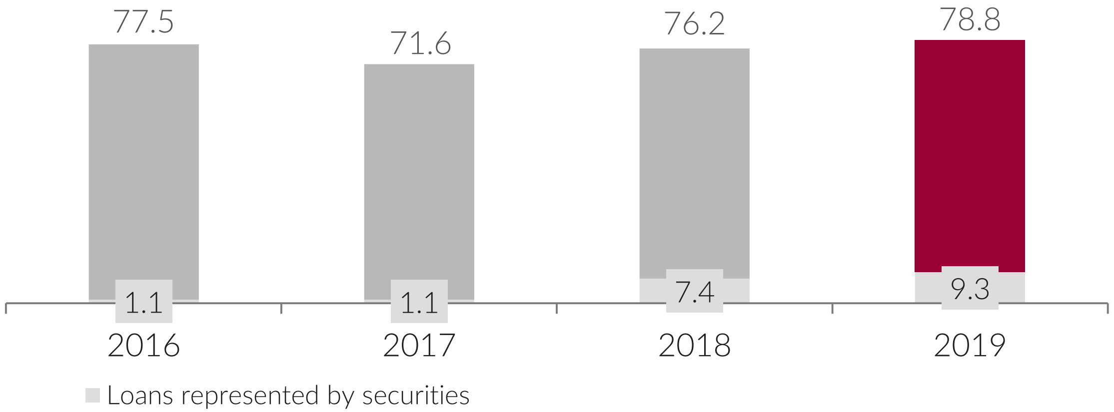
Indirect funding stock *(€/bn)*



* Current accounts + time deposits. 2019 market share at November 2019, latest available data.
** Savings market share at November 2019 and Motor market share at September 2019, latest available data.

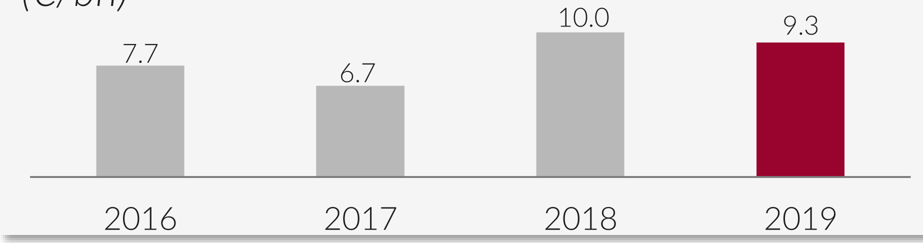
Lending activity: focus on retail and on creditworthy customers

Customer loans (net of Repos and NPEs) *(€/bn)*

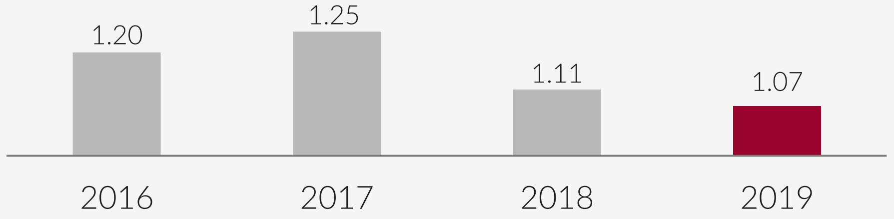


- ✓ Focus on retail customers and small businesses: in 2019, new retail mortgage flows* at EUR 5.7bn, +2.8% YoY and +72% vs. 2017
- ✓ Selective lending to corporate customers, with particular focus on lending spreads
- ✓ Improved credit risk management: strengthening of credit standards, high automation of credit decisions, deployment of advanced analytics to support client targeting
- ✓ New distribution model designed to improve territorial outreach and digital drive and to better listen to customers

Medium & long-term lending – new loans *(€/bn)***



Probability of default of new lending *(%)*



Default rate *(%)*

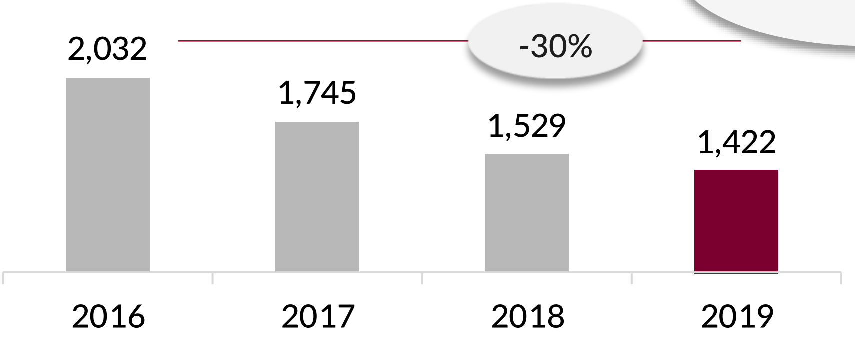
* Including small-business mortgages.

** Figures from operational management system. Medium & Long-Term Lending 2019 new loans: c. EUR 5.7bn of new retail mortgage flows + c. EUR 1.6bn of new corporate mortgage flows + c. 2bn of other new lending flows.

Network rationalisation

Evolution in total branches *(#)*

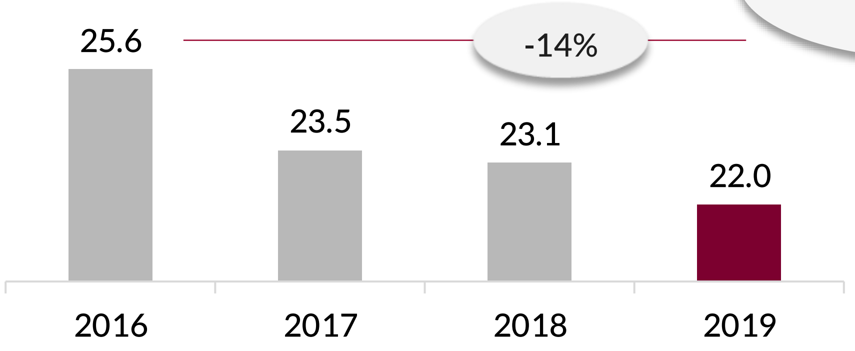
Italian banking system -15%



Branch market share*	7.09%	6.47%	6.11%	6.23%

Evolution in total headcount *(K)*

Italian banking system -2.3%



Unwinding of foreign network

- ✓ Banca Monte Paschi Belgio: sale completed in Jun-19
- ✓ Monte Paschi Banque: orderly winding-down in progress
- ✓ New York, London & Hong Kong branches: unwinding procedures completed

Impact on volumes**

- Loans: EUR –0.9bn
- Direct funding: EUR –0.9bn
- Indirect funding: EUR –0.4bn

* Source: Bank of Italy Supervisory Registers and Lists. 2019 figures updated at Sept 19.

** Figures related to Banca Monte dei Paschi Belgio and Monte Paschi Banque; decrease in volumes recorded between 2018 and 2019.

Return to positive pre-tax income

(€/mln)	FY17	FY18	FY19
Net Interest Income	1,788	1,743	1,501
Net Fees	1,577	1,523	1,450
Other revenues*	661	21	272
Total revenues**	**4,026**	**3,288**	**3,223**
Operating Costs	-2,543	-2,351	-2,290
Pre-provision profit	**1,483**	**937**	**934**
Total provisions***	-5,417	-625	-611
Net Operating Result	**-3,934**	**312**	**323**
Non-operating items****	-252	-421	-269
Profit (Loss) before tax	**-4,186**	**-109**	**53**
Taxes	710	410	-1,075
PPA & Other Items	-26	-22	-12
Net profit (loss)	**-3,502**	**279**	**-1,033**

2019:

- **Revenues** impacted by lower volumes and spread due to **worsening macro and rates scenario**
- **Ongoing strict cost control**: operating costs reduced by 12.7% since 2016, -2.6% YoY
- **Cost of risk towards normalisation** (68bps in 2019, 72bps in 2018)
- **Positive net operating results** in 2019 (EUR +323mln) and in 2018 (EUR +312mln)
- Over the last 3 years, c. EUR -0.9bn non-operating items for restructuring costs related to commitments undertaken with DG Comp and for contribution to systemic funds were booked
- In 2019, **positive pre-tax income** (EUR +53mln)
- **Net result** (EUR -1,033mln) **impacted by the write-down of recorded DTAs** to take into account the effect of the reintroduction of the ACE fiscal benefit and of the evolution of the macroeconomic scenario

* Dividends/income from investments, trading/disposal/valuation/hedging of financial assets, other operating income.
** FY2017 including EUR 554mln of burden sharing impact (EUR +51mln on NII and EUR +503mln on other revenues).
*** Including net impairment losses on financial assets measured at amortised cost and on financial assets at FVTOCI.
**** Net provisions for risks and charges, gains (losses) on investments/disposals, restructuring costs/one-off costs, DTA fees and SRF, NRF & DGS and gains (losses) on disposal of investments.

Sound liquidity position, ahead of future maturities

Main liquidity indicators

Counterbalancing Capacity	LCR	NSFR
EUR 24.7bn (18.7% of total assets)	>150%	>100%

All liquidity indicators well above requirements

Access to wholesale funding market regained

- New issues successfully completed in 2019 :
  - ✓ EUR 2bn covered bonds
  - ✓ EUR 1.25bn senior bonds
  - ✓ EUR 300mln T2 bonds
- In 2020 further new issues:
  - ✓ EUR 400mln T2 bonds
  - ✓ EUR 750mln senior bonds

Moody's

On 9 January 2020 Moody's rating agency upgraded the Bank's standalone rating and changed the outlook to positive from negative, reflecting the "material improvements in the Bank's asset quality" & the **"improvements in MPS' funding profile, following the issues in the institutional bond market in 2019"**

Government Guaranteed Bonds (GGBs): EUR 8bn maturing in 2020

- ✓ EUR 4bn already reimbursed in January 2020; the remaining EUR 4bn will mature in March 2020 and have already been pre-funded
- ✓ With the reimbursement of GGBs, expected positive contribution to P&L for c. EUR 140mln per year, coming from the savings on fees paid for the State guarantee (c. EUR 100mln) and for coupons plus reduced liquidity excess

2020-2022 funding strategy:

- 2020-2022 planned bond issues:
  - Senior Unsecured: EUR 1.5/1.75bn per year
  - Covered: EUR 1bn per year
- TLTRO III: **expected total access for EUR 13.5bn, vs. EUR 16.5bn expiring TLTRO II (EUR 3bn reduction)**

Focus on innovation and sustainability

OFFICINA MPS
idee per crescere

- MPS' permanent start-up lab with a dedicated team reporting directly to the CEO, established after the extraordinary outcome of the first two editions, which involved 500 start-ups and sparked a process of virtuous contamination, creating high expectations for an increased positive impact of innovation throughout the bank
- New call on open banking launched at 2019YE and a brand new call launched early this week on agrifood sectors, aimed at providing customers from a relevant pipeline for the bank (agriculture) with new technology and innovation to improve their business, with a sustainable approach

Partnership with AXA-MPS for medical escort and transport services*

trovabando – agevolati, facilmente

Winner of the 2018 edition:
Provides, together with BMPS, a tool to identify the most appropriate European bans and grants

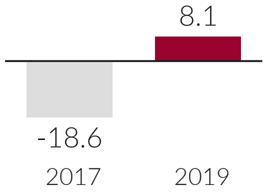
UGO

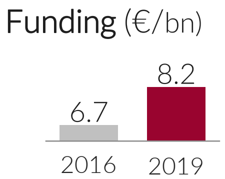
Winner of the 2019 edition:
Offers personal care services to non self-sufficient people, taking care of all logistical issues

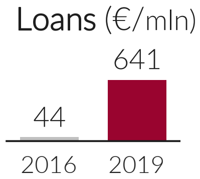
widiba

Solid trend of growth and profitability
led by innovation and
fully integrated human-digital business model

- Positive turning point and **profitability** acceleration: EUR 8.1mln net operating result







- Three years of **growth acceleration:**
  - **Funding:** +1.6bn (+0.6bn in 2019)
  - **Loans:** +600mln (+0.2bn in 2019)

- **Customer base** reached **328k, doubled in 3 years,** with high Customer Satisfaction Index **4.85/5** (700k ratings)
- **Fully integrated model** with financial advisors: **c. 80% total funding** under advisory and **target coverage extended** with innovative offer for value customers (SMEs and Private)
- **Innovation leadership** confirmed by a number of new digital solutions

"What will the banks of the future be like?

In a society that is changing very quickly and that has, for too long, believed in a model of development that no one can sustain anymore, banks are called upon to play a crucial role in shaping a new development model, taking into account environmental, social and governance issues in their lending policies and investment choices. The banks of the future will have the possibility to create value for society by increasingly incorporating these issues into their strategies and by guiding and educating entrepreneurs and savers towards long-term sustainability goals.

Stefania Bariatti, MPS Chairperson"

Sustainability Partners »

UN Global Compact

UN Principles for Responsible Banking

Valore D

The "Women in Banking" Charter.

* Services providing transportation and/or someone to accompany clients to travel to and from their homes for medical appointments and treatments.

Update on Commitments set by DG COMP

✓ De-risking

- 2021 NPE target ratio of 12.9% reached two years in advance
- Full compliance with all Risk Management & Credit Policy reporting and control requirements already achieved

✓ Advertising & aggressive pricing strategies Bans

- As required by commitments, no State Aid measures were used for advertising purposes and no aggressive pricing strategies were implemented

✓ Capital strengthening

- T2 issue for the entire EUR 1.45bn commitment amount completed in January 2020, 11 months ahead of new deadline set by DG Comp

✓ Remuneration Cap

- The "strict executive remuneration policies" called for by commitment have been in place since the beginning of the Restructuring Plan period

✓ Unwinding of foreign branches

- Banca Monte Paschi Belgio: sale completed in Jun-19
- Monte Paschi Banque: orderly winding-down in progress, in compliance with French labour laws
- New York, London & Hong Kong branches: unwinding procedures completed

✓ Balance sheet Reduction

- BMPS total assets of EUR 132.2bn are already below the EUR 145bn target for 2021 year-end

✓ Disposals

- Disposal of Merchant Acquiring Business and of a number of minority participations completed
- Merger by incorporation of Perimetro into BMPS completed in 1H19, ahead of Dec-19 deadline
- Real-estate disposals: properties for over EUR 71mln already sold*, procedures for the sale of the remaining portfolio progressing rapidly. Binding offers received from two parties at a price above book value. Final selection in progress

✓ Cost Reduction

- Total operating costs lower than 2019 target
- Headcount reduction ahead of plan, with c. 3.6k exits
- c. 610 domestic branches closed, of which c. 107 in 4Q19, in line with 2019 targets

➢ 2019YE results are below the Restructuring Plan profitability target. This will trigger for EUR 100mln additional operating cost cuts, with implementation to be completed by 2021YE

* Including properties, for a total book value of c. EUR 24mln, for which a preliminary sale contract has already been signed but disposal is yet to be perfected.

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4Q19 and FY19 P&L: highlights

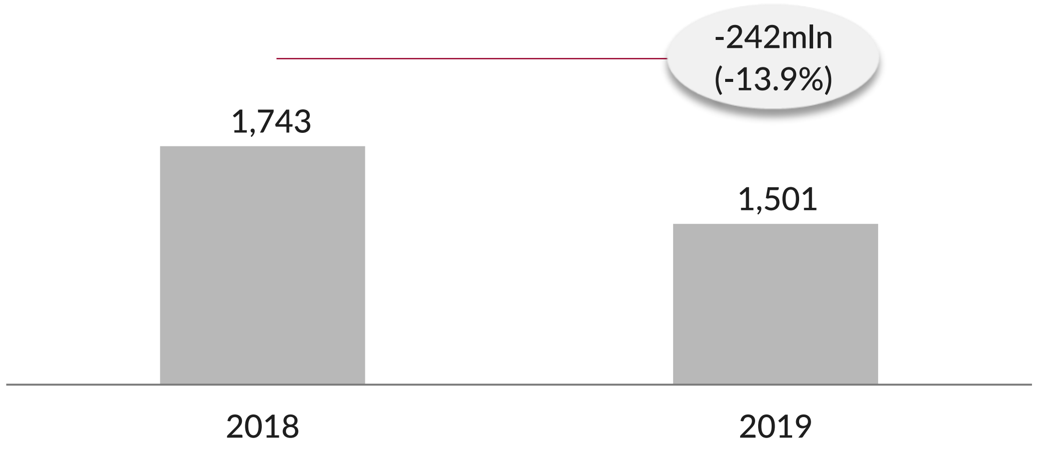
P&L (€/mln)	1Q19	2Q19	3Q19	4Q19	FY19
Net Interest Income	409	404	355	333	1,501
Fees and commissions	359	364	356	371	1,450
Financial revenues*	43	42	112	156	353
Other operating income/expenses**	-8	-63	-11	2	-80
Total revenues	**803**	**747**	**811**	**863**	**3,223**
Operating costs	-569	-577	-549	-594	-2,290
Pre-provision profit	**233**	**169**	**262**	**269**	**934**
Total provisions***	-164	-88	-113	-246	-611
Net operating result	**69**	**82**	**149**	**23**	**323**
Non-operating items	-92	-47	-67	-63	-269
Profit (Loss) before tax	**-23**	**35**	**82**	**-40**	**53**
Tax expense/recovery	57	34	13	-1,179	-1,075
PPA & other items	-6	-4	-1	-1	-12
Net income (loss)	**28**	**65**	**94**	**-1,220**	**-1,033**

- **Pre-provision profit for 4Q19 at EUR 269mln:**
  - NII impacted by ongoing pressure on lending (lower average volumes and asset spread), reduced contribution from NPE portfolio and increased cost of wholesale funding for the bonds issued in 2H19
  - Fees & commissions up thanks to strong volumes intermediated with Compass and to payment services fees
  - Financial revenues positively affected by the revaluation of securities arising from Sorgenia and Tirreno Power debt restructuring
  - Operating costs increase for typical end-of-year seasonality on other operating costs, partly offset by reduced personnel costs
- **Cost of risk at 68bps**
- **Net result for 4Q19 (EUR -1.2bn)** impacted by the write-down of DTAs recorded in the balance sheet, carried out at 2019 year-end to take into account the effects of the reintroduction of the ACE fiscal benefit and of the evolution of the macroeconomic scenario on future taxable income

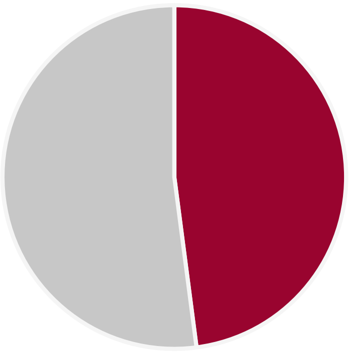
* Financial revenues include: dividends/income from investments, trading/disposal/valuation/hedging of financial assets.
** 2Q19 & FY19 include EUR -49mln costs for the unwinding of the Juliet servicing agreement.
*** Includes net impairment losses on financial assets measured at amortised cost and on financial assets at FVTOCI.

Net Interest Income impacted by Restructuring Plan commitments

Net interest income *(€/mln)*

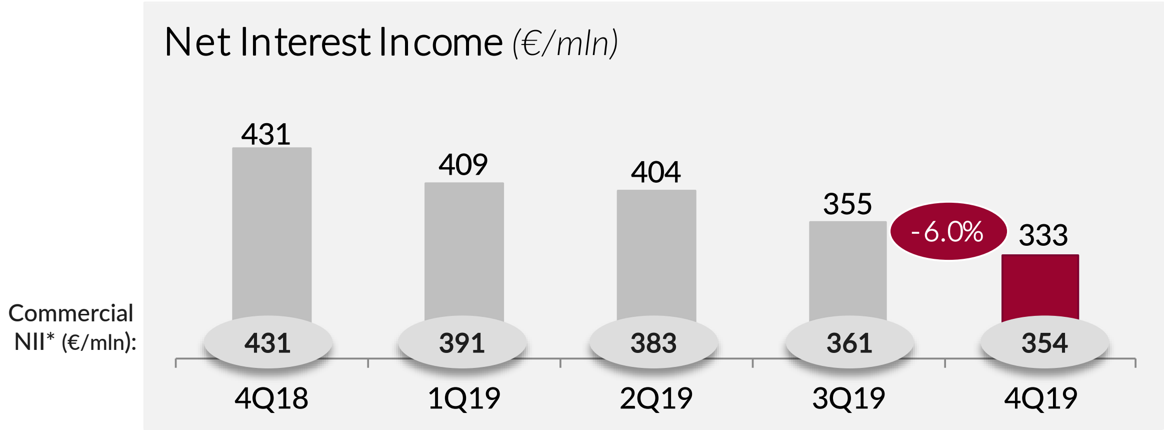


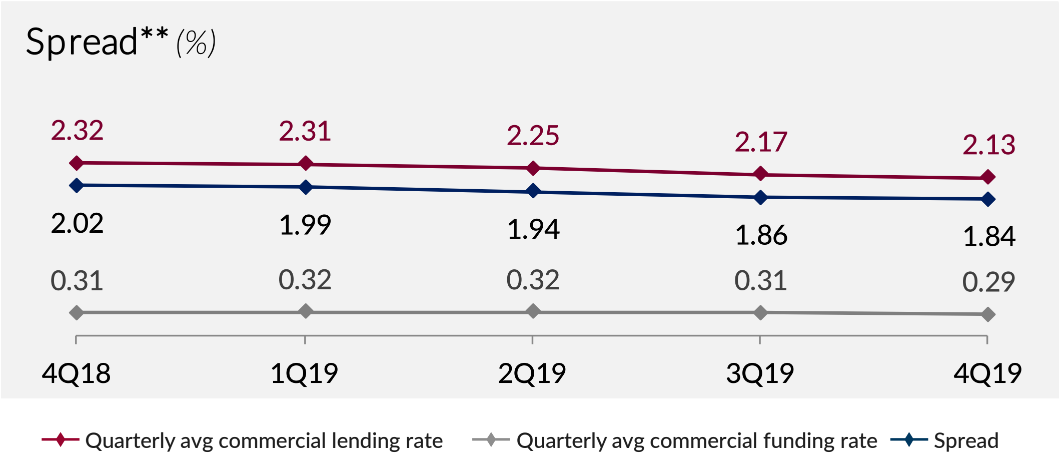
-EUR 242mln in NII vs. 2018 of which:



Management actions	Impacts
Derisking	EUR -51mln lower contribution from NPEs
Unwinding of foreign network	EUR -15mln (sale of MP Belgio & winding-down of MP Banque)
Access on wholesale funding	EUR -30mln for EUR 0.3bn T2 and EUR 1.2bn senior issues
Liquidity position for GGBs reimbursement	EUR -20mln

Net Interest Income





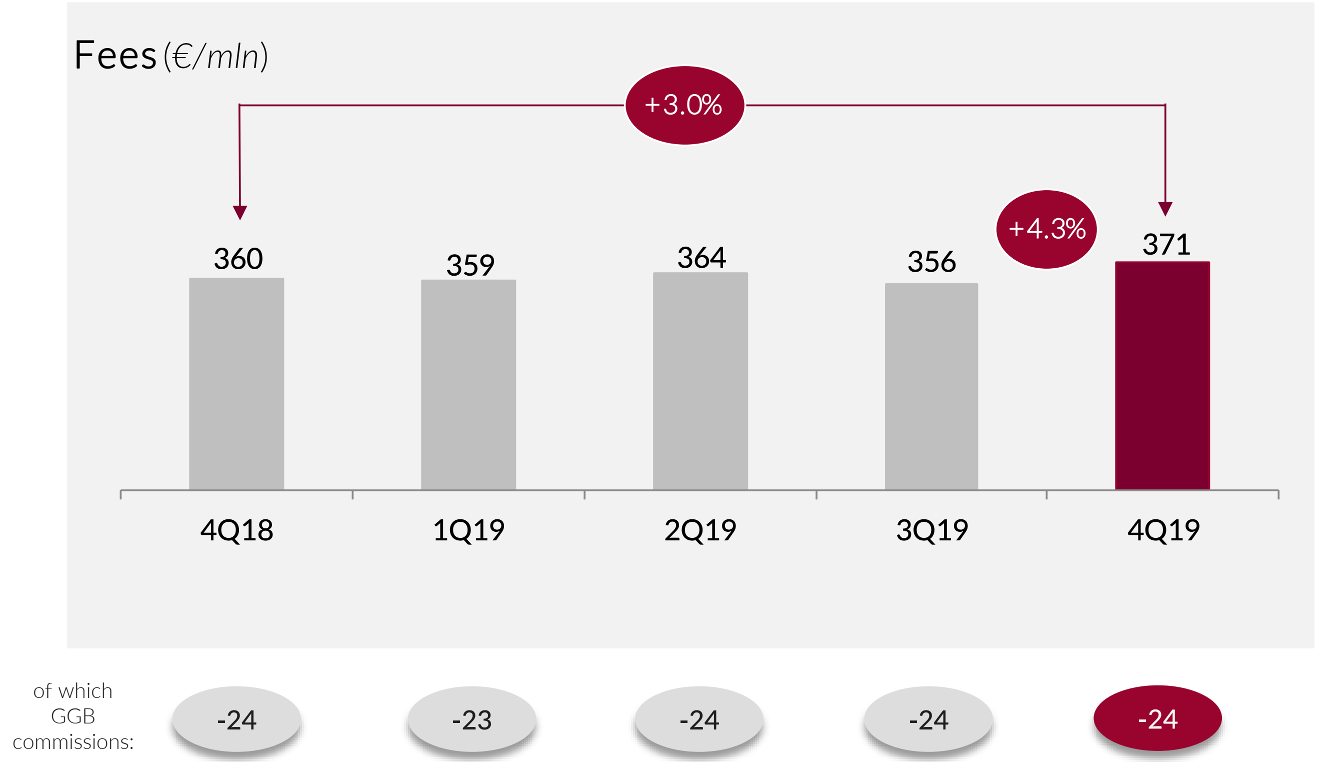
- **Net interest income** down by 6% QoQ, mainly impacted by:
  - persisting pressure on asset margins
  - slightly decreased average loan volumes (EUR -0.3bn in the quarter), partly due to NPE disposals
  - increased cost of wholesale funding, wholly ascribable to institutional bonds issued in September and October
- **Lending rate down** by 4bps QoQ; rates on new household mortgages flows increased in the quarter and higher than market average
- **Cost of deposits gap vs. the market:** +15bps in November 2019 (+25bps gap in December 2017), in line with Restructuring Plan target for 2019

Average rates on new mortgage flows**

	4Q18	1Q19	2Q19	3Q19	4Q19
Households	2.2%	2.4%	2.0%	1.6%	1.7%
Small businesses	2.8%	2.9%	3.0%	2.8%	2.5%
Corporates	2.1%	1.9%	1.9%	2.1%	1.5%
Total	2.3%	2.3%	2.2%	1.8%	1.8%

* Net interest income on commercial loans to customers and on commercial direct funding.
** Figures from operational data management system.

Fee and Commission Income



€/mln	3Q19	4Q19	4Q19 vs. 3Q19	FY18	FY19	FY19 vs. FY18
Wealth Management fees:	162	164	0.9%	663	637	-3.9%
WM Placement	55	53	-4.0%	225	210	-6.7%
Continuing	88	89	1.3%	354	347	-1.9%
Custody	10	9	-11.5%	39	38	-3.8%
Protection	9	13	40.8%	45	42	-6.9%
Traditional Banking fees:	241	262	9.0%	1,049	1,001	-4.6%
Credit facilities	112	128	14.3%	520	480	-7.6%
International business	13	11	-9.6%	53	50	-6.7%
Payment services and client expense recovery	116	123	6.0%	476	471	-1.0%
Other	-47	-55	-17.1%	-189	-189	0.1%
TOTAL NET FEES	356	371	4.3%	1,523	1,450	-4.8%

- Net fees and commissions up by 4.3% QoQ and by 3.0% vs. 4Q18. Quarterly trend driven by credit facilities (+14.3% QoQ), partly due to the intermediation of high Compass loan volumes, and to payment services fees (+6% QoQ), for typical end-of-year movements. WM fees increased by 0.9% QoQ, thanks to the protection business, in partnership with AXA and to the continuing component
- Stock of assets under management at EUR 59.3bn, up by c. EUR 0.7bn QoQ and by c. EUR 3.4bn YoY, mainly driven by positive market effect and bancassurance net inflows (EUR 0.3bn in 4Q19, EUR 1.2bn in 2019)
- Stock of assets under custody at EUR 42.5bn, up by EUR 0.1bn QoQ and by c. EUR 1.9bn YoY thanks to positive market effect, which more than offsets negative net inflows

Financial Revenues*

Dividends/Income from investments (€/mln)

	4Q18	1Q19	2Q19	3Q19	4Q19
Dividends/Income from investments	20	16	27	37	15

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

	4Q18	1Q19	2Q19	3Q19	4Q19
Net result from trading/hedging	25	36	23	31	-8
Gains/losses on disposals/repurchases	-22	12	6	82	13
Net result from financial assets/liabilities at FVTPL	-21	-20	-14	-39	136
Total	-18	27	14	75	141

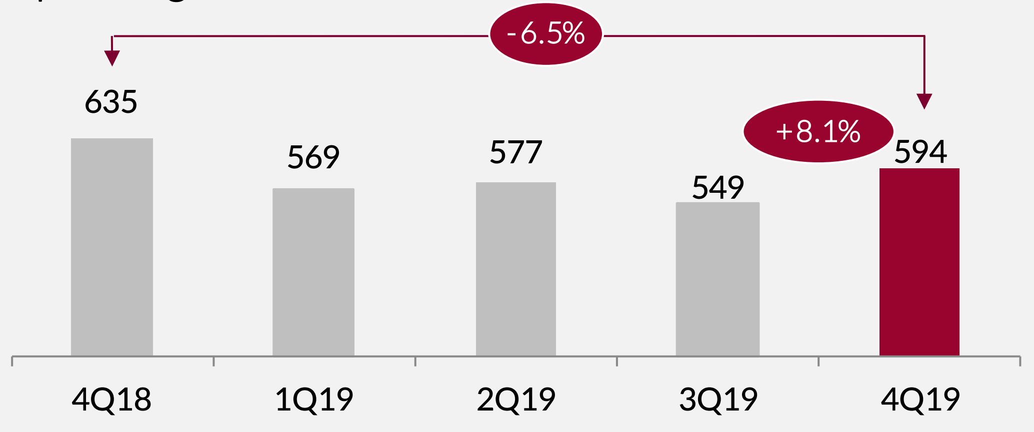
- **Dividends, similar income and gains (losses) on equity investments** include the contribution from the joint venture with AXA

- **Trading/disposal/valuation/hedging of financial assets/others:**
  - EUR -8mln from trading/hedging, mainly due to MPS Capital Services results, impacted by decreased trading on government bonds; annual contribution from MPS Capital Services positive for EUR +35mln
  - EUR +13mln from gains on disposals/repurchases, of which c. EUR +6mln partly related to the disposal of loans and c. EUR +7mln from to the sale of govies and other securities measured at FVTOCI
  - EUR +136mln due to gains from financial assets and liabilities measured at FVTPL, mainly the positive effect of the revaluation of financial assets arising from Sorgenia and Tirreno Power debt restructuring

* The item includes: Dividends/income from trading investments, Net result from trading/hedging, Gains/losses on disposals/repurchases, Net result from financial asset/liabilities at FVTPL.

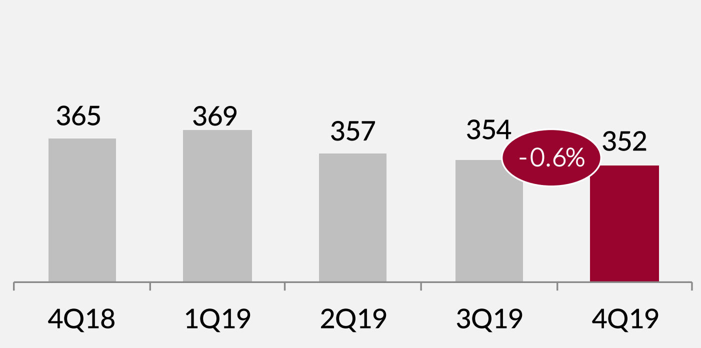
Operating Costs

Operating Costs *(€/mln)*

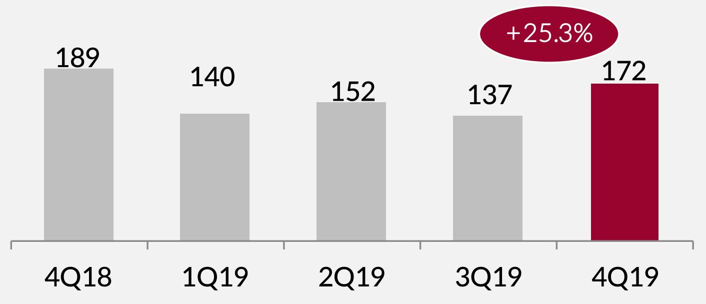


- Operating costs for 4Q19 increase by c. EUR 45mln QoQ, but decrease by 6.5% vs. 4Q18. Ongoing cost containment: -2.6% in FY19 vs. FY18
  - Personnel expenses decrease by 0.6% QoQ and by 2.0% FY19 on FY18, driven by personnel exits (mainly through the Solidarity Fund in March/May and for the deconsolidation of MP Belgio in June); headcount reduced by 4.7% YoY
  - Other admin expenses are up vs. 3Q19, affected by seasonality, but down by -5.7% in 2019 vs. 2018
  - Depreciation & Amortisation increases in the quarter by c. EUR 12mln, mostly due to increased impairments on properties and to the depreciation of software

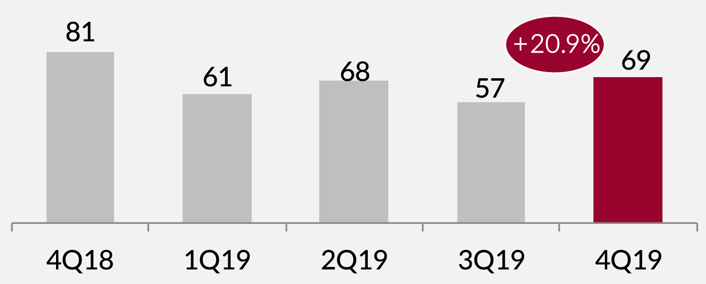
Personnel Expenses *(€/mln)*



Other Admin Expenses *(€/mln)*



Depreciation & Amortisation *(€/mln)*



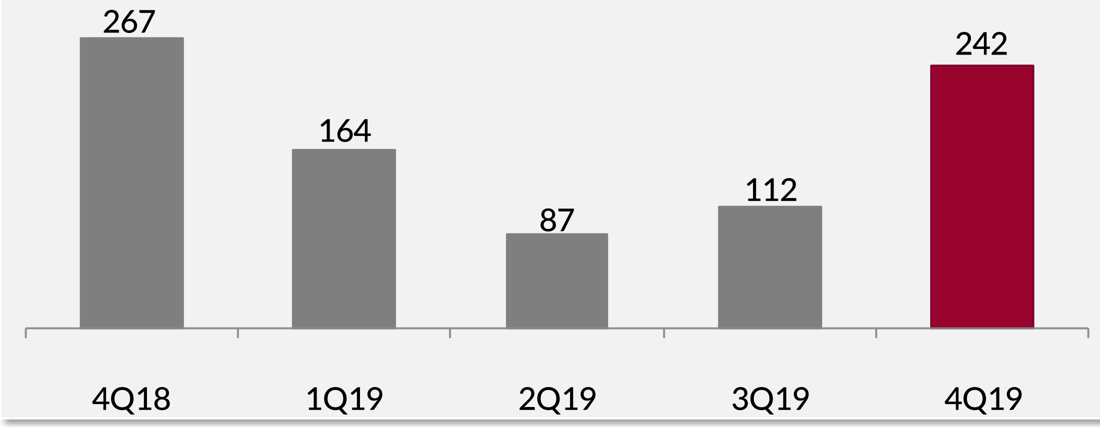
FTEs**	23.1K	22.5K	22.2K	22.2K	22.0K	-4.7% YoY
Branches	1,529	1,529	1,529	1,529	1,422	-7.0% YoY

* The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS16, therefore 2019 and 2018 data are not fully comparable. At 31 December 2019 the introduction of IFRS16 brought a c. EUR 47mln decrease in Other Admin Expenses and a c. EUR 38mln increase in Depreciation & Amortisation.

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

Cost of Risk & Coverage

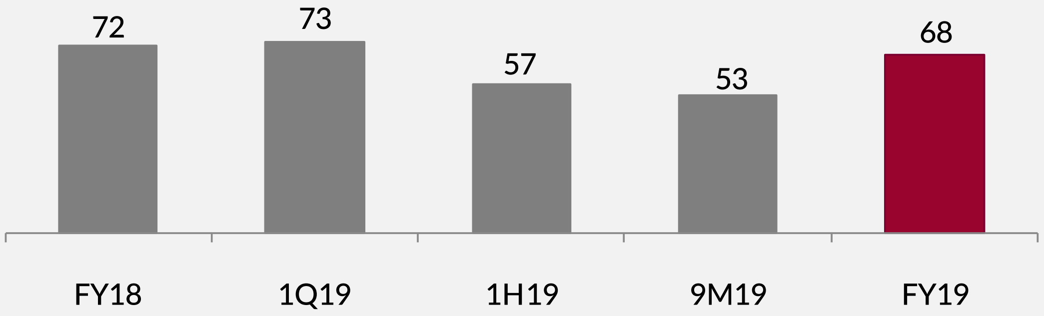
Net Loan Loss Provisions *(€/mln)*



Net impairment losses (including financial assets at FVTOCI)

4Q18	1Q19	2Q19	3Q19	4Q19
257	164	88	113	246

Cost of Risk* *(bps)*



Non-performing Exposures Coverage *(%)*

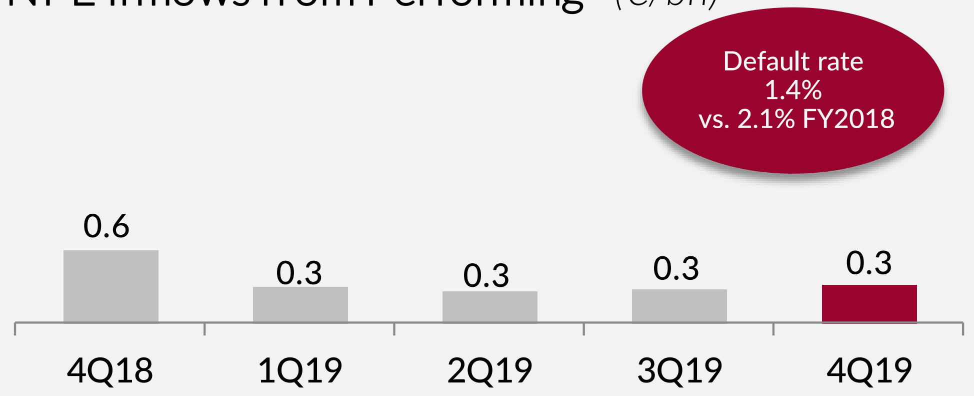
	Dec-18	Sep-19	Dec-19
Bad Loans *(sofferenze)*	62.4	61.7	53.7
Unlikely-to-Pay Loans	44.0	41.7	43.4
Past Due Loans	18.3	23.4	23.5
Total NPEs	**53.1**	**52.6**	**48.8**

- Loan loss provisions for the quarter at EUR 242mln, increased vs. 3Q due to higher NPE inflows from performing loans and to increased provisioning on existing impaired loans. Both dynamics impacted by a few large tickets
- Cost of risk at 68bps, down by 4bps from 2018
- NPE Coverage is 48.8%, down from 53.1% at YE18 as a result of accelerated derisking with greater impact on bad loans coverage. After disposals, the secured component of bad loans stock is c. 80% of NBV

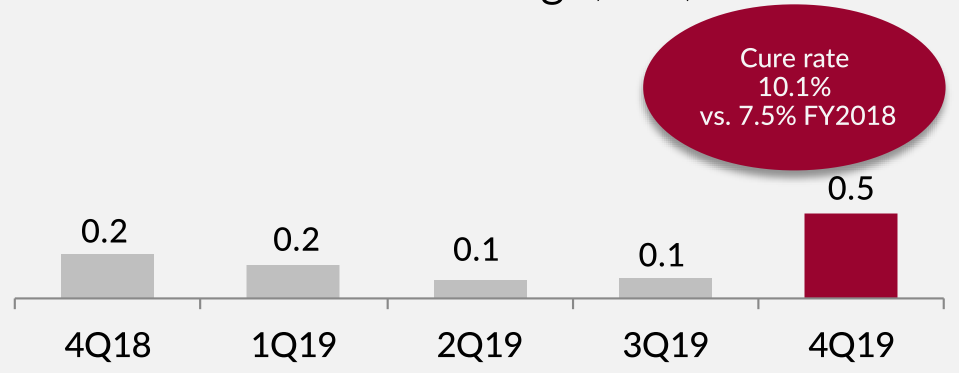
* Net loan loss provisions since the beginning of the period (annualised)/end-of-period loans.

Asset Quality Migration Matrix

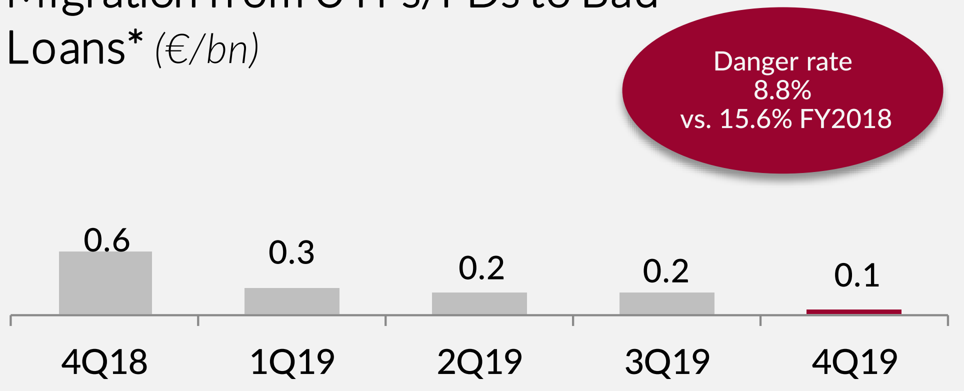
NPE Inflows from Performing* *(€/bn)*



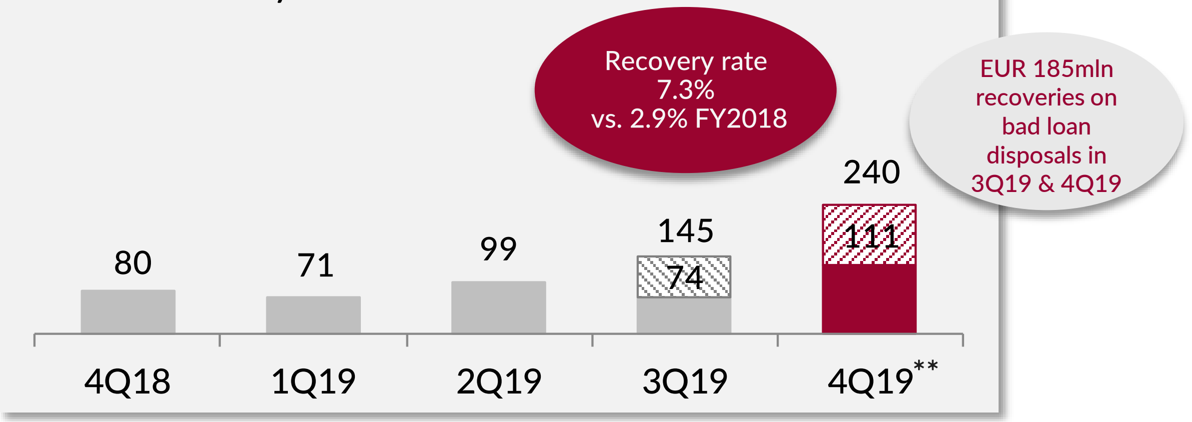
NPE Outflows to Performing* *(€/bn)*



Migration from UTPs/PDs to Bad Loans* *(€/bn)*



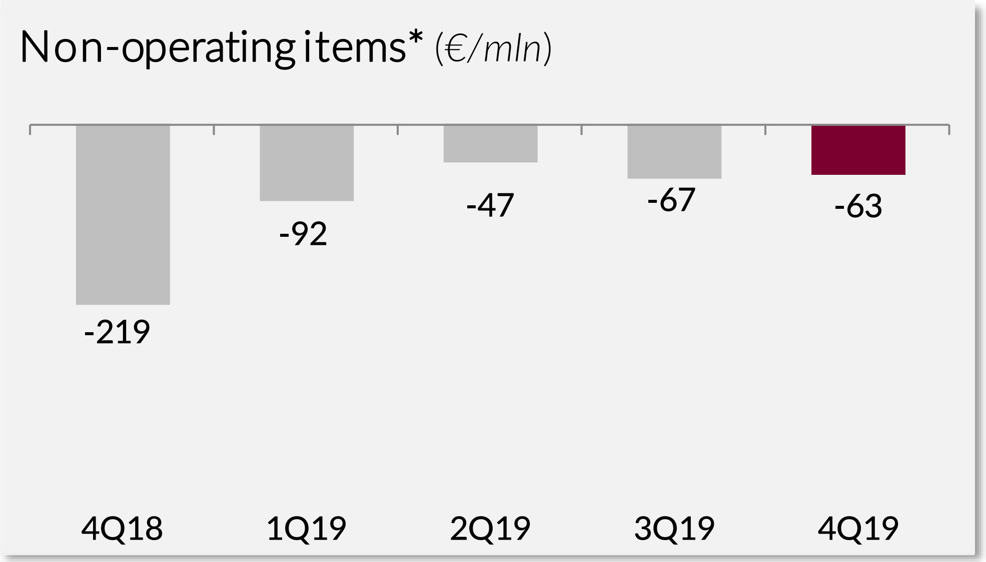
Cash recovery of Bad Loans* *(€/mln)*



* Data from operational data management system. Figures include signature loans (excluded in accounting figures).

** Including recoveries on bad loan disposals.

Non-Operating Items and Taxes



	4Q18	1Q19	2Q19	3Q19	4Q19
DGS, NRF & SRF	-8	-61	-27	-36	0
DTA Fees	-18	-18	-17	-18	-18
Other	-194	-14	-3	-13	-45
Total	-219	-92	-47	-67	-63

- Non-operating items at EUR -63mln including:
  - EUR -5mln for the additional contribution to the Deposit Guarantee Scheme (DGS) (annual contribution c. EUR -41mln, vs. c. -36mln estimated in 3Q19), offset by the conversion of the Carige subordinated bond (c. EUR +5mln)
  - EUR -18mln for quarterly DTA fees introduced by Law Decree 59/2016
  - EUR -45mln mainly related to provisions for risks and charges (EUR -86mln, of which c. EUR 40mln based on estimated reimbursements for transactions with customers, despite the absence of specific requests, and c. EUR 22mln for claims on disposed loans), partially offset by released guarantees (EUR +46mln)

- Taxes for the quarter at EUR -1,179mln, heavily impacted by the c. EUR 1.2bn write-down of DTAs previously recorded in the balance sheet, carried out in order to take into account the effects of the reintroduction of the ACE fiscal benefit and of the evolution of the macroeconomic scenario on future taxable income

* Net provisions for risks and charges, gains (losses) on investments/disposals, restructuring costs/one-off costs, DTA fees and SRF, NRF & DGS and gains (losses) on disposal of investments.

** Provisions for legal risks related to diamonds amounted to c. EUR 98mln in 2019 and c. EUR 55mln in 2018.

Focus on evaluation of DTAs recorded in the balance sheet

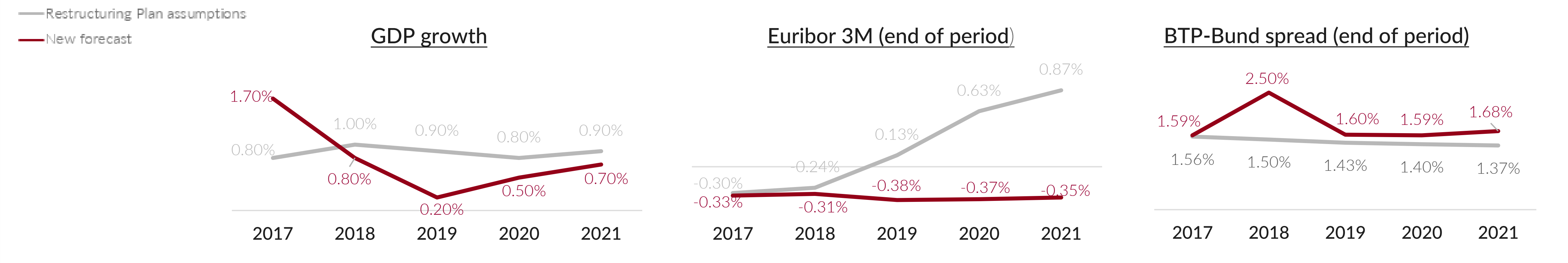
Recent exogenous impacts on recorded DTAs

(€/bn)	2018	2019
Impact from budget law	+0.77	-0.54
Impact from revised macro forecasts	-0.59	-0.69
Total	+0.18	-1.23

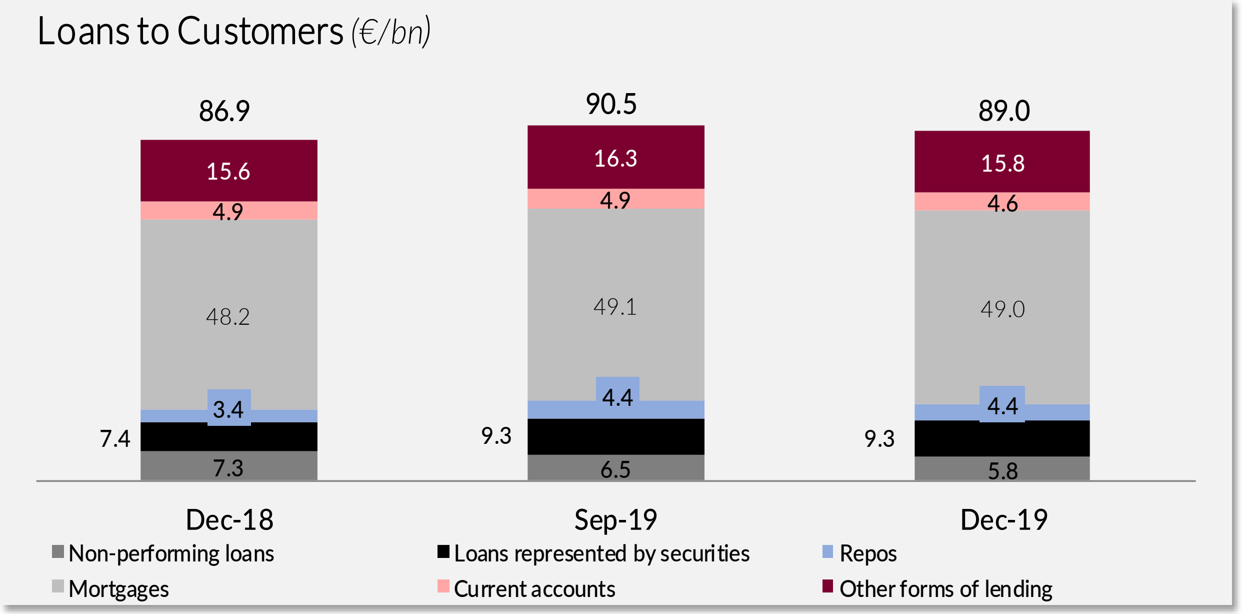
In 2018: partial write-back of previously unrecognised DTAs due to increased future taxable income estimates resulting from the cancellation of the ACE fiscal benefit (2019 Budget Law)

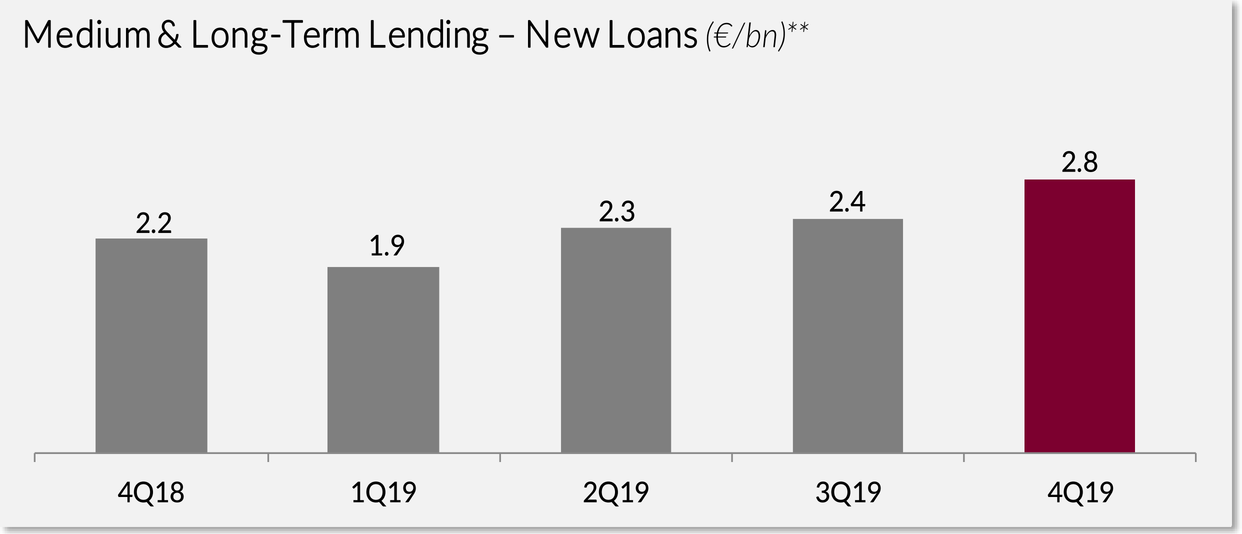
In 2019: partial write-down of previously recognised DTAs due to decreased future taxable income estimates resulting from the reintroduction of the ACE fiscal benefit (2020 Budget Law)

Multiannual economic and financial internal estimates updated at YE18 and YE19 in order to take into account the evolution of the macroeconomic scenario (BTP/Bund spread, consensus GDP growth estimate, industrial production and household consumption indicators, expected evolution of interest rates). Impact on DTAs from revised macro forecasts on future taxable income: EUR -1.3bn in the last two years



Customer Loans



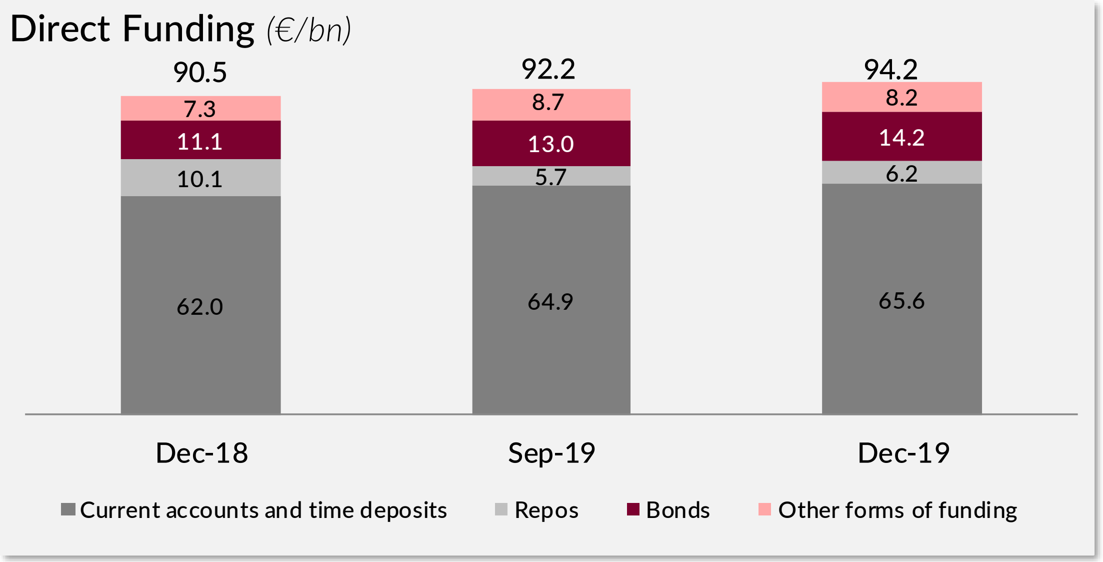


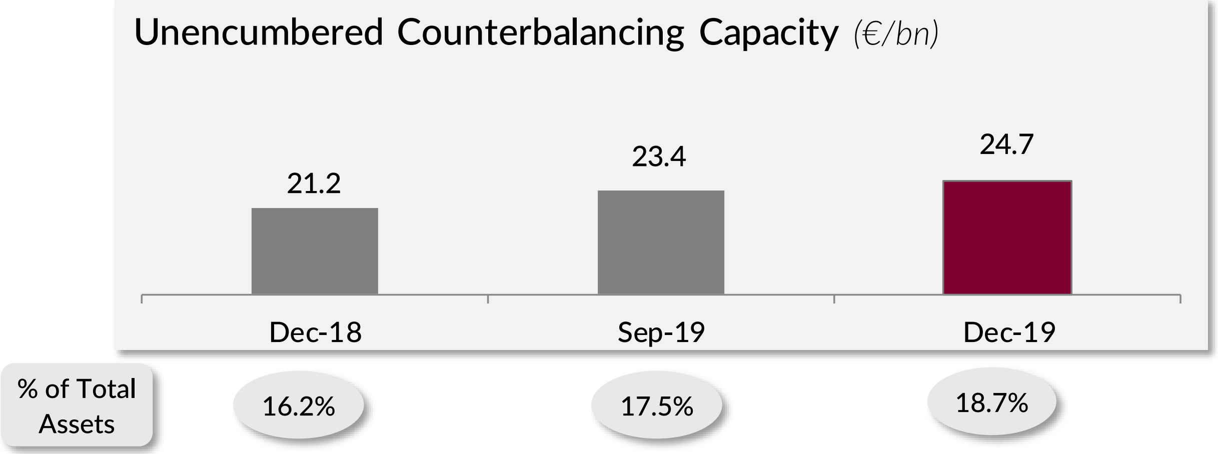
- Customer loans down by c. EUR 1.5bn QoQ:
  - EUR -0.8bn decrease in current accounts and other non commercial forms of lending
  - EUR -0.7bn reduction in net non-performing loans, due to disposals completed in the quarter
  - Stable mortgage stock with new retail mortgage inflows offset by quarterly maturities
- Net customers loans increase by EUR +2.1bn YoY, EUR +2.8bn without considering MP Belgio disposal
- Average commercial loans: EUR 73.2bn in 4Q19, decreased by EUR 0.3bn vs. 3Q19 (-0.3% QoQ), mainly on corporate customers and non-performing segment (impacted by NPE disposals)
- Group's loan market share at 4.80%* as at November 2019, down by 21bps YoY

* Lending to domestic customers, comprehensive of non-performing exposures (net of bad loans) and net of institutional repos.

** Figures from operational data management system.

Direct Funding and Liquidity



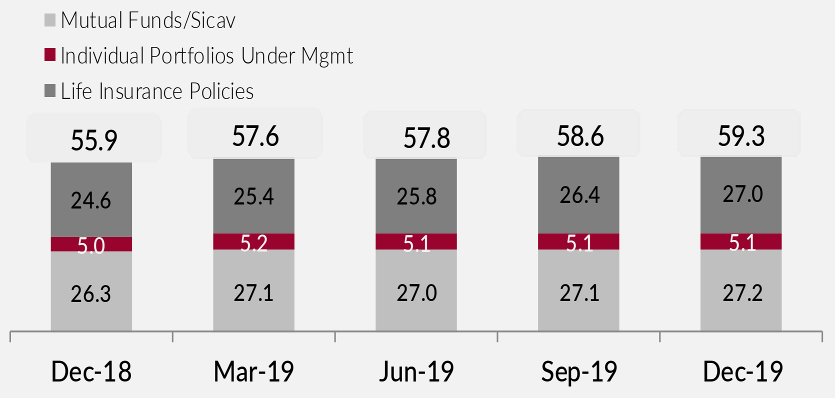


- Total direct funding up by c. EUR 2bn QoQ
  - EUR +0.7bn in current accounts and time deposits, of which EUR +0.5bn in the retail segment
  - EUR +1.2bn for new bonds issued in the quarter (EUR 1bn covered + EUR 0.25bn senior unsecured)
  - EUR 0.5bn for increased repo transactions
  - EUR -0.4bn in other forms of funding
- Average commercial direct funding: EUR 71.0bn in 4Q19, increased by EUR 1.1bn vs. 3Q19 (+1.5% QoQ)
- Group's direct funding market share at 3.78%* in November 2019, a 13bps YoY increase
- Unencumbered Counterbalancing Capacity at EUR 24.7bn, 18.7% of total assets (vs. 16.2% in Dec-18)
- LCR: >150% and NSFR: >100%

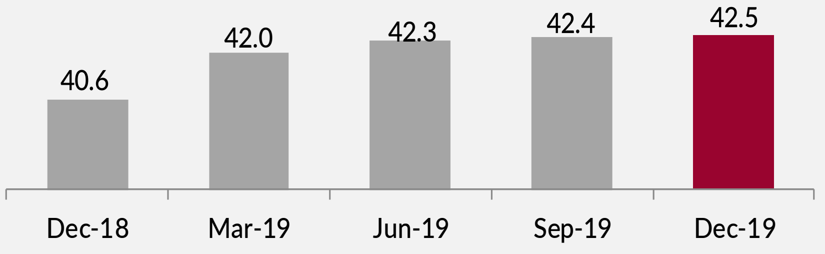
* Deposits and repurchase agreements (excluding repurchase agreements with central counterparties) from resident clients and bonds, net of repurchases, placed with resident clients as first-instance borrowers.

Wealth Management and Assets Under Custody

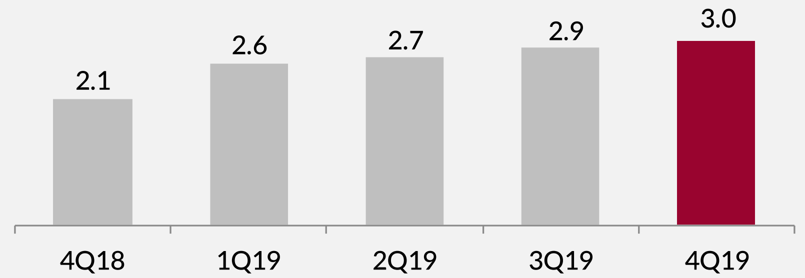
Wealth Management Mix *(€/bn)*



Assets Under Custody *(€/bn)*

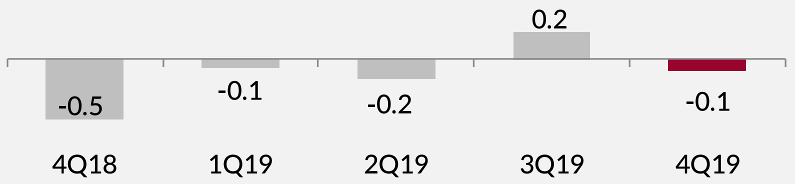


Wealth Management gross inflows* *(€/bn)*



	4Q18	1Q19	2Q19	3Q19	4Q19
of which Bancassurance (€/bn):	0.8	1.2	1.2	1.2	1.3

Wealth Management net inflows* *(€/bn)*



	4Q18	1Q19	2Q19	3Q19	4Q19
of which Bancassurance (€/bn):	0.2	0.3	0.3	0.4	0.3

- Wealth Management stock up by EUR 0.7bn, mainly due to positive market effect
- FY2019 Wealth Management gross inflows +EUR 11.3bn, stable YoY

Mutual funds stock market share: 4.74%**

Bancassurance savings market share: 6.81%**
(+100bps YoY)

Bancassurance protection market share: 5.98%***
(motor market share 9.32%***)

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

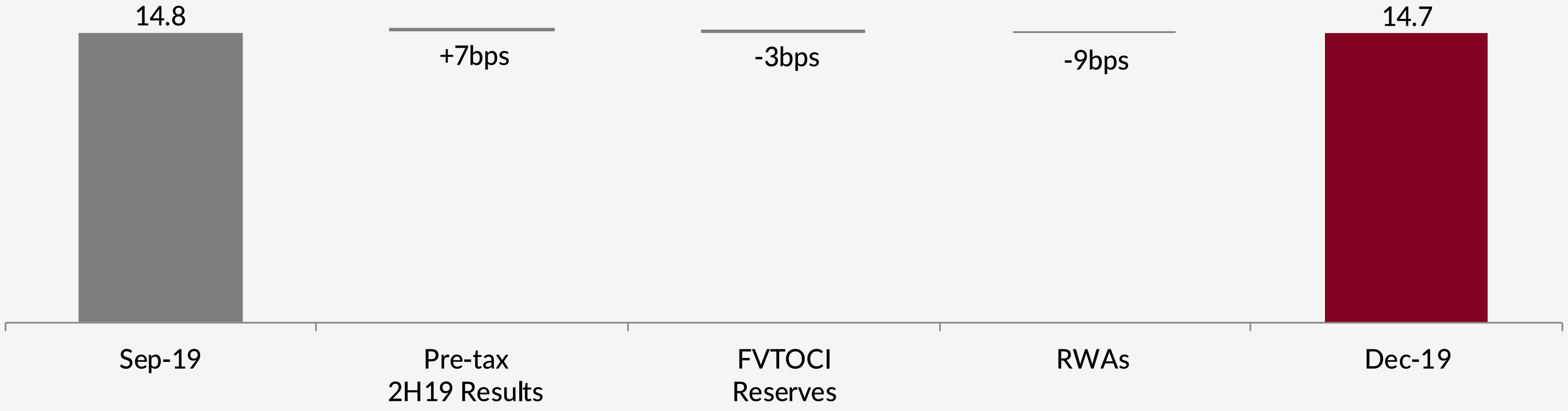
** Mutual funds and bancassurance savings products market share as at November 2019. Latest available data. For mutual funds market share , data is not comparable with previous quarter as the analysis methodology has changed.

*** Market share related to AXA products as at September 2019. Latest available data.

Capital Structure

(€/bn)	3Q19	4Q19
TBV	9.4	8.1
Transitional CET1	8.6	8.6
Fully loaded CET1*	7.3	7.4
RWAs	58.2	58.6

Phased-in CET1 ratio *(%)*



	Sep-19	Dec-19
Fully loaded CET1* (%)	12.6	12.7
Total Capital (%)	16.7	17.4
Fully loaded Total Capital* (%)	14.6	15.4

Including EUR 0.4bn T2 issued in January 2020**

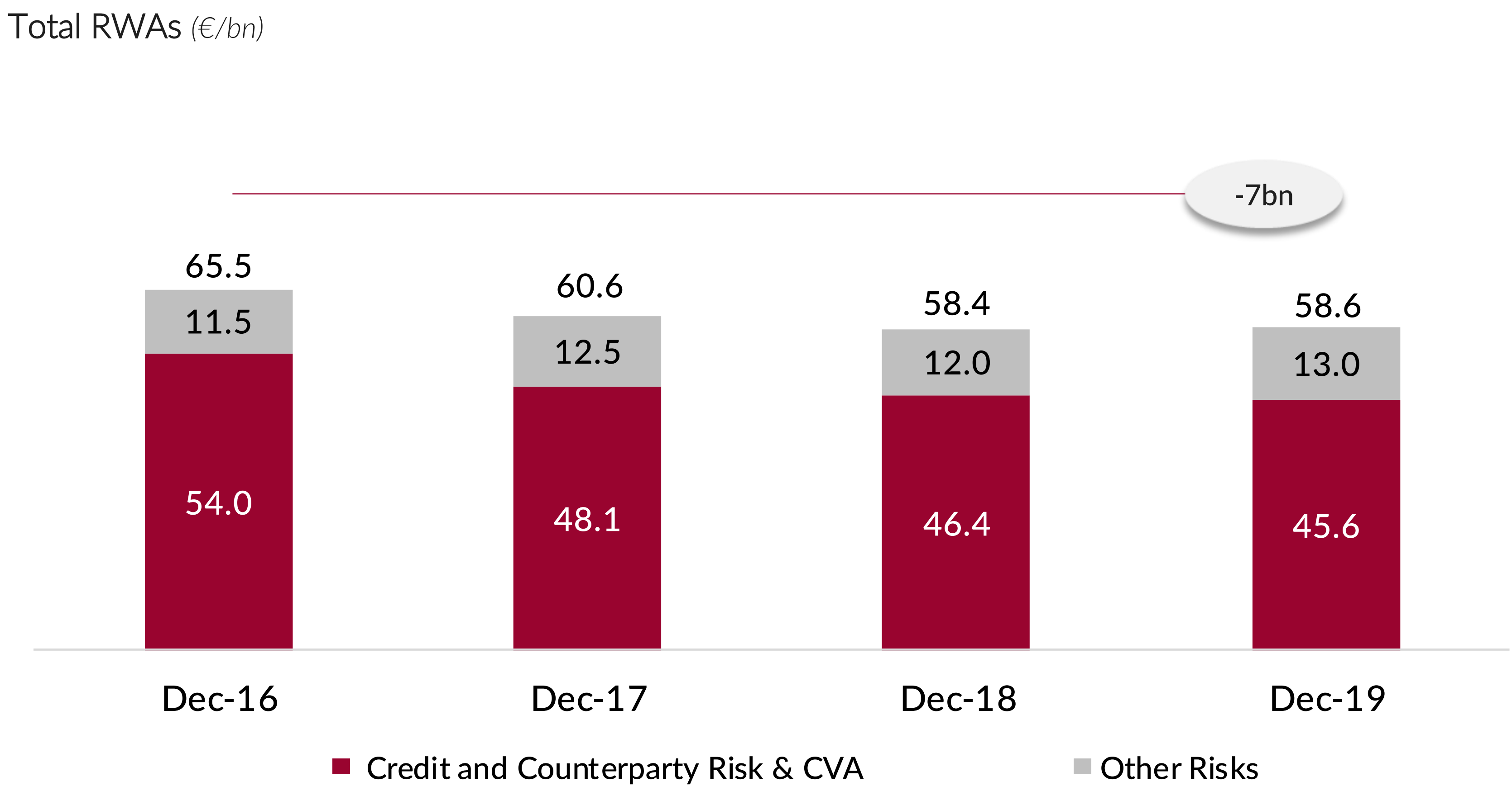
- Phased-in CET1 at 14.7% (c. -5bps vs. 3Q19). Phased-in Total Capital at 17.4% (including EUR 0.4bn T2 issued in January 2020, stated figure 16.7%)
- Quarterly phased-in CET1 evolution mainly affected by:
  - 2H19 pre-tax results
  - c. EUR +0.3bn QoQ RWA increase: operational risk c. EUR +0.6bn, credit risk c. EUR -0.1bn and market risk & other risks c. EUR -0.2bn
- Reduced potential volatility of capital from govies thanks to continuous portfolio optimisation (credit spread sensitivity*** of the FVTOCI component down to EUR -1.5mln from EUR -2.9mln in 2018 and from EUR -8.9 in 2016)

* Including EUR 1.4bn full impact of IFRS9 FTA.

** Stated Total Capital ratios (excluding EUR 0.4 T2 issued in January 2020): Phased-in Total Capital at 16.7%, fully-loaded Total Capital at 14.7%.

*** Credit spread sensitivity: EUR/mln before tax for 1bp change in the BTP/Bund spread.

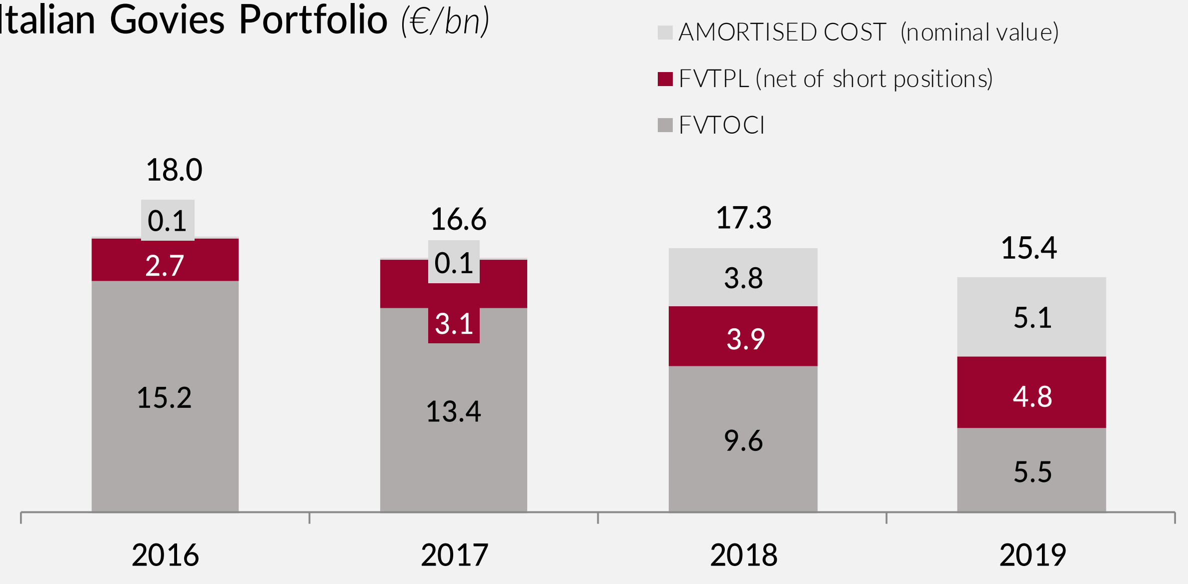
RWAs improvement thanks to the derisking activity



- Strong reduction since 2016 (c. EUR -7bn) despite c. EUR +4bn add-on for UTP and bad loan portfolios
- RWAs almost stable YoY

Focus on Italian Govies Portfolio*

Italian Govies Portfolio *(€/bn)*



Portfolio FVTOCI (ex-AFS):

Duration *(years)*

2016	2017	2018	2019
~4.9	~3.6	~2.8	~2.3

Credit spread sensitivity *(€/mln, before tax, for 1bp increase in BTP/Bund spread)*

2016	2017	2018	2019
-8.9	-5.6	-2.9	-1.5

- **Italian Govies portfolio reduced YoY to EUR 15.4bn** (c. EUR -1.9bn YoY), mainly on the FVTOCI component (c. EUR-4.1bn) due to ordinary bond maturities and the sale of governments bonds thanks to positive market conditions. Reduction in the FVTOCI component was partially compensated by the increase of the AC component, at higher rates and longer maturities
- **FVTPL (trading) portfolio increases YoY to EUR 4.8bn (c. EUR +0.9bn)** due to the MPS Capital Services' activity as primary dealer for Italian government bonds
  - Average portfolio duration: ~0.8 years
  - Credit spread sensitivity: c. EUR –0.1mln, before tax, for 1bp change (stable vs. Dec-18)
- **FVTOCI decreases YoY to EUR 5.5bn (c. EUR -4.1bn and c. EUR -9.7bn vs. Dec-16)**
  - Gross FVTOCI** reserves slightly negative at c. EUR -11mln (vs. EUR -0.2bn in Dec-18)
  - Average portfolio duration: ~2.3 years
  - Credit spread sensitivity significantly reduced to c. EUR -1.5mln, before tax, for 1bp change (c. EUR -2.9mln in Dec-18 and c. EUR -8.9mln in Dec-16)
- **AC portfolio increases YoY to EUR 5.1bn (c. EUR +1.3bn)**
  - Average portfolio duration: 8.1 years (8.75 years in 2018)
  - At end Jan-20, unrealised gains/reserves on AC portfolio at c. EUR 350mln

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

** Net FVTOCI reserve deducted from capital for regulatory purposes: c. EUR -8mln in Dec-19 (c. EUR -0.1bn in Dec-19).

Conclusions

2016-2019

Solid capital ratios well above regulatory requirements
&
sound liquidity position also thanks to access to wholesale funding market

Strong reduction of NPE stock with results ahead of Restructuring Plan
&
cost of risk normalisation

Consolidated commercial relaunch and direct funding stabilisation
despite
rationalised network

Return to positive net operating result in 2018 & 2019

2020 Outlook

Net interest income under pressure for the difficult interest rate environment

Ongoing positive trend on WM & traditional banking fees and positive impact from savings on commissions paid for GGBs

Ongoing cost reduction
&
Cost of risk at c. 60bps

No concerns on capital ratios and liquidity

Agenda

- MPS 2017-2019: a Restructuring and Relaunching Story
- FY19 and 4Q19 Results
- Details on 4Q19 Results
- Focus on Asset Quality

4Q19 P&L: Highlights

€ mln	3Q19	4Q19	Change (QoQ%)	FY18	FY19	Change (YoY%)
Net Interest Income	355	333	-6.0%	1,743	1,501	-13.9%
Net Fees	356	371	+4.3%	1,523	1,450	-4.8%
Financial revenues*	112	156	+40.0%	61	353	n.m.
Other operating income/expenses	-11	2	n.m.	-40	-80	n.m.
Total revenues	**811**	**863**	**+6.4%**	**3,288**	**3,223**	**-2.0%**
Operating Costs	**-549**	**-594**	**+8.1%**	**-2,351**	**-2,290**	**-2.6%**
of which personnel costs	-354	-352	-0.6%	-1,463	-1,433	-2.0%
of which other admin expenses	-137	-172	+25.3%	-638	-601	-5.7%
Pre-provision profit	**262**	**269**	**+2.7%**	**937**	**934**	**-0.3%**
Total provisions**	**-113**	**-246**	**n.m.**	**-625**	**-611**	**-2.2%**
of which net impairment losses	-112	-242	n.m.	-628	-605	-3.7%
Net Operating Result	**149**	**23**	**-84.6%**	**312**	**323**	**+3.3%**
Non-operating items***	-67	-63	-6.5%	-421	-269	-36.1%
Profit (Loss) before tax	**82**	**-40**	**n.m.**	**-109**	**53**	**n.m.**
Taxes	13	-1,179	n.m.	410	-1,075	n.m.
PPA & Other Items	-1	-1	+9.5%	-22	-12	-47.1%
Net profit (loss)	**94**	**-1,220**	**n.m.**	**279**	**-1,033**	**n.m.**

N.B.: The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS16. Therefore, 2019 & 2018 values are not fully comparable.

* Financial revenues include: dividends/income from investments, trading/disposal/valuation/hedging of financial assets.
** Include net impairment losses on financial assets measured at amortised cost and on financial assets at FVTOCI.
*** Net provisions for risks and charges, gains (losses) on investments/disposals, restructuring costs/one-off costs, DTA fees and SRF, NRF & DGS and gains (losses) on disposal of investments.

Balance Sheet

Total Assets *(€/mln)*

	Dec-18	Sep-19	Dec-19	QoQ%	YoY%
Customer loans	86,856	90,471	88,985	-1.6%	2.5%
Loans to banks	12,504	13,652	15,722	15.2%	25.7%
Financial assets	20,296	18,195	17,393	-4.4%	-14.3%
PPE and intangible assets	2,727	2,891	2,885	-0.2%	5.8%
Other assets*	8,098	8,667	7,210	-16.8%	-11.0%
Total Assets	**130,481**	**133,875**	**132,196**	**-1.3%**	**1.3%**

Total Liabilities *(€/mln)*

	Dec-18	Sep-19	Dec-19	QoQ%	YoY%
Deposits from customers and securities issued	90,472	92,246	94,217	2.1%	4.1%
Deposits from banks	21,986	21,047	20,178	-4.1%	-8.2%
Other liabilities**	9,029	10,993	9,520	-13.4%	5.4%
Group equity	8,992	9,587	8,279	-13.6%	-7.9%
Minority interests	2	2	2	-5.3%	-18.2%
Total Liabilities	**130,481**	**133,875**	**132,196**	**-1.3%**	**1.3%**

N.B.: The Group has elected not to restate comparative data on a consistent basis in the year of initial application of IFRS16. Therefore, 2019 & 2018 values are not fully comparable.

* Cash, cash equivalents, equity investments, DTAs and other assets.

** Financial liabilities held for trading, provisions for specific use, other liabilities.

Lending & Direct Funding

Total Lending *(€/mln)*

	Dec-18	Sep-19	Dec-19	QoQ%	YoY%
Current accounts	4,941	4,946	4,626	-6.5%	-6.4%
Mortgages	48,217	49,089	49,046	-0.1%	1.7%
Other forms of lending	15,615	16,251	15,772	-2.9%	1.0%
Reverse repurchase agreements	3,395	4,418	4,434	0.4%	30.6%
Loans represented by securities	7,386	9,304	9,310	0.1%	26.0%
Impaired loans	7,302	6,463	5,798	-10.3%	-20.6%
Total	**86,856**	**90,471**	**88,985**	**-1.6%**	**2.5%**

Direct Funding *(€/mln)*

	Dec-18	Sep-19	Dec-19	QoQ%	YoY%
Current accounts	53,156	55,267	56,046	1.4%	5.4%
Time deposits	8,871	9,622	9,594	-0.3%	8.1%
Repos	10,137	5,701	6,174	8.3%	-39.1%
Bonds	11,052	12,983	14,154	9.0%	28.1%
Other types of direct funding	7,255	8,673	8,250	-4.9%	13.7%
Total	**90,472**	**92,246**	**94,217**	**2.1%**	**4.1%**

Focus on commercial net interest income*

Net interest income (€/mln, %)	4Q18 average volumes	4Q18 average rates	1Q19 average volumes	1Q19 average rates	2Q19 average volumes	2Q19 average rates	3Q19 average volumes	3Q19 average rates	4Q19 average volumes	4Q19 average rates
Commercial Loans	77.2	2.32%	74.6	2.31%	74.9	2.25%	73.5	2.17%	73.2	2.13%
Retail (including small businesses)	39.8	2.50%	39.5	2.49%	39.7	2.45%	39.8	2.38%	40.4	2.32%
Corporate	31.9	1.99%	30.3	2.01%	30.7	1.94%	29.6	1.87%	29.3	1.86%
Non-performing	5.5	2.98%	4.8	2.80%	4.5	2.65%	4.1	2.28%	3.5	2.23%
Commercial Direct funding	69.4	-0.31%	67.8	-0.32%	69.0	-0.32%	69.9	-0.31%	71.0	-0.29%
Retail (including small businesses)	45.6	-0.31%	45.6	-0.31%	46.5	-0.31%	47.9	-0.31%	48.5	-0.31%
Corporate	18.9	-0.19%	18.2	-0.27%	18.3	-0.25%	17.7	-0.21%	18.8	-0.17%
Non-performing	0.3	-0.08%	0.3	-0.07%	0.3	-0.04%	0.3	-0.02%	0.4	-0.02%
Other customers	4.5	-0.80%	3.7	-0.72%	4.0	-0.75%	4.0	-0.75%	3.4	-0.75%
Other commercial components**	32		19		17		14		13	
Commercial NII	431		391		383		361		354	
Non-commercial NII***	0		18		22		-7		-21	
Total Interest Income	431		409		404		355		333	

* Figures from operational data management system.

** Including commissions on advances, amortised cost, interest on arrears, interest adjustments.

*** Positive contribution mainly from govies portfolio and, starting from 2Q18, from the securitised senior notes retained by the Bank. Negative contribution from cost of institutional funding.

Focus on DTAs

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

	Definition	Regulatory treatment	12M19
1 Convertible DTAs	○ DTAs related to write-downs of loans, goodwill and other intangible assets are convertible into tax credits (under Law 214/2011)*	➢ 100% included in Risk-Weighted Assets like any credit	EUR 1.0 bn (stable vs. 3Q19)
2 Non-convertible DTAs on fiscal losses	○ Non-convertible DTAs on fiscal losses and on ACE (Aiuto alla Crescita Economica) deductions ○ May be recovered in subsequent years only if there is positive taxable income, but may both be carried forward indefinitely	➢ 100% deducted from shareholders' equity (CET1)	EUR 0.4 bn (-1.0 bn vs. 3Q19)
3 Other non-convertible DTAs	○ DTAs generated as a result of negative valuation reserves, provisions for risks and charges, capital increase costs and temporary differences primarily relating to provisions for guarantees and commitments, provisions for doubtful debts vs. Banks, impairments on property, plant and equipment and personnel costs (pension funds and provisions for staff severance indemnities) ○ May only be used in case of tax gains**, and therefore carry an average recoverability risk	➢ Deducted from CET1 if they exceed 10% of adjusted CET1 and if, added to significant holdings, they exceed 17.65% of adjusted CET1. Amounts in excess of the two thresholds are deducted from CET1. Amounts equal to the thresholds 250% included in Risk-Weighted Assets	EUR 0.5 bn (-0.2 bn vs. 3Q19)
4 DTAs not recorded in balance sheet	○ DTAs not recorded in balance sheet due to the probability test	➢ N.A.	EUR 3.0 bn (+1.2 bn vs. 3Q19)

EUR 1.2bn write-down of recorded DTAs in 4Q19 due to the reintroduction of the "ACE" fiscal benefit and to the revision of multiannual economic and financial internal estimates. Impact booked in P&L under item "Taxes on profit (loss) from continuing operations". No impact in terms of capital ratios, since recorded DTAs are already deducted from regulatory capital***

* Their recovery is certain regardless of the presence of future taxable income.

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

*** See press release published on 9 January 2020.

Focus on legal risks and provisions for diamonds claims

Legal risks at 31/12/19

EUR 4.8bn total *petitum*, classified by disbursement risk profile:

- **Probable:** c. EUR 2.2bn (for which provisions of 0.5bn have been allocated)
- **Possible:** c. EUR 1.7bn (no provisions are allocated for such disputes: as required by accounting standards, significant amounts are disclosed)
- **Remote:** c. EUR 0.9bn (no provisions are allocated and no disclosures are provided for such disputes)

Legal risks from financial information

- Overall claims connected to litigations arising from the financial information disclosed by the Bank to the market in the period between 2008 and 2015 are estimated in EUR 2.0bn at the end of September 2019
- The Bank deems the risk of disbursement "probable" for claims regarding the 2008-2011 period (legal, proceeding n° 29634/14, threatened litigations) and thus recognises provisions, while deems risk "not probable" for claims (legal, proceeding n° 955/16, threatened litigations) relating to the 2012-2015 period, for which no provisioning has been booked
- The Bank does not disclose booked provisions, inasmuch this information could seriously affect its position in the existing litigations and in the negotiations of potential out-of-court settlement agreements

Claims related to disclosed financial information (2008-2015) *€/mln*	31/12/19	30/09/19
Civil litigations brought by shareholders	883	882
Threatened litigations*	858	858
Admitted civil parties proceeding n° 29634/14**	137	137
Admitted civil parties proceeding n° 955/16**	95	95
Total	1,973	1,972

Diamonds claims*

Current situation *€/mln*

Total amount of purchased diamonds	344
Total estimated diamond claims (by June 2020)	312

Estimated total potential claims stand at EUR 312mln, corresponding to c. 91% of total purchased diamonds

GMPS Provisions *€/mln*

Total provisions at 31/12/2018	134
Net provisions in 9M19	96
New provisions in 4Q19	2
Total provisions for diamond claims at 31/12/2019 (gross of reimbursement)	**232**

* Neither threatened litigations nor diamonds claims are included in the total *Petitum* Amount.
** Not all claiming parties have quantified damages.

Agenda

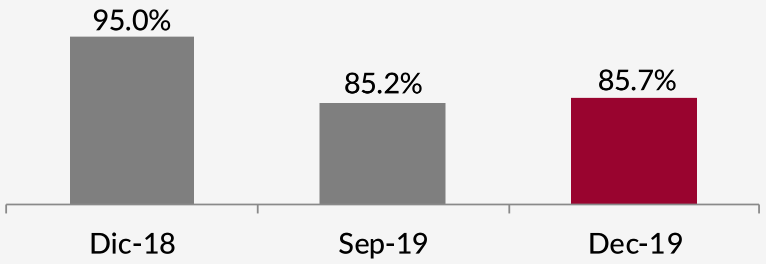
- MPS 2017-2019: a Restructuring and Relaunching Story
- FY19 and 4Q19 Results
- Details on 4Q19 Results
- Focus on Asset Quality

Focus on Asset Quality

Non-Performing Exposures - NPEs *(€/mln)*

	Gross Book Value excluding interest in arrears on defaulted assets		Net Book Value		Coverage	
	9M19	*FY19*	*9M19*	*FY19*	*9M19*	*FY19*
Bad loans *(sofferenze)*	8,121	6,443	3,113	2,982	61.7%	53.7%
Unlikely-to-Pay loans	6,201	5,410	3,617	3,061	41.7%	43.4%
Past due/overdue exposures	203	98	155	75	23.4%	23.5%
Total NPEs	14,525	11,951	6,885	6,119	52.6%	48.8%

Texas Ratio* *(%)*



* Gross NPEs / (tangible equity + provision funds for NPEs).

Restructured unlikely-to-pay loans*

Breakdown by Guarantees *(€/bn)*

	# Tickets**	GBV	Coverage	NBV	% NBV
Secured	156	0.4	33.6%	0.3	24.2%
Personal guarantees	140	0.3	55.4%	0.1	11.3%
Unsecured	399	1.6	51.7%	0.8	64.6%
Total	**695**	**2.4**	**48.8%**	**1.2**	**100.0%**
of which Pool other banks		***2.0***		***1.0***	***86.2%***

Breakdown by Vintage *(€/bn)*

	GBV	< 3Y	> 3Y
Secured	0.4	23.9%	76.1%
Personal guarantees	0.3	25.0%	75.0%
Unsecured	1.6	38.2%	61.8%
Total	**2.4**	**33.8%**	**66.2%**

Breakdown by Industry *(€/bn)*

	GBV	NBV	% on NBV
Construction	0.4	0.1	10.8%
Real estate	0.3	0.1	9.7%
Holdings	0.1	0.0	1.8%
Transportation and logistics	0.2	0.1	12.1%
Other industrial**	0.9	0.5	42.6%
Households	0.0	0.0	1.1%
Other	0.5	0.3	21.9%
Total	**2.4**	**1.2**	**100.0%**

- Average coverage of 48.8%, above Italian average. Net book value EUR 1.2bn (24.2% secured)
- Corporate and SME sectors = 81.6% of total restructured UTPs
- Positions with GBV > EUR 1m represent >96% of total restructured UTPs
- No specific industry concentration. Construction and real estate sectors amount to c. 20.5% of total net restructured UTPs

* Figures from operational data management system.
** The Borrower's exposures may have been tranched based on the underlying collateral.
***Other Manufacturing (excluding Construction, Real Estate and Transportation).

Other Unlikely-to-Pay*

Breakdown by Guarantees *(€/bn)*

	# Tickets**	GBV	Coverage	NBV	% NBV
Secured	8,496	1.4	21.1%	1.1	60.0%
Personal guarantees	9,252	0.6	49.4%	0.3	15.2%
Unsecured	102,220	1.1	57.6%	0.5	24.8%
Total	**119,968**	**3.1**	**39.2%**	**1.9**	**100.0%**
of which Pool other banks		***1.6***		***0.9***	***50.6%***

Breakdown by Vintage *(€/bn)*

	GBV	< 3Y	> 3Y
Secured	1.4	64.4%	35.6%
Personal guarantees	0.6	64.4%	35.6%
Unsecured	1.1	56.8%	43.2%
Total	**3.1**	**61.7%**	**38.3%**

Breakdown by Industry *(€/bn)*

	GBV	NBV	% on NBV
Construction	0.5	0.3	14.5%
Real estate	0.4	0.2	12.2%
Holdings	0.0	0.0	0.3%
Transportation and logistics	0.1	0.0	1.3%
Other industrial**	0.8	0.4	22.4%
Households	0.7	0.5	27.5%
Other	0.7	0.4	21.8%
Total	**3.1**	**1.9**	**100.0%**

- Average coverage of 39.2%, above Italian average. Net book value EUR 1.9bn (c. 60.0% secured)
- SME and small-business sectors represent about 69% of total other UTPs
- Lower vintage compared to restructured UTPs
- Positions with GBV > EUR 1m represent less than 44% of total other UTPs
- No specific industry concentration. Construction and real estate sectors amount to c. 26.7% of total net other UTPs

* Figures from operational data management system.
** The Borrower's exposures may have been tranched based on the underlying collateral.
***Other Manufacturing (excluding Construction, Real Estate and Transportation).

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