



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

**A Clear and Simple Commercial Bank,
Revolving Around Customers,
Combining Technology With Human Touch**

**2Q-24 & 1H-24 Results
&
Business Plan 2024-2028**

Siena, 6th August 2024

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Pursuant to paragraph 2, article 154-bis of the Consolidated Finance Act, the Financial Reporting Officer, Mr. Nicola Massimo Clarelli, declares that the accounting information contained in this document corresponds to the document results, books and accounting records.



Agenda



Luigi Lovaglio

Chief Executive Officer,
General Manager

1. 2Q-24 & 1H-24 Results

2. Business Plan 2024-2028

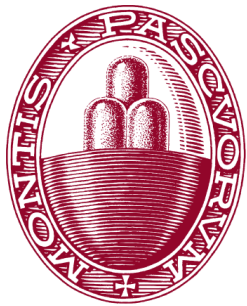
A. Our Evolving Journey: Strategic Highlights

B. Updated Financial Targets

3. Closing Remarks and Q&A Session

Appendix – Supporting Materials





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1. 2Q-24 & 1H-24 Results



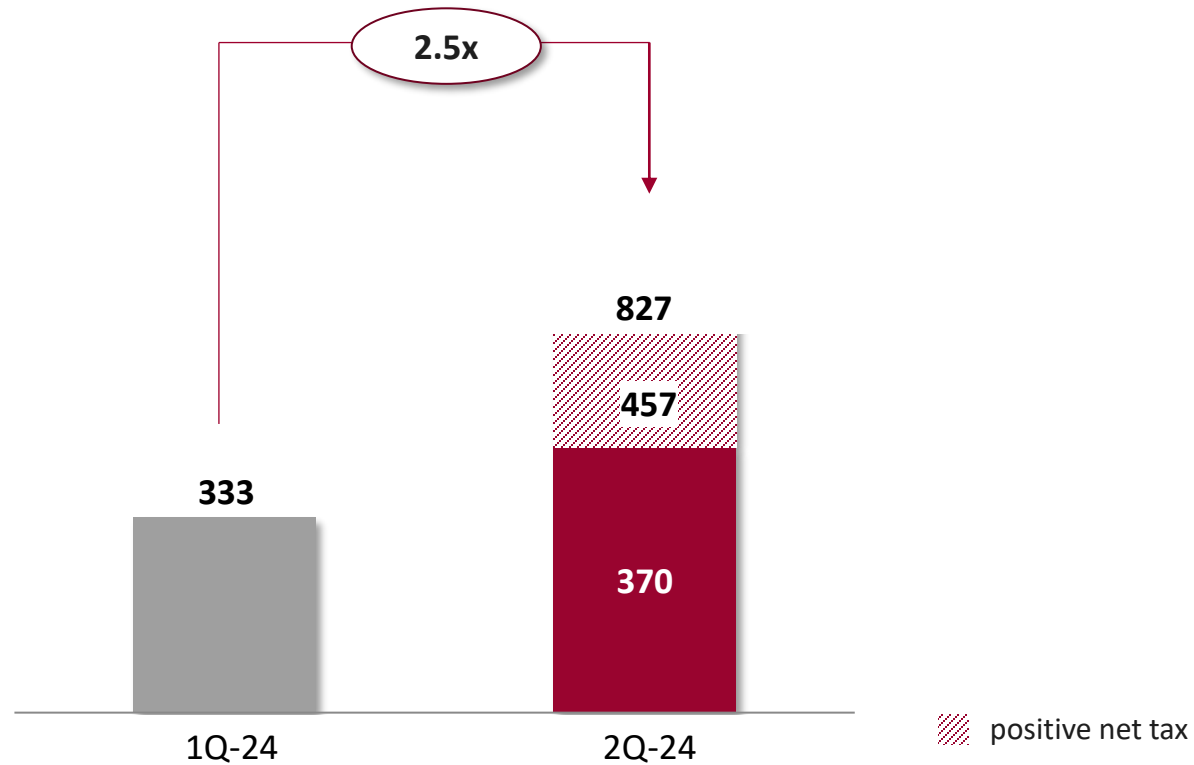
2Q-24 & 1H-24 Executive Summary

- 1H-24 net profit at €1,159m (+87.3% y/y), of which €827m in 2Q-24, including a positive tax effect of €457m, confirming the Bank's capability to generate sustainable profits
- Gross operating profit in 1H-24 crossed €1.1bn, up +18.0% y/y, with €555m contribution in 2Q-24, driven by almost double-digit growth in revenues and effective cost management enabling to almost absorb the impact of labour contract renewal; 1H-24 cost/income at 46% reduced vs 49% in 1H-23
- Operating income exceeding €2bn in 1H-24 (up +9.7% y/y) with strong growth in both NII (+8.3% y/y) and fee income (+9.8% y/y, driven by wealth management fees up +20% y/y). Quarterly positive dynamics (+0.5% q/q) thanks to resilient NII and further improvement in fees (+1.4% q/q)
- 1H-24 operating costs under control (+1.2% y/y), despite the impact of labour contract renewal, thanks to non-HR costs ongoing optimization (-6.7% y/y)
- Total commercial savings⁽¹⁾ confirming the growing trend, up €+6.5bn since Dec-23, of which €+2.7bn in 2Q-24; net customer loans confirming the level of year end and reflecting market trend
- 1H-24 cost of risk at 52bps in line with the guidance. Gross NPE ratio at 4.6% and net NPE ratio at 2.4%; NPE coverage at 49.8%
- Sound liquidity position with counterbalancing capacity above €33bn, LCR at 164% and NSFR at 134%
- CET1 FL ratio at 18.1%⁽²⁾, including a dividend pay-out of 75% on pre-tax profit, increased from previous ratio of 50%, with a buffer on Tier 1 ratio SREP 2024 requirement around 750bps

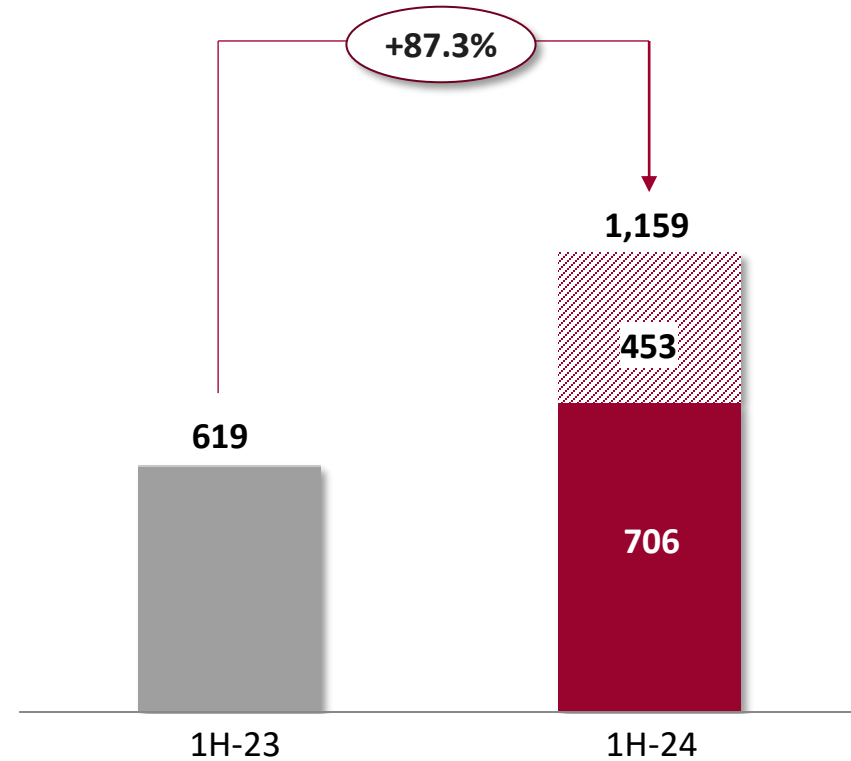


Net Profit

Quarterly Evolution (€m)



Yearly Evolution (€m)



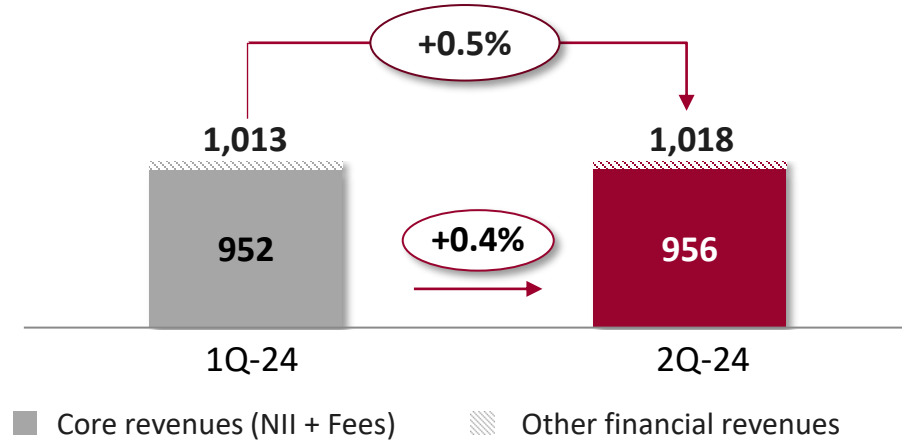
- 1H-24 net profit at €1,159m, up +87.3% y/y, including €453m of positive net tax
- 2Q-24 net profit at €827m, including €457m of positive net tax, vs €333m in 1Q-24, thanks to further improvement in operational performance



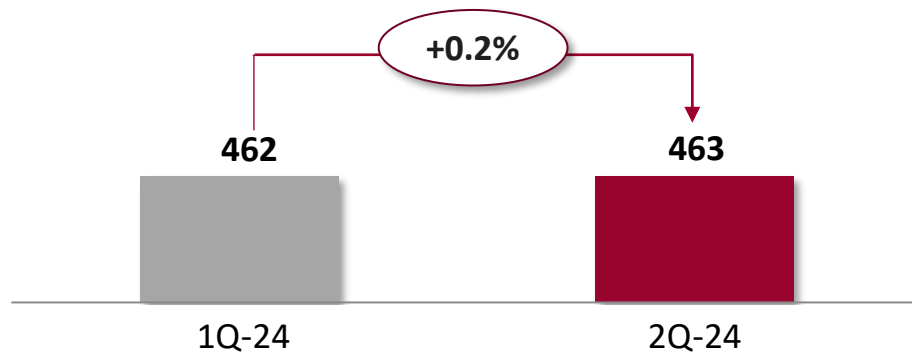
Gross Operating Profit

Quarterly Evolution

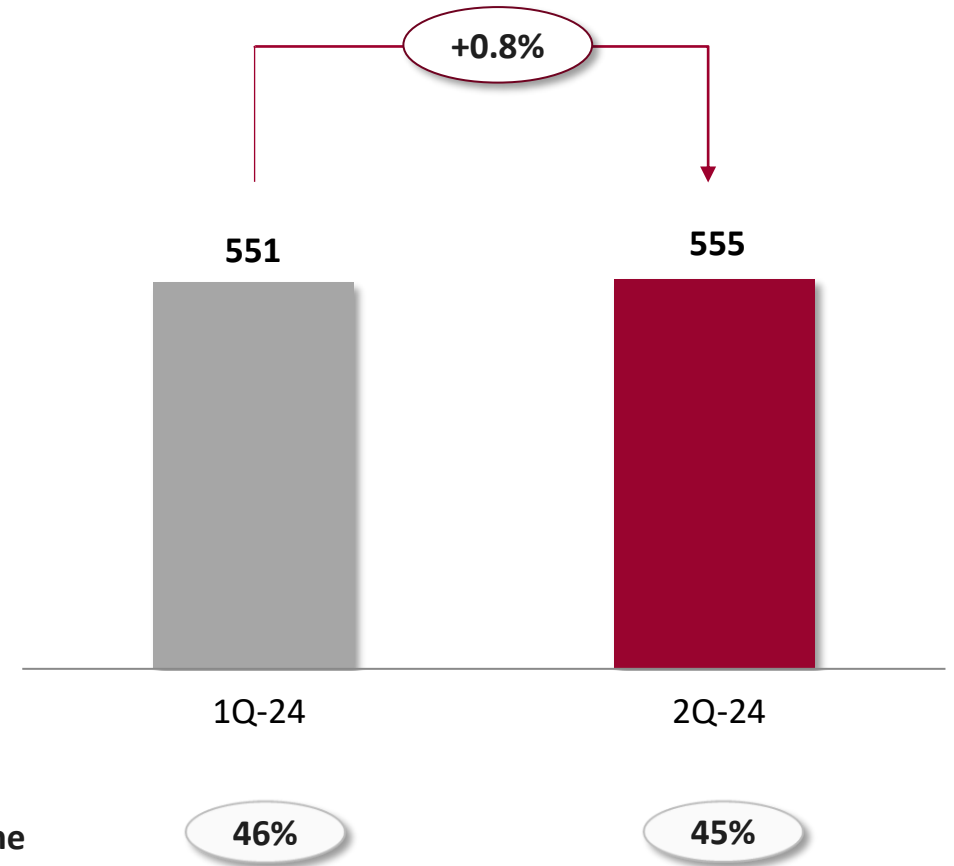
Operating Income (€m)



Operating Costs (€m)



Gross Operating Profit (€m)



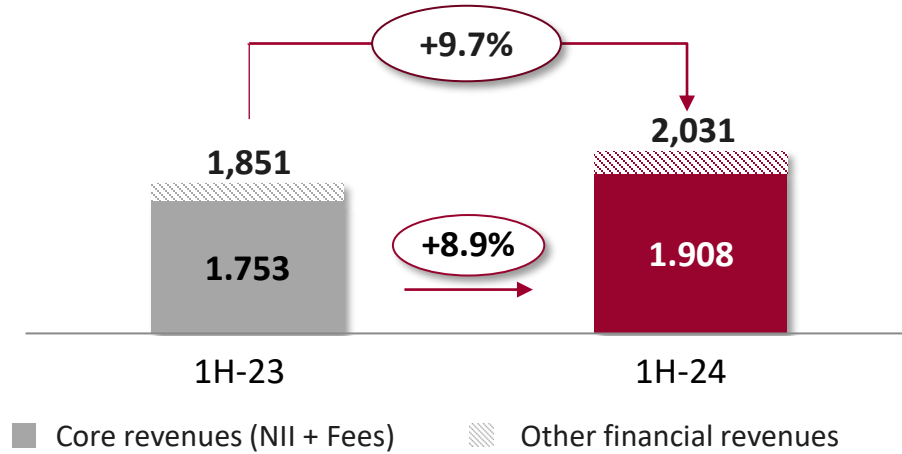
- 2Q-24 gross operating profit at €555m (+0.8% q/q), thanks to increased revenues and effective costs management
- Cost/income further improving to 45%



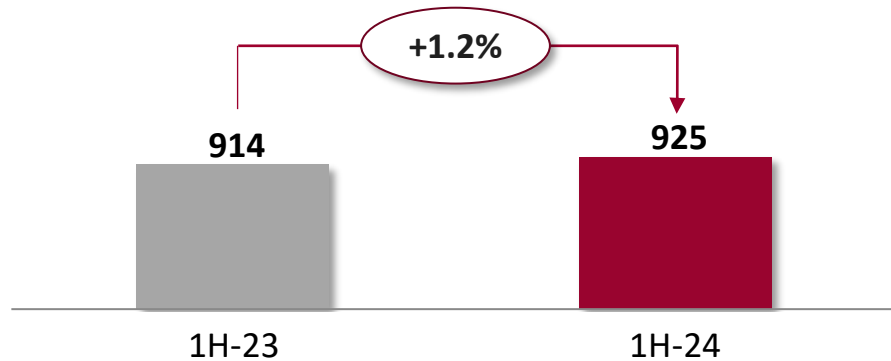
Gross Operating Profit

Yearly Evolution

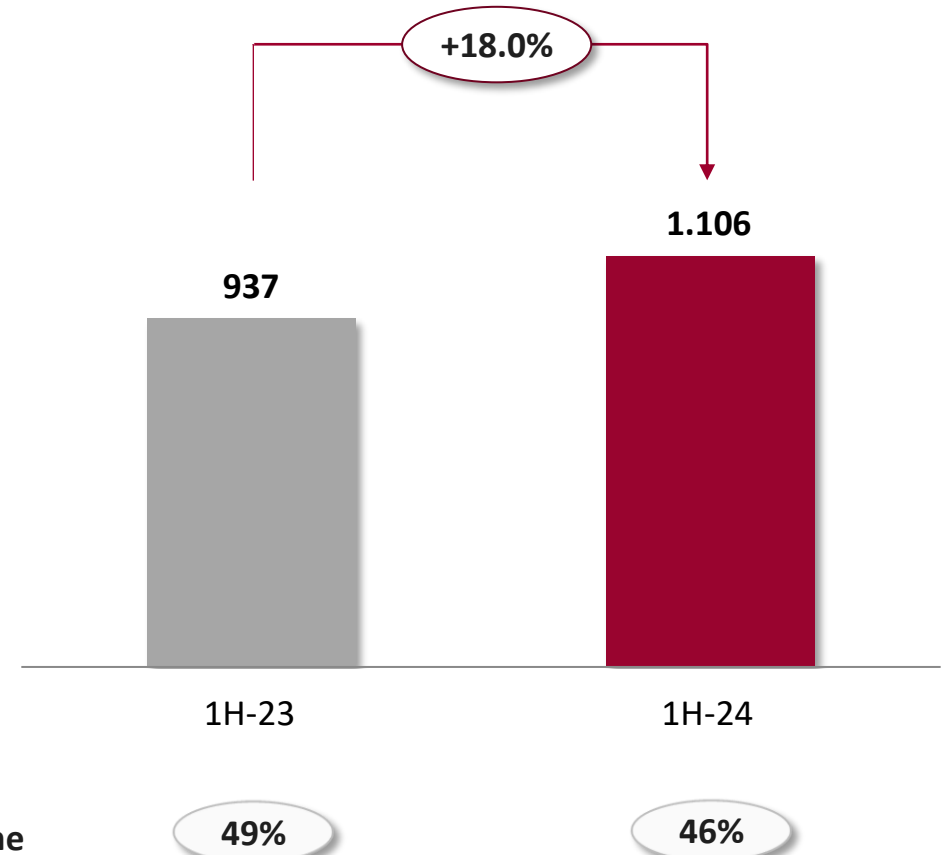
Operating Income (€m)



Operating Costs (€m)



Gross Operating Profit (€m)

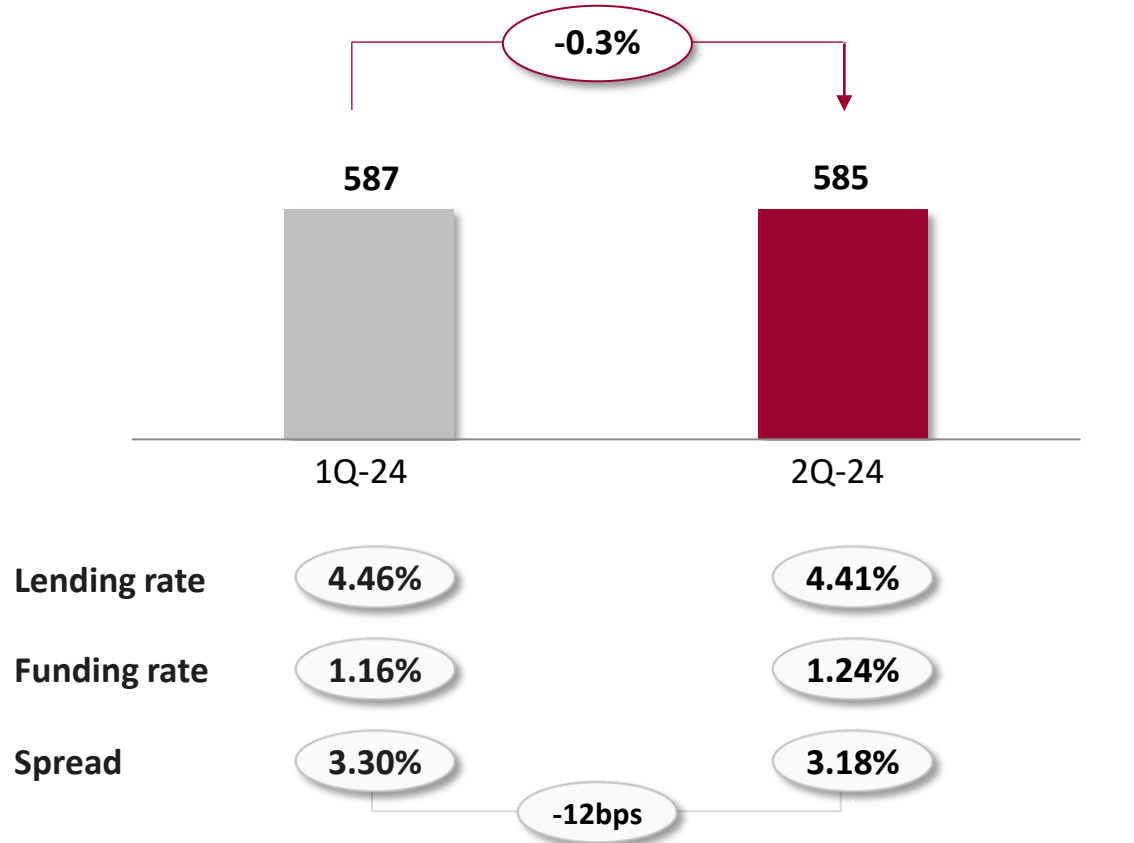


- 1H-24 gross operating profit at €1.1bn, up +18.0% y/y, driven by almost double-digit growth in revenues and effective costs management enabling to absorb the majority of impact of labour contract renewal
- 1H-24 cost /income ratio at 46% reduced from 49% in 1H-23

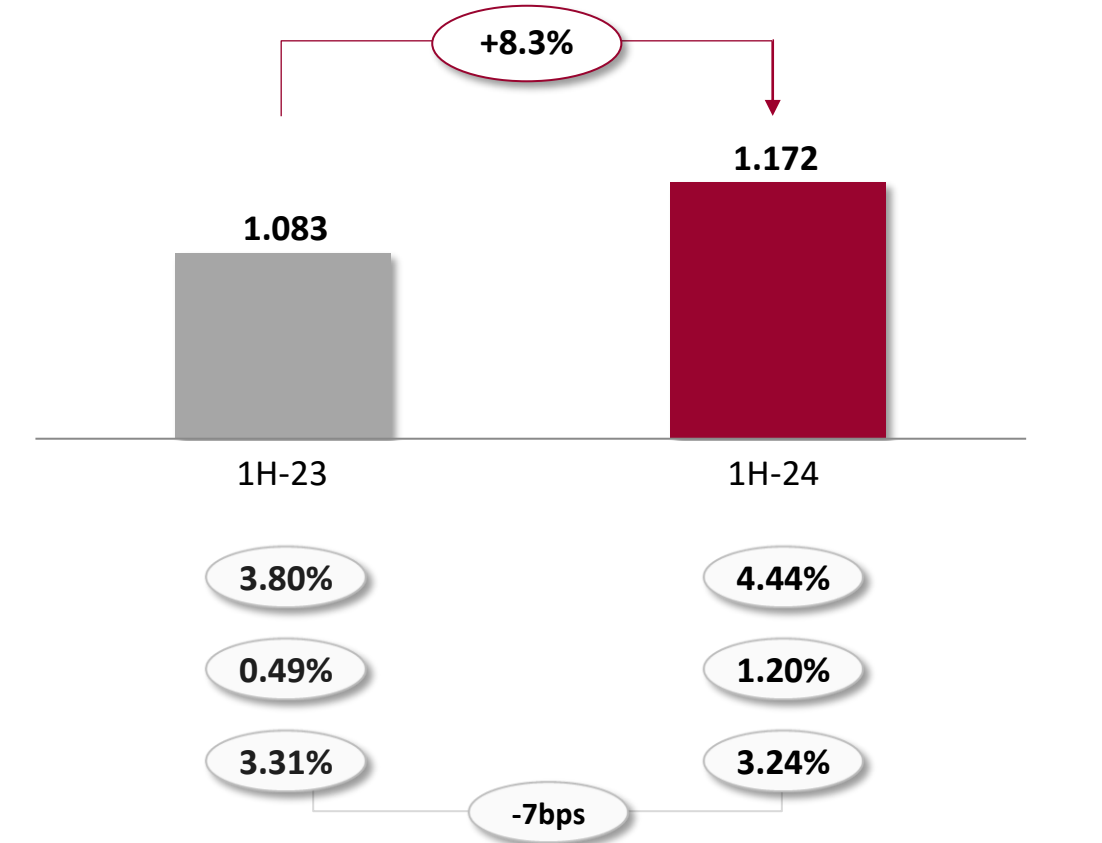


Net Interest Income

Quarterly Evolution (€m)



Yearly Evolution (€m)

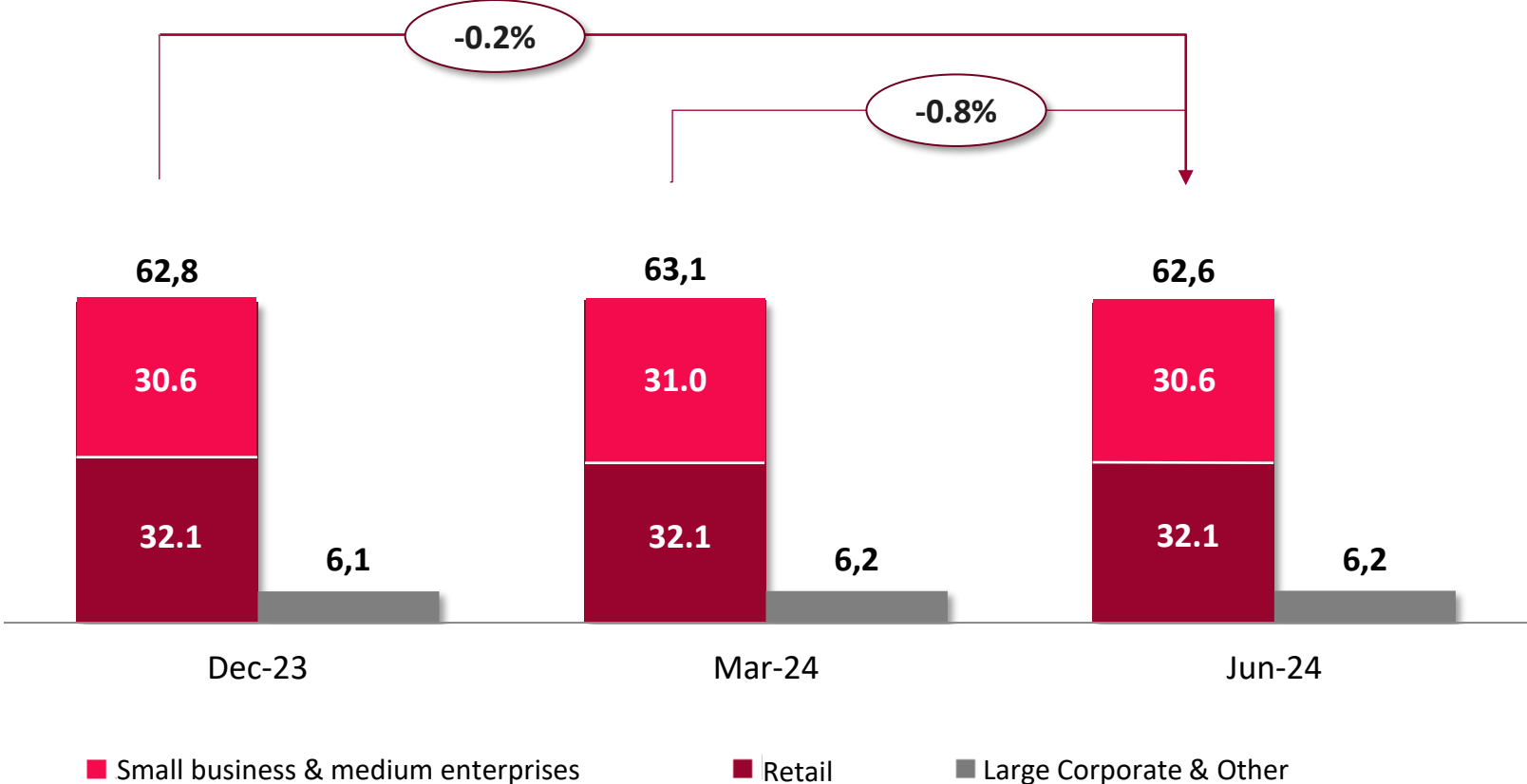


- 1H-24 NII at €1,172m up +8.3% y/y, thanks to effective spread management and benefit from net ECB position
- 2Q-24 NII at €585m, fairly stable q/q with higher cost of deposits following volumes expansion offset by benefits from net ECB position



Net Customer Loans

Net Loans⁽¹⁾ (€bn)



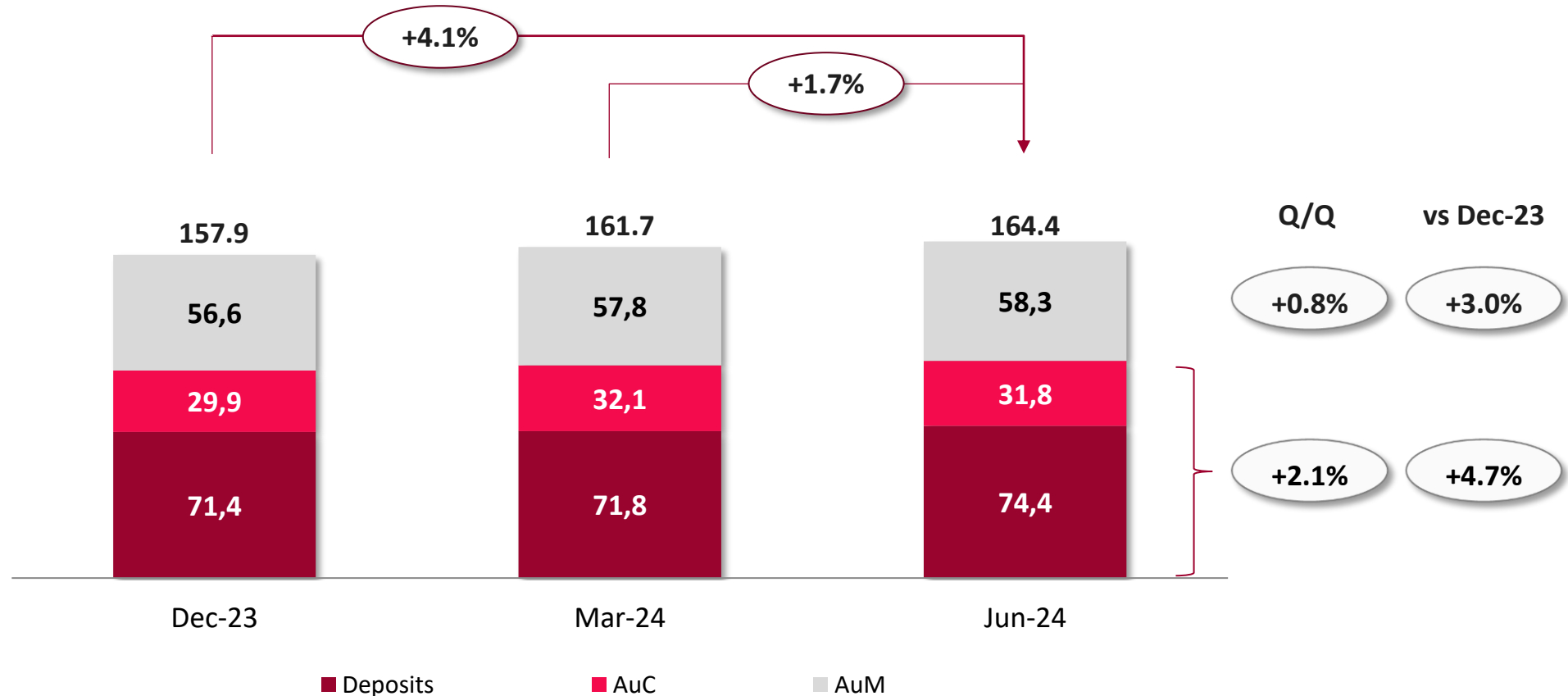
- Net customer loans confirming the level of year end reflecting market trend



Notes: (1) Loans presented net of repos and NPEs. 2023 figures have been recast on the basis of a different client segmentation and including the effect of the merger of MPS CS and L&F.

Total Commercial Savings

Total Commercial Savings⁽¹⁾ (€bn)

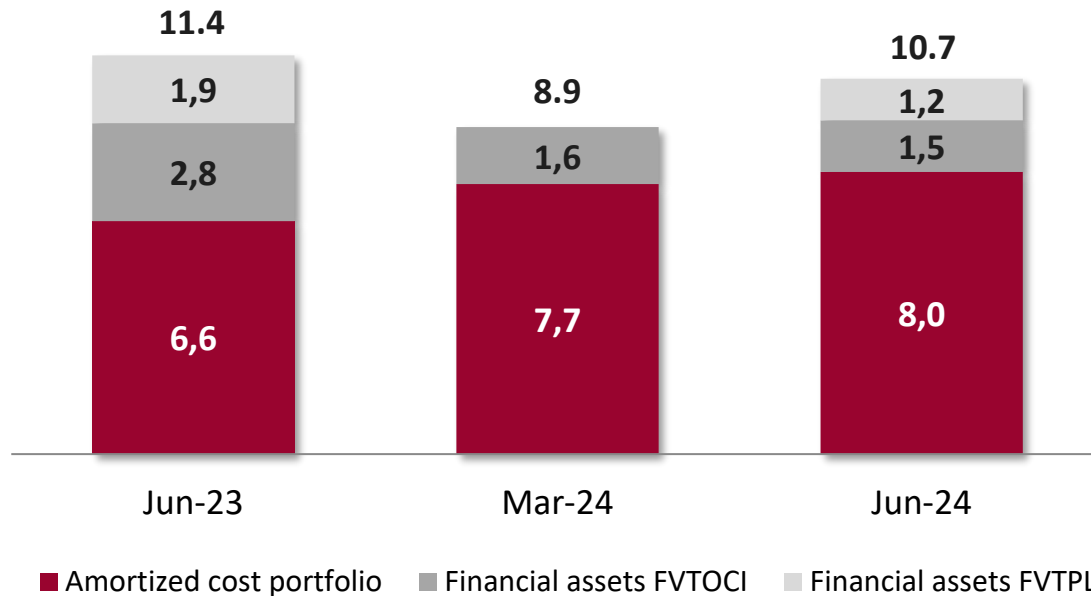


- Total commercial savings confirming the growing trend, up €+6.5bn since Dec-23, of which €+2.7bn in 2Q-24



Italian Govies Portfolio

Italian Govies Portfolio Breakdown⁽¹⁾ (€bn)



Italian Govies Portfolio at FVTOCI

	Jun-23	Mar-24	Jun-24
FVTOCI Duration (years)	~1.9	~2.6	~2.5
FVTOCI Credit spread sensitivity (€m)	-0.6	-0.5	-0.4

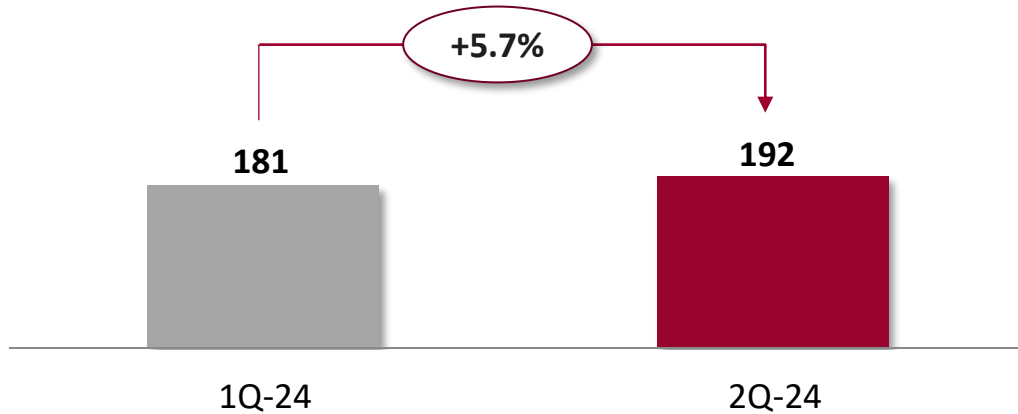
- Banking book portfolio (AC+FVTOCI) at €9.5bn, with a progressive remix towards bonds booked in AC and ongoing reduction of credit spread sensitivity of the FVTOCI portfolio
- Q/q dynamics of FVTPL portfolio related to market-making activity on Italian government bonds



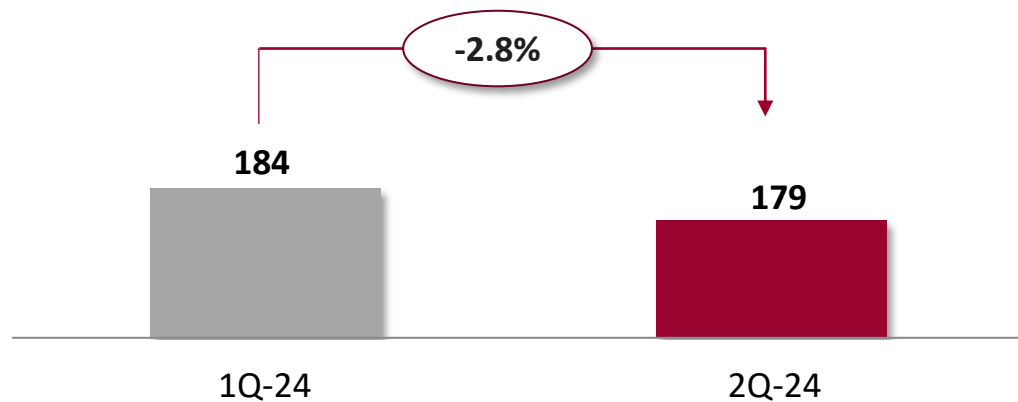
Net Fee and Commission Income

Quarterly Evolution

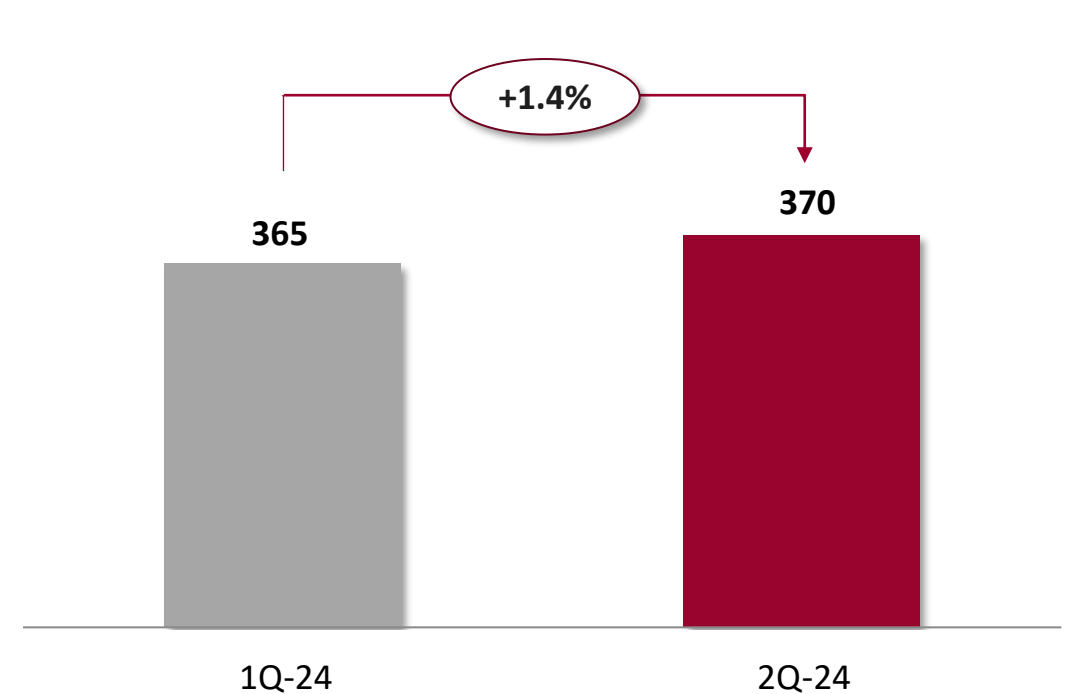
Commercial Banking Fees (€m)



Wealth Management and Advisory Fees (€m)



Total Fees (€m)



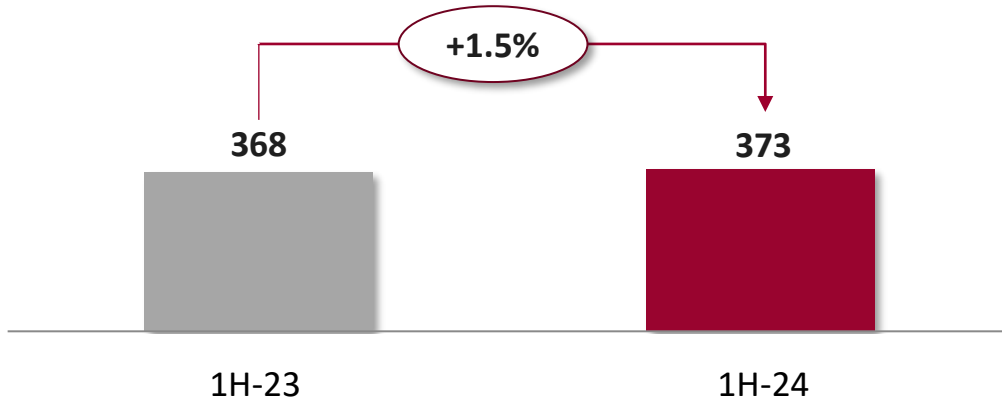
- Total fees at €370m, up +1.4% q/q thanks to increased commercial banking fees (+5.7% q/q) driven by loans; wealth management and advisory fees at €179m, confirming positive performance of 1Q



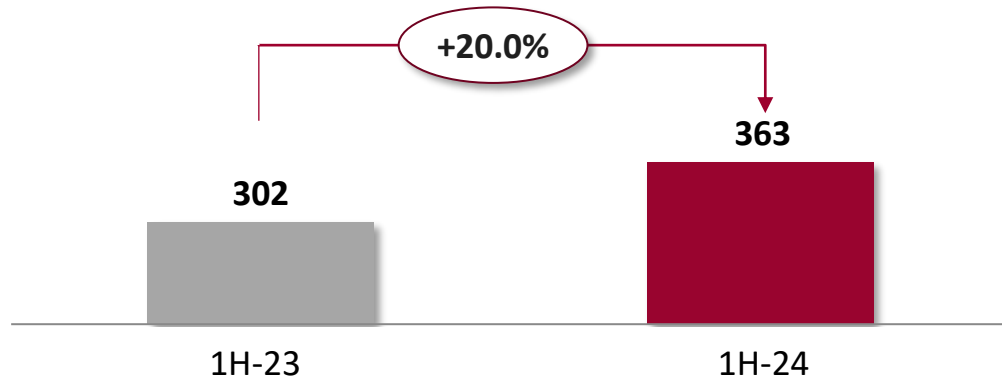
Net Fee and Commission Income

Yearly Evolution

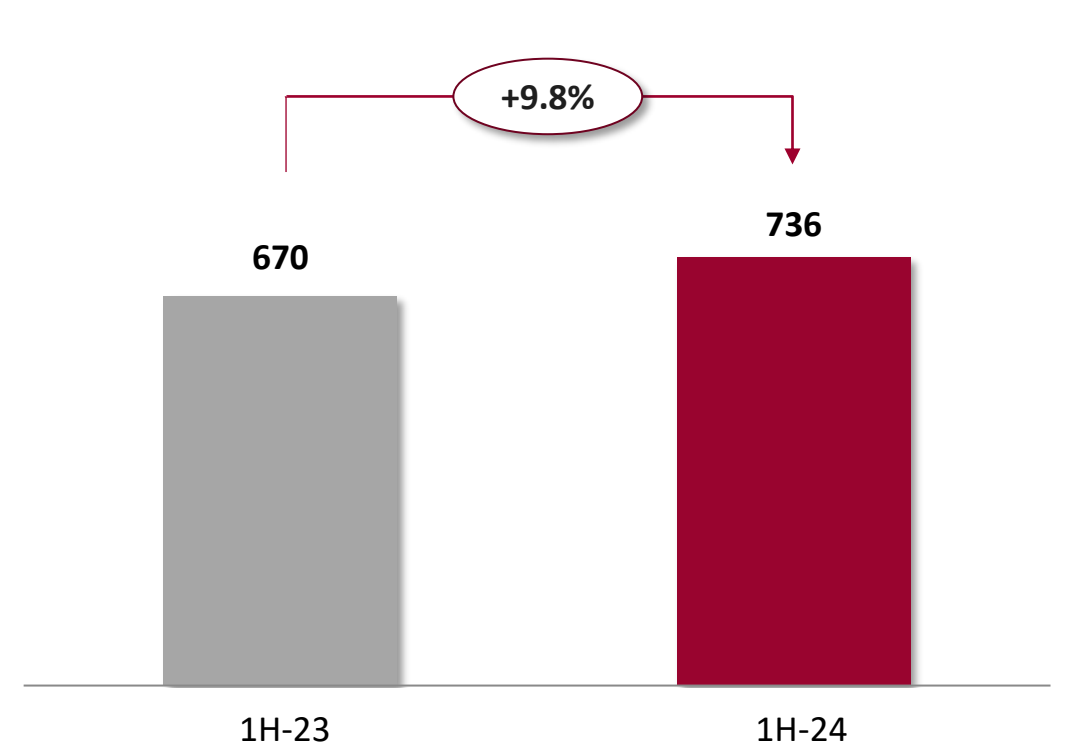
Commercial Banking Fees⁽¹⁾ (€m)



Wealth Management and Advisory Fees⁽¹⁾ (€m)



Total Fees (€m)



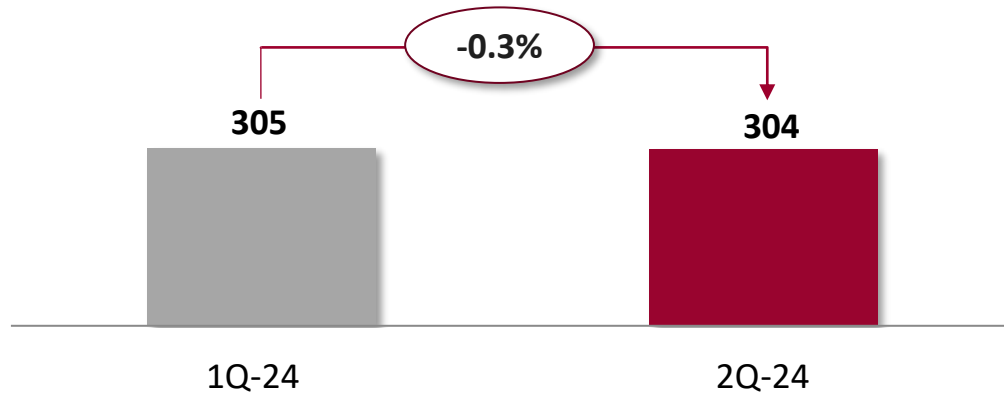
- 1H-24 total fees at €736m up +9.8% y/y, with increase driven by both wealth management and advisory fees (+20.0% y/y) and commercial banking fees (+1.5% y/y), despite lower contribution from current accounts, due to the reduction of account maintenance fees charged to customers



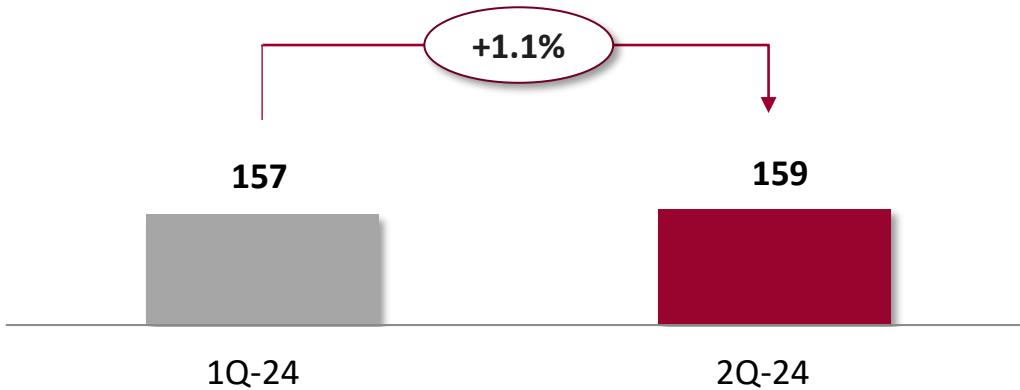
Operating Costs

Quarterly Evolution

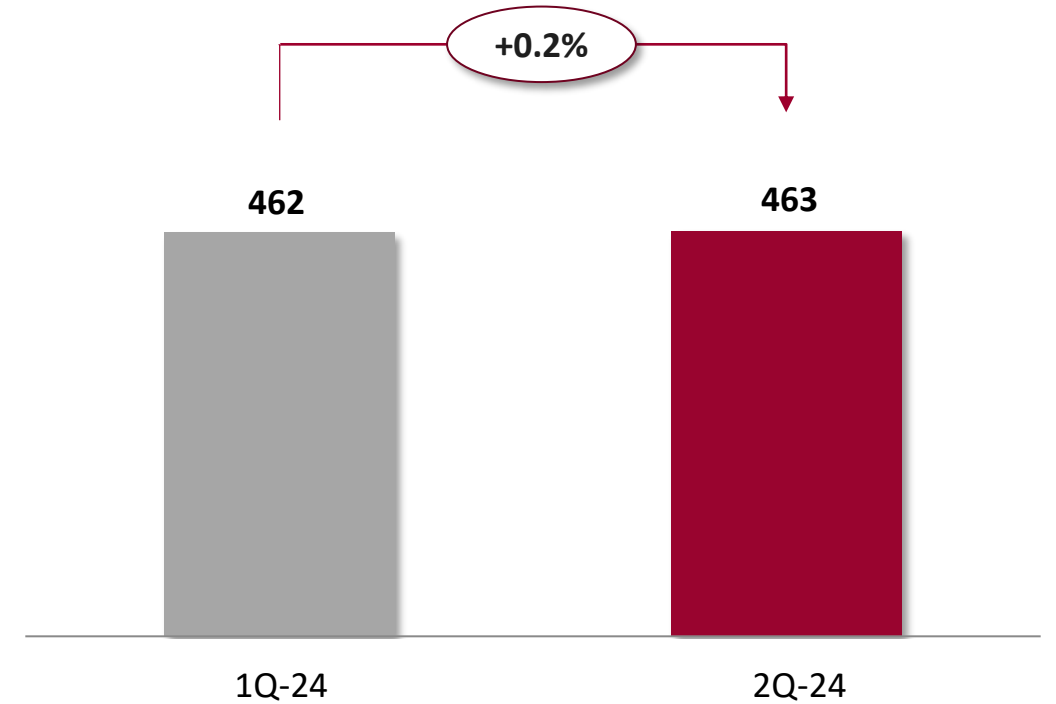
HR Costs (€m)



Non-HR Costs (€m)



Operating Costs (€m)



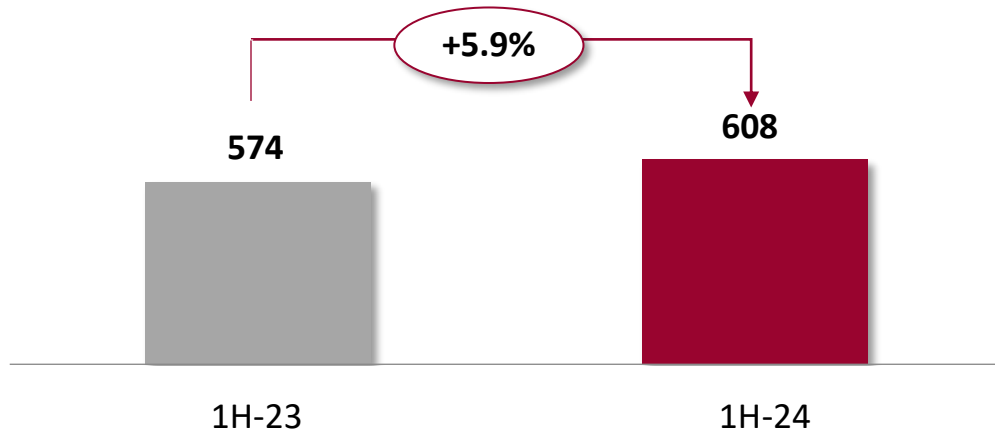
- 2Q-24 operating costs stable (+0.2% q/q) both in HR and Non-HR components



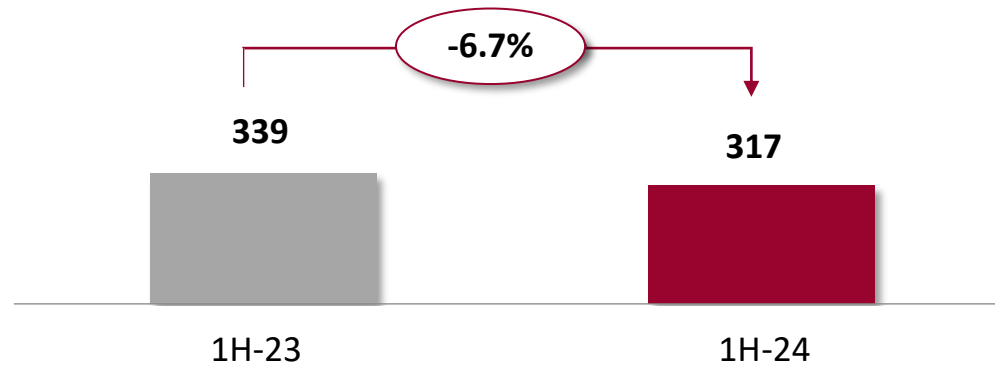
Operating Costs

Yearly Evolution

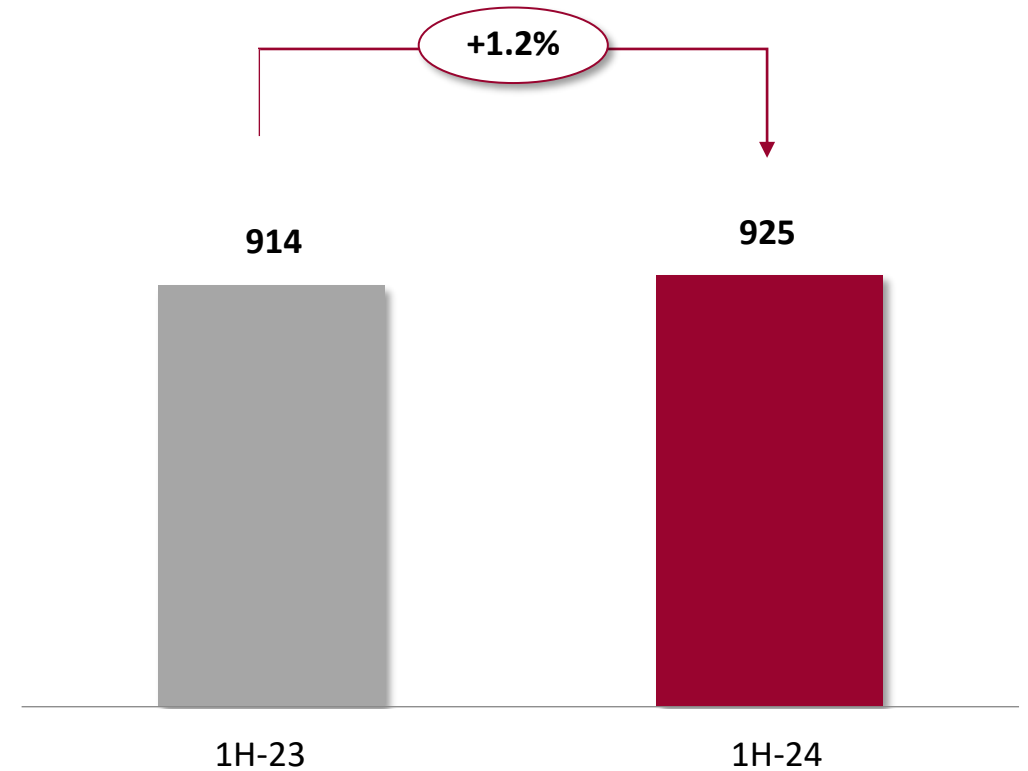
HR Costs (€m)



Non-HR Costs (€m)



Operating Costs (€m)

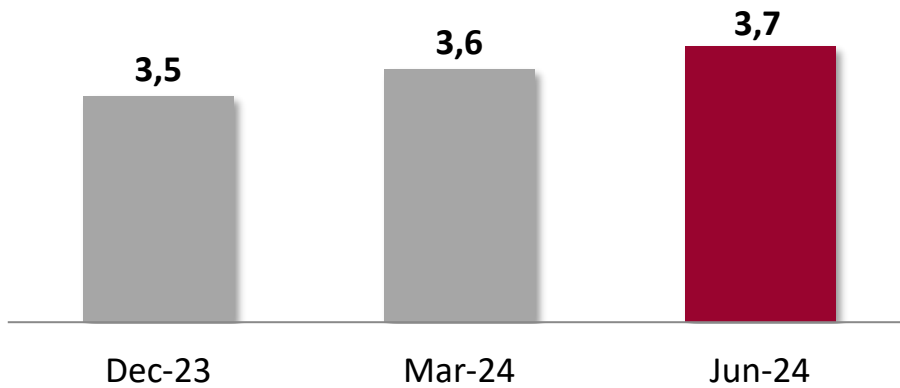


- 1H-24 operating costs at €925m, under control (+1.2% y/y) thanks to Non-HR costs ongoing optimization (-6.7% y/y) almost offsetting the impact of labour contract renewal

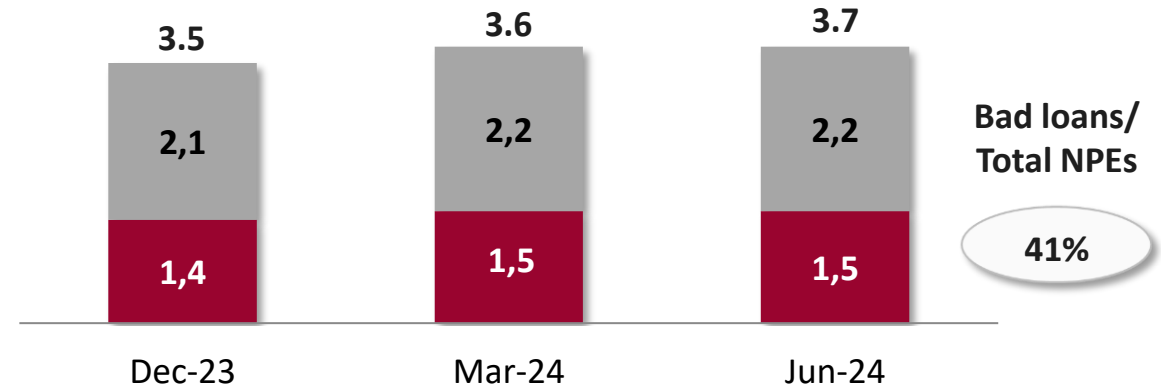


Gross NPE Stock

Gross NPE Stock (€bn)



Breakdown by Category (€bn)



Gross NPE ratio⁽¹⁾

4.4%

4.5%

4.6%

Net NPE ratio

2.3%

2.3%

2.4%

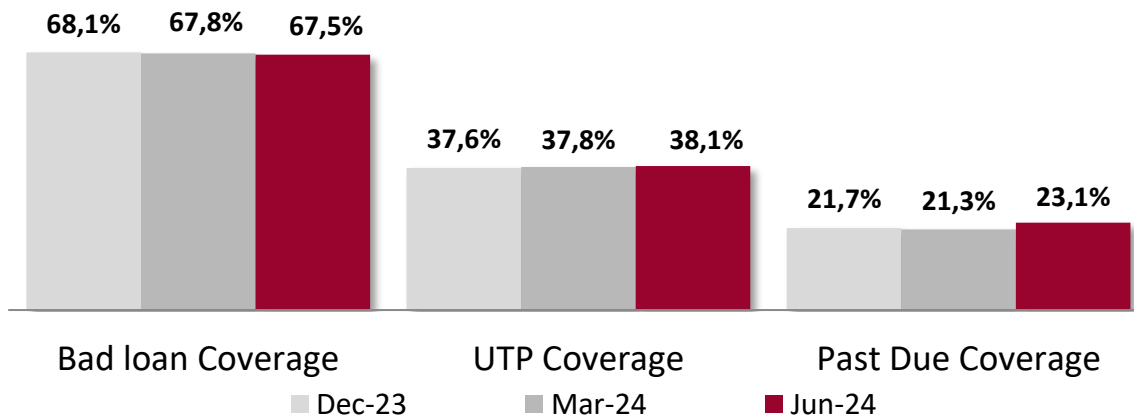
■ Bad loan ■ UTP + Past due

- Gross NPE stock at €3.7bn
- Gross NPE ratio at 4.6% and Net NPE ratio at 2.4%

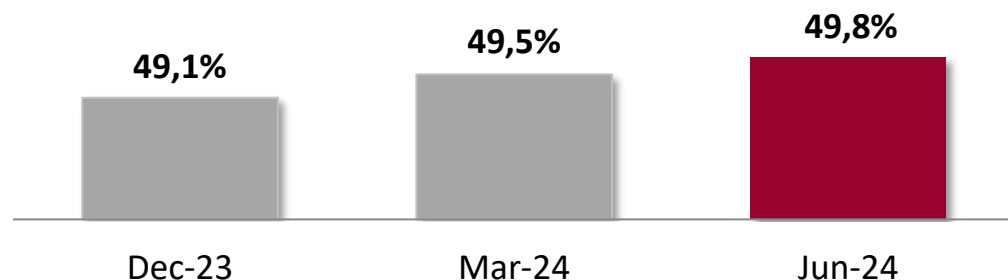


Coverage and Cost of Risk

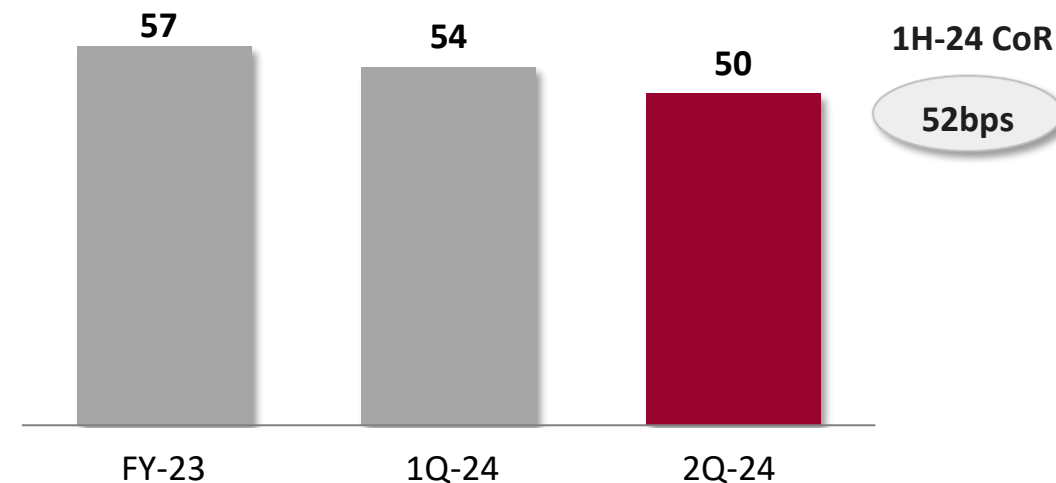
NPE Coverage Breakdown



Total NPE Coverage



Cost of Risk (bps)

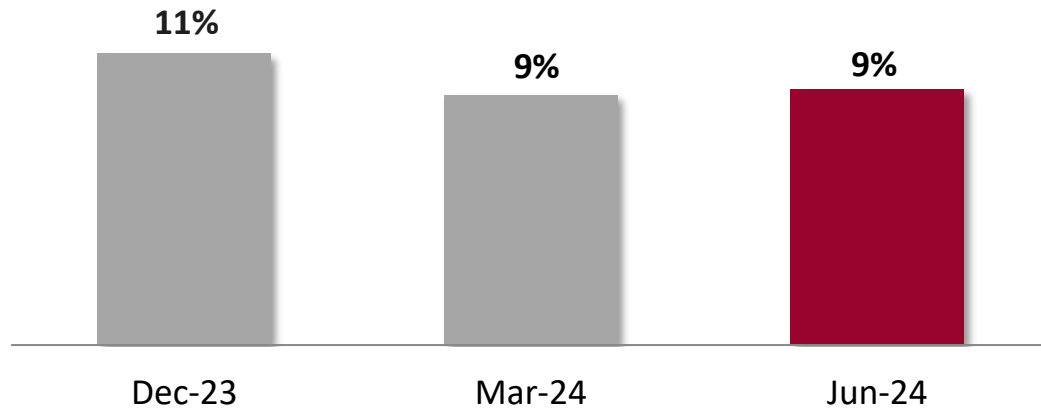


- Cost of risk at 50bps in 2Q-24 and at 52bps after 6 months, in line with 2024 guidance
- Ongoing increase in NPE coverage up to 49.8% in June, up +30bps q/q and +70bps since Dec-23

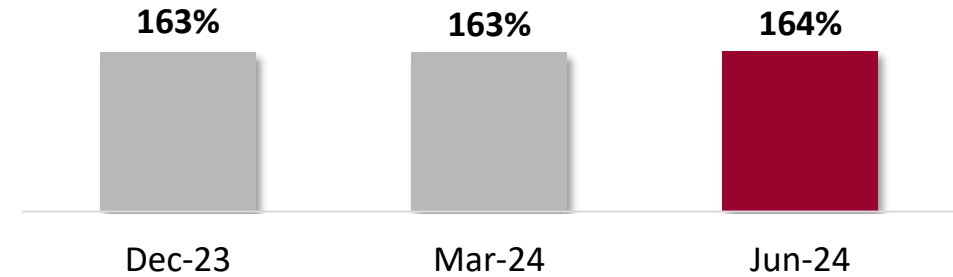


Funding & Liquidity

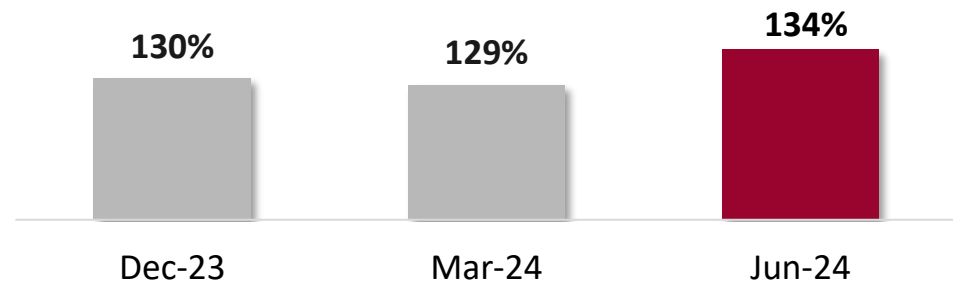
Reduced Reliance on ECB funding (ECB Funding/Total Liabilities)



LCR Evolution



NSFR Evolution

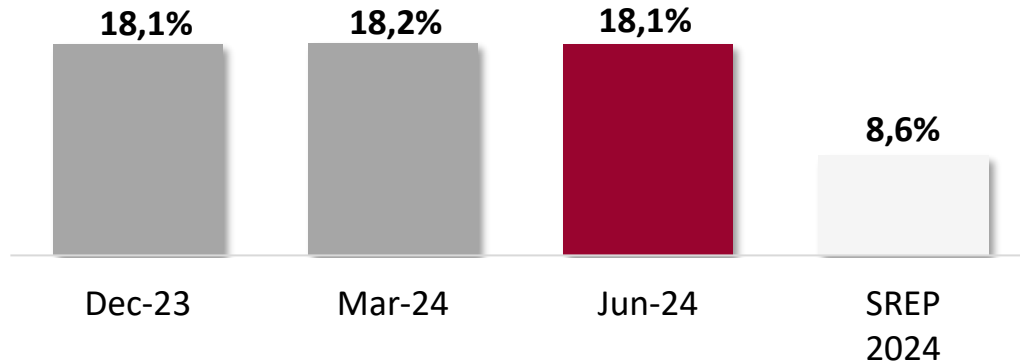


- Solid liquidity position, with counterbalancing capacity above €33bn, LCR at 164% and NSFR at 134%
- Access to the institutional market funding continued, with the issuance of a €750m social European covered bond (Premium) in July



Capital

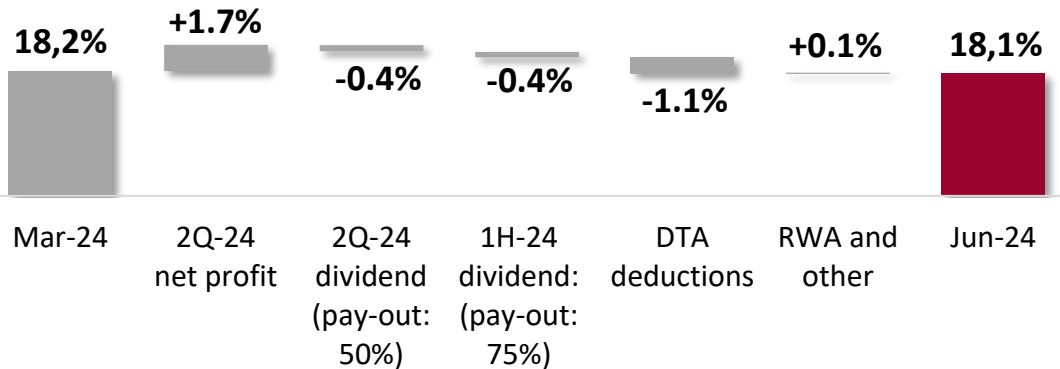
CET1 Ratio Fully Loaded⁽¹⁾



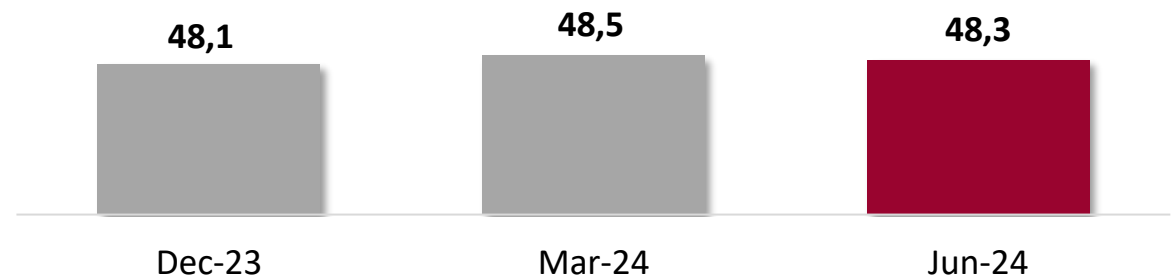
Fully Loaded Capital Ratios⁽¹⁾

	Dec-23	Mar-24	Jun-24	SREP 2024
CET1 ratio (%)	18.1%	18.2%	18.1%	8.57%
Tier 1 ratio (%)	18.1%	18.2%	18.1%	10.58%
Total capital ratio (%)	21.6%	21.6%	21.4%	13.27%

CET1 Ratio Fully Loaded: Quarterly Dynamics⁽¹⁾



RWA Fully Loaded (€bn)



- CET1 FL ratio at 18.1%, including first half net profit net of dividends with a payout ratio increased from the previous guidance of 50% to 75%; Buffer on Tier 1 ratio around 750bps



Actual 1H-24 Results vs. 2024E Figures

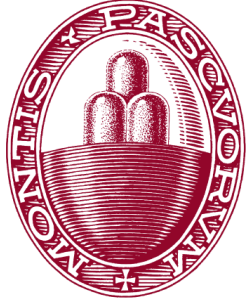
Setting the Base for Financial Targets of Business Plan 2024-2028

Preliminary estimate of detailed 2024E year-end figures (to be considered as directional in nature for illustration purposes) to create the baseline for Business Plan 2024-2028 financial targets on a comparable perimeter basis, i.e. excluding MP Banque⁽¹⁾

Selected P&L Items (€m)	1H-24	2024E	
		Including MP Banque	Excluding MP Banque ⁽¹⁾
Operating Income	2,031	3,880	3,840
<i>o/w Net Interest Income</i>	1,172	2,279	2,247
<i>o/w Net Fees and Commission Income</i>	736	1,410	1,402
Operating Costs	(925)	(1,891)	(1,868)
Gross Operating Profit	1,106	1,989	1,972
LLPs	(209)	(427)	(421)
Net Operating Profit	897	1,562	1,551
Pre-Tax Profit	706	1,311	1,300

Starting point for P&L projections of Business Plan 2024-2028





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2. Business Plan 2024-2028



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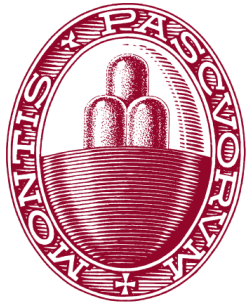
“
*Enrich business model sustainability
through enhancing and innovating initiatives,
underpinned by digitalisation and new technologies,
leveraging our strong historic franchise and talented people
driven by our ESG culture*
”

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Business Plan 2024-2028: Selected Financial Targets

Net Fee & Commission (Delta vs. 2024E)	Cost/Income Ratio	Cost of Risk	Pre-Tax Profit	CET1 Ratio
+€125m by 2026E +€260m by 2028E	51% in 2026E 50% in 2028E	44bps in 2026E 34bps in 2028E	€1.4bn in 2026E €1.7bn in 2028E	Above 18% ⁽¹⁾ over 2024-28E





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2. Business Plan 2024-2028

A. Our Evolving Journey: Strategic Highlights



BMPS: An Historic Franchise Delivering a New Success Story

Most of Business Plan Targets for 2026 Already Surpassed in Less than 2 Years, Supported by Interest Rates Environment...

Selected P&L Items (€m)	2026E Target (2022-2026 Business Plan)	Actual Results (2023A, if not otherwise stated)	
Operating Income	3,286	3,797	✓
Operating Costs	(1,885)	(1,843)	✓
Gross Operating Profit	1,401	1,954	✓
Pre-tax Profit	909	1,231 ⁽¹⁾	✓
Selected KPIs			
Cost / Income Ratio	57%	49%	✓
Cost of Risk	<50bps	57bps	~
Net NPE Ratio	1.4%	2.4% (2Q-24)	~
CET1 Ratio	15.4%	18.1% (2Q-24)	✓
RoATE ⁽²⁾	8.7%	14.5% ⁽³⁾	✓
Pay-out Ratio	30% on 2025-26 Net Profit	~25% (2023A) ⁽³⁾ / ~75% (2024E) ⁽⁴⁾	✓

Since 2022 BMPS has also improved its rating

Moody's⁽⁵⁾
from Caa1 Stable
to Ba2 Stable

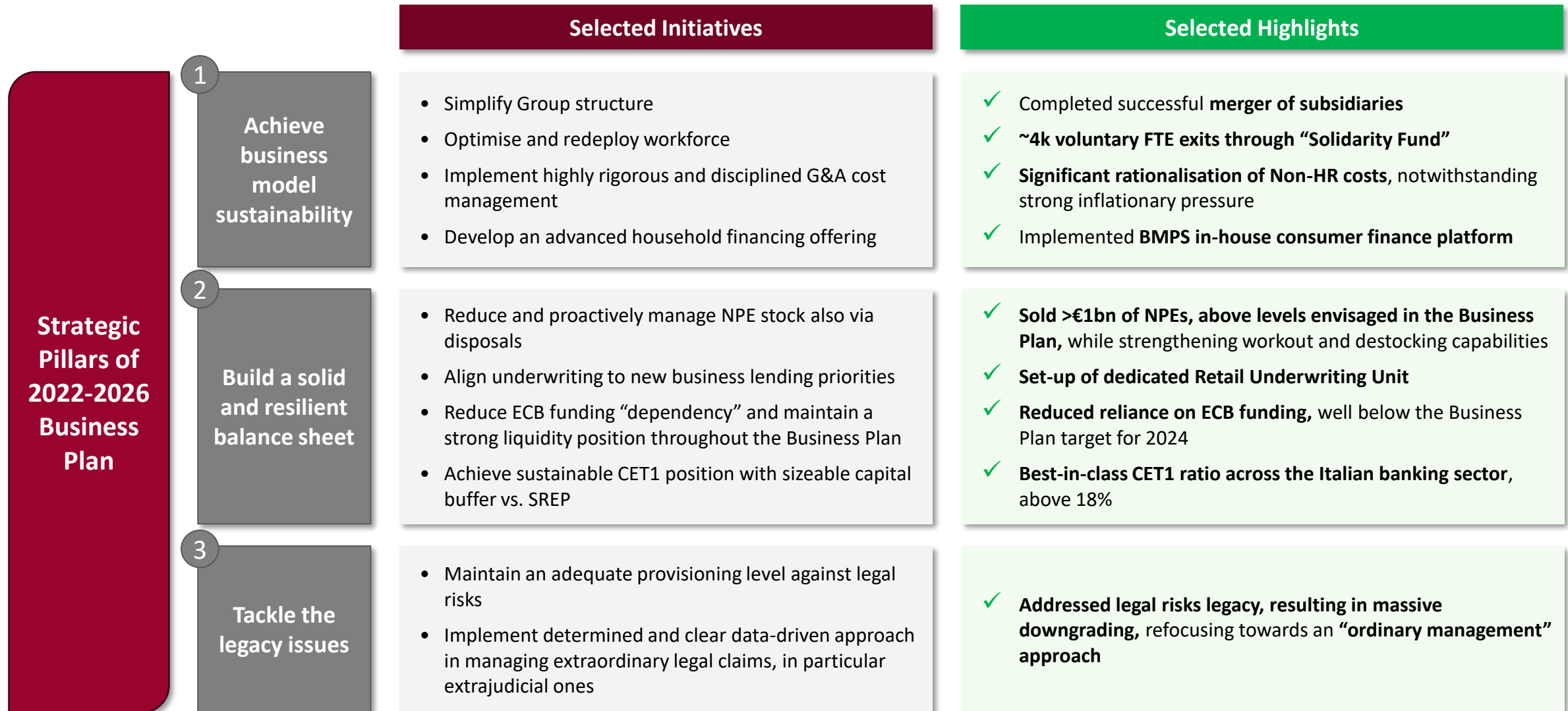
Fitch⁽⁶⁾
from B Evolving
to BB Stable

DBRS⁽⁷⁾ Morningstar
from B (high) Stable
To BB (high) Positive



BMPS: An Historic Franchise Delivering a New Success Story (Cont'd)

...And the Successful Implementation of Launched Initiatives



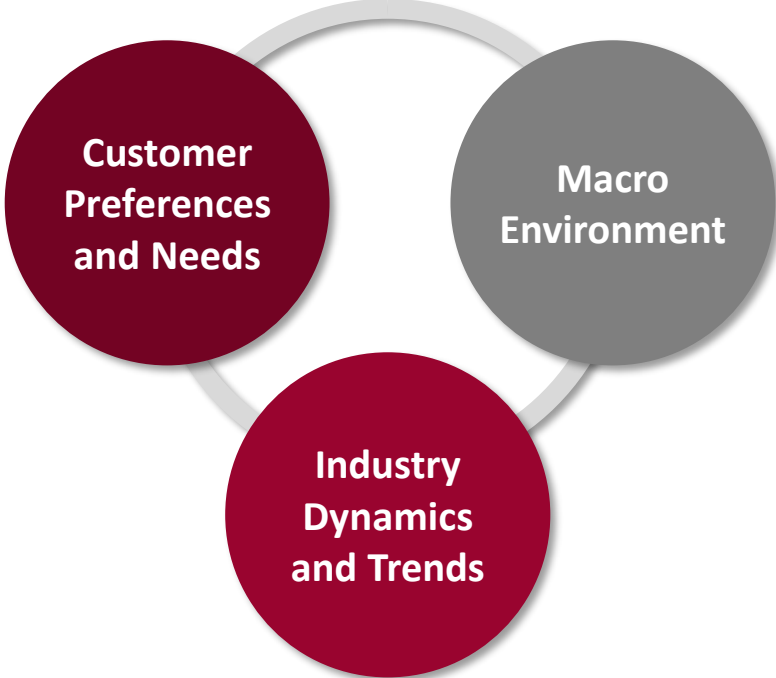
Backdrop Has Continued to Change Since Announcement of 2022 Business Plan, Requiring to Evolve Our Sustainable Way to Do Banking

Evolving clients' needs

Customers demanding higher degree of **product customisation** across their "life-cycle", as well as access to **more diversified investment solutions**

Interest in hybrid and digital journey

Customer preferences for **different channels based on needs, digital** for daily banking, **physical (or hybrid)** for more complex products, which have to be **seamlessly integrated**



Interest rate contraction

Interest rates, which have positively contributed to sector's top-line so far, **expected to contract in short to medium-term**

Lower rates environment expected to support customers' shift towards **wealth management products**

Inflation dynamics

Inflation expected to remain stable around the **ECB target (2%)** in the medium term

Focus on fee-based activities

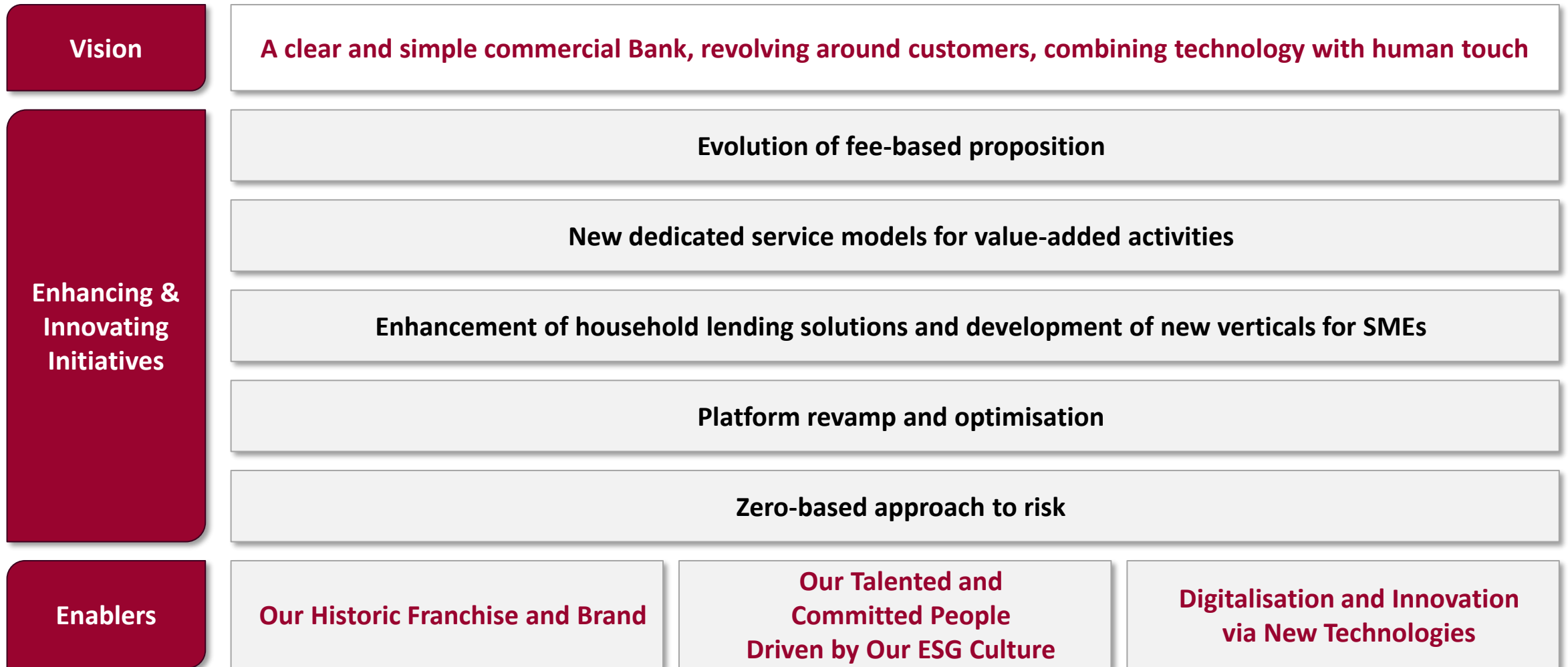
Focus on **strengthening fee-based businesses** to **diversify revenue sources** in light of expected changes to rates environment (e.g., strengthening of wealth-management offering / activities)

Accelerating technological innovation

Access to **technological innovations** available at **lower cost**, enabling **reduction of "technical gap"** and adoption of **new technologies** (e.g., Advanced Analytics, GenAI)



The Evolution of BMPS' Journey is Rooted in Our Strategic Clarity on Enhancing and Innovating Initiatives



Enhancing and Innovating Initiatives to Enrich Our Business Model Sustainability

Enhancing and Innovating Initiatives	Key Actions	Digital and Technological Enablers & Accelerators	Key Financials
<p>Evolution of fee-based proposition</p>	<ul style="list-style-type: none"> • Enhancement of wealth management advisory capabilities • Innovation of non-life insurance offering, for holistic coverage of clients' needs • Build-up of Widiba platform at scale, through targeted hiring strategy • Strengthening fee-based proposition for corporate clients, from transactional banking to more sophisticated solutions 	<ul style="list-style-type: none"> • Further enhancement of Athena platform's functionalities to better support customers' wealth planning • Development of Advanced Analytics and Artificial Intelligence tools for proactive product offering and targeting of "hidden" value clients 	
<p>New dedicated service models for value-added activities</p>	<ul style="list-style-type: none"> • New Upper Affluent segment with appointment of dedicated RMs • New "Wealth Management Center & Advisory" to develop tailored investment solutions • Tailored customer journeys across multi-channels with evolved role of branches and "face-to-face" interactions: <ul style="list-style-type: none"> – Digital / remote channel for simple transactions and proactive offering – Physical branches for client-facing, value-added / more complex activities 	<ul style="list-style-type: none"> • Advanced CRM system for Widiba • Use of digital / hybrid channels (e.g. Digital Branch and Modular Platform for Enterprises) enhancing role of "face-to-face" interactions • Web collaboration and remote advisory tools for integrated customer "journeys", end-to-end from onboarding to post-sale support 	<p>~€260m increase in total fees over 2024-28E, of which ~€185m in Wealth Management & Protection fees</p>



Enhancing and Innovating Initiatives to Enrich Business Model Sustainability (Cont'd)

Enhancing and Innovating Initiatives	Key Actions	Digital and Technological Enablers & Accelerators	Key Financials
<p style="text-align: center;">Enhancement of household lending solutions and development of new verticals for SMEs</p>	<ul style="list-style-type: none"> • Upgraded proposition for households, with focus on mortgages as “hook and anchor” product for ensuring and acquiring full relationships across clients’ life-cycle • Acceleration in consumer finance, continuing to tap existing underpenetrated client base • New specialised Agrifood and Green Energy verticals for SMEs, with tailored product offering and dedicated commercial organisation (Centers with experts) • Digitalisation of guaranteed and subsidised finance platform, from screening opportunities stemming from NRRP to application and settlement process • Enhanced product offering and processes, ranging from “fast-lending” for microbusinesses to digital factoring for SMEs 	<ul style="list-style-type: none"> • Enhanced digital mortgage journey, with automated processes and shortened “time-to-decision” • Enriched scoring system through Advanced Analytics for consumer finance • Direct digital work-flow with corporate clients’ systems, supporting identification of deserving customers as well as pre-scoring processes for faster credit approval 	<p style="text-align: center;">Evolution of NII (decrease of ~€80m over 2024-28E) with new lending priorities / volumes growth mitigating expected rates contraction dynamic</p> <p style="text-align: center;">Substantially flat NII related to commercial activities⁽¹⁾ over 2024-28E</p>



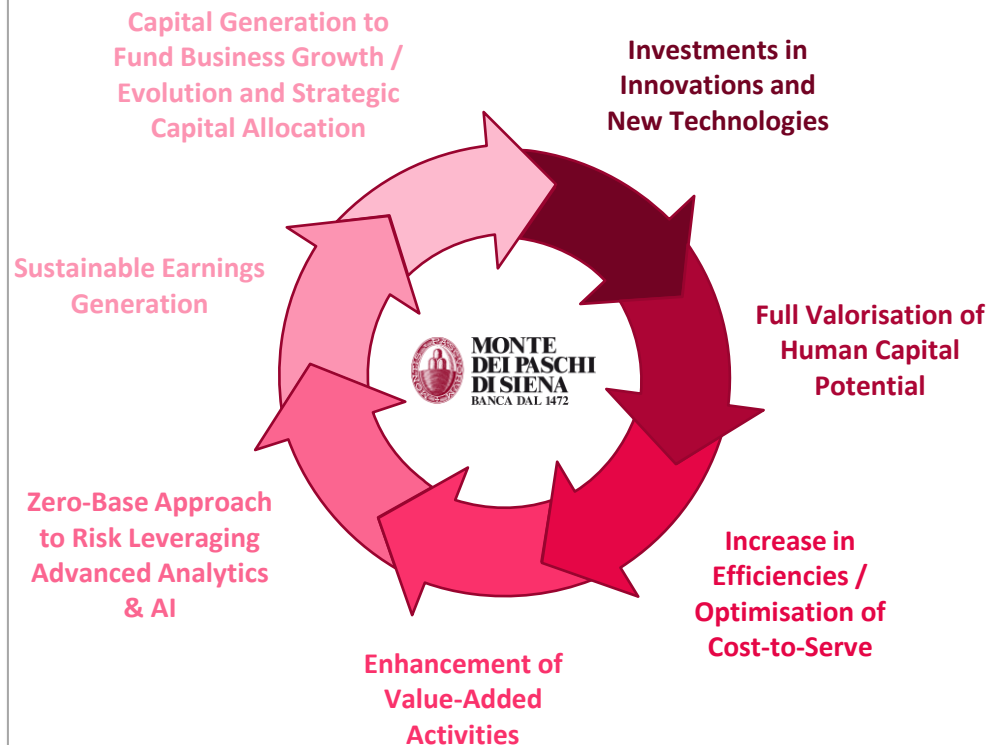
Enhancing and Innovating Initiatives to Enrich Business Model Sustainability (Cont'd)

Enhancing and Innovating Initiatives	Key Actions	Digital and Technological Enablers & Accelerators	Key Financials
<p>Platform revamp and optimisation</p>	<ul style="list-style-type: none"> • Continuation of strong trajectory in G&A discipline, while investing in transformation • New central dedicated unit for “project governance” to steer strategic investments and ensure timely execution / quality delivery • Optimisation of "cost-to-serve" via digitalisation and innovation • Strengthening of IT infrastructure by maximising speed of execution and improving security across the Bank • Natural generational change of the workforce, supported by hiring young talented professionals, coupled with broader upskilling / reskilling initiatives 	<ul style="list-style-type: none"> • Advanced Analytics enabled cost and investment governance • Digital automation of back-end activities and low-value transactions • Digital / hybrid channels to increase efficiency and focus resources on high-value client-facing activities • Enhancement / upgrade of network services, hardware and licenses 	<p>Operating expenses at ~€2.0bn in 2028E (vs. ~€1.9bn in 2024E), with initiatives partially offsetting impact of labour contract renewal, inflation and incremental transformation costs</p>
<p>Zero-based approach to risk</p>	<ul style="list-style-type: none"> • Strengthened credit underwriting, through alignment to new lending priorities • Enhancement of monitoring and early warning systems, also through enrichment of digital scoring tools • Acceleration of credit recovery via evolved framework for the assessment, classification and collection activities • Proactive management of NPEs also via disposals 	<ul style="list-style-type: none"> • Development of algorithmic capabilities for retail credit origination • Adoption of AI-enabled scoring systems • Advanced Analytics technologies for early workflow management / monitoring and active portfolio strategy 	<p>Cost of risk from ~54bps in 2024E to ~44bps in 2026E and ~34bps in 2028E</p>



The Virtuous and Sustainable Circle Enabled by the Combination of Strategic Clarity, Technology Innovation and Human Capital Potential

The “Virtuous and Sustainable Circle”



Selected Financial Targets Recap

Net Fee & Commission
(Delta vs. 2024E)

+€125m by 2026E
+€260m by 2028E

Net Interest Income
(Delta vs. 2024E)

-€151m by 2026E
-€79m by 2028E

Operating Income
(Delta vs. 2024E)

+€5m by 2026E
+€216m by 2028E

Cost/Income Ratio

~51% in 2026E
~50% in 2028E

Cost of Risk

~44bps in 2026E
~34bps in 2028E

Pre-Tax Profit

~€1.4bn in 2026E
~€1.7bn in 2028E

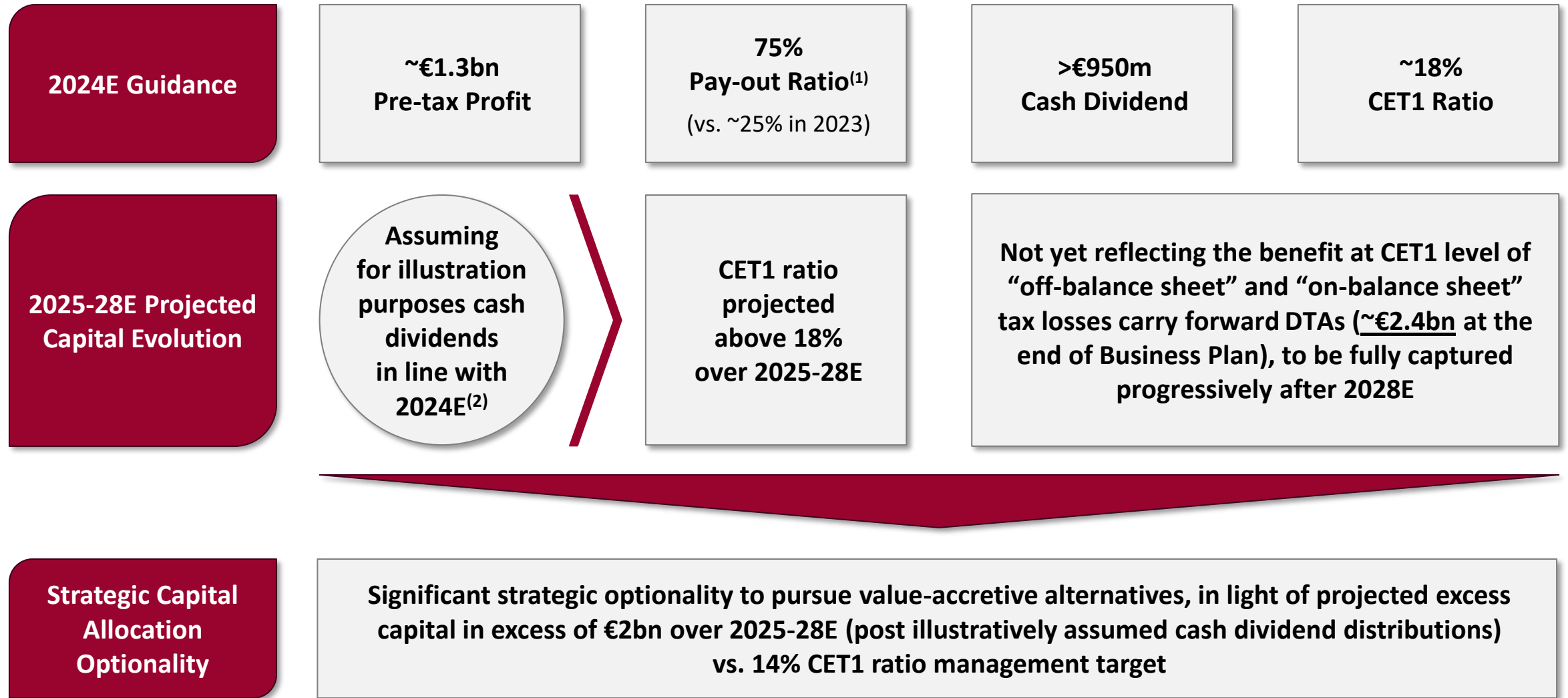
~49% in 2024E

~54bps in 2024E

~€1.3bn in 2024E



Embedding Value Distribution and Creation in our Proactive Capital Management Strategy

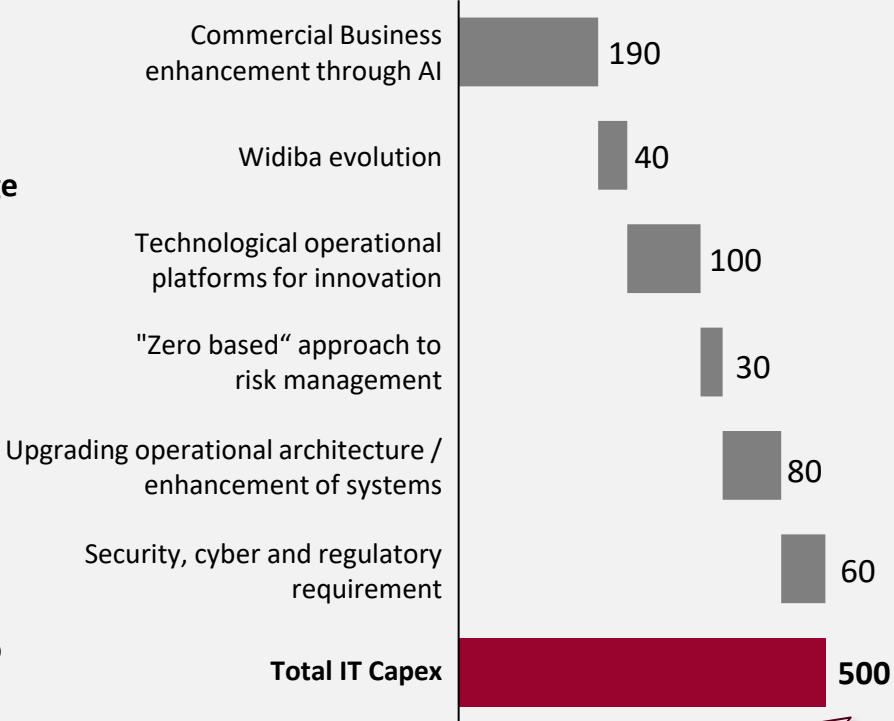


Financial Targets Underpinned By a Comprehensive Investment Plan to Introduce Innovations and New Technologies...

Technology Innovation Strategy Highlights






- **€500m plan** of Capex over the 2024-28E period, of which €420m Change Capex
- Annual average of Change Capex over 2025-2028 **more than 2.6x the annual average for 2022-2023**
- **Adoption of best-of-breed approach**, focusing IT resources on higher-impact activities and high-returns projects, while leveraging market solutions for low-value components
- **Recurring sustained profitability allows BMPS to finance any further investment needs beyond 2028**

Cumulated IT Capex 2024-28E (€m)



• o/w Change Capex: €420m
 • o/w Run Capex: €80m

Focus on Key Initiatives

- 
Evolution of digital channels proposition, including Digital Branch and Modular Platform for Enterprises, enabling 100% self-experiences as well as comprehensive remote capabilities, seamlessly integrated with physical channels
- 
Development of Advanced Analytics modelling to deliver proactive and customised commercial offering as well as to identify "hidden" value clients, across key areas such as wealth management (e.g. Athena platform), consumer finance and protection
- 
100% digital journeys and optimised customer experiences for key products such as household mortgages with automated assessment processes, near-real-time monitoring and shortened "time-to-decision"
- 
Algorithmic "skills" center for retail credit origination leveraging advanced AI-enabled scoring and **innovation of early management workflow platform** (also through Advanced Analytics)
- 
Security and performance by design, also through infrastructure modernisation and upgrade of hardware / licenses



...And Powered by Our Talented and Committed People Through Enhancement of Their Full Potential



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

Our Talented and Committed People

Enhancement of Human Capital's Full Potential

- Reskilling of ~1.3k resources freed-up through digitalisation
- Recruitment of ~800 resources with distinctive capabilities, following natural generational change of workforce
- Full ability to cover high priority areas:
 - Platform innovation (e.g. Digital Branch)
 - IT strengthening
 - Wealth management evolution
 - Specialised verticals

BMPS Academy at the Centre of Human Capital Development

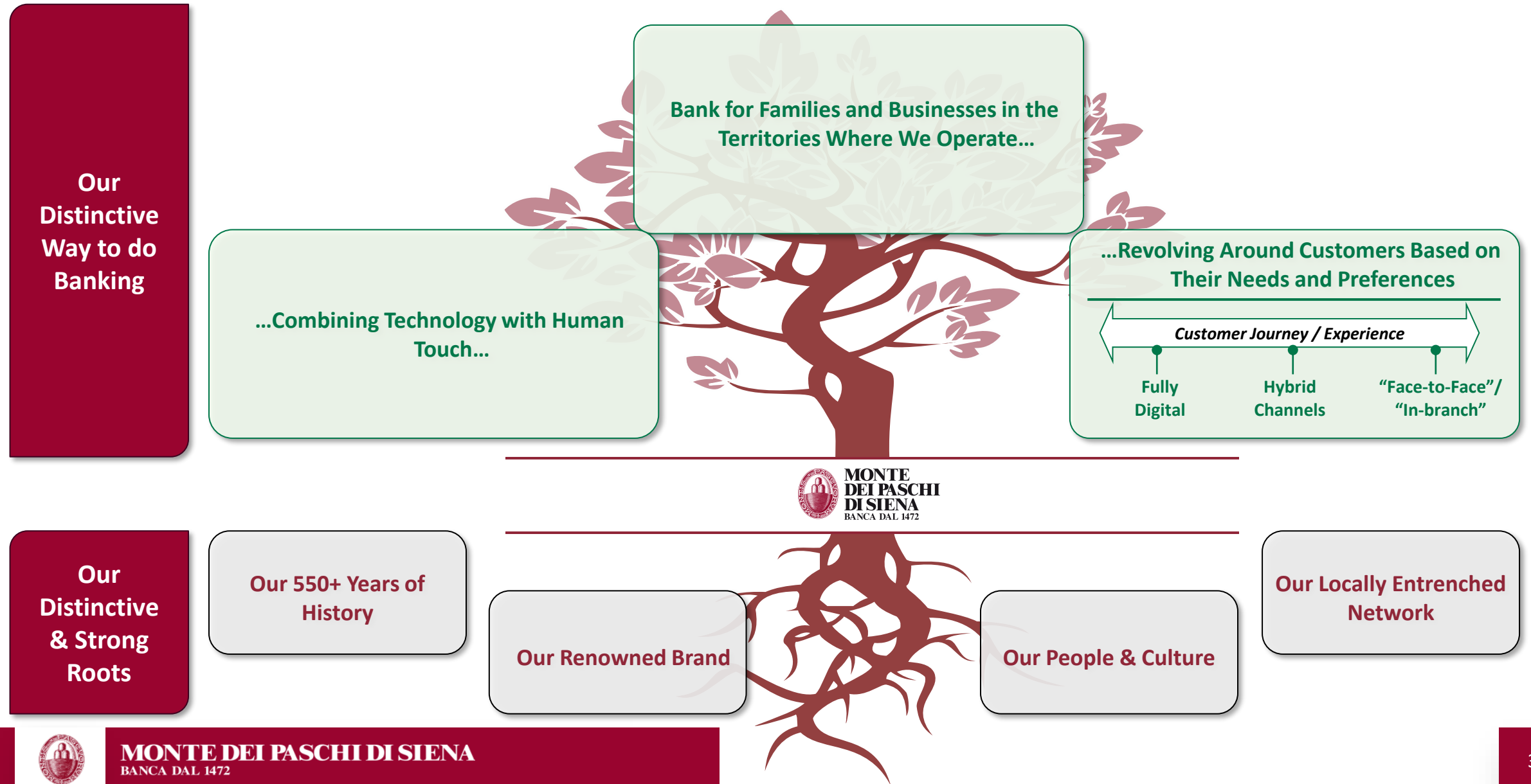
- “BMPS Academy” for:
 - Advanced training for continuous upskilling of all employees
 - Tailored and intensive programs for reskilling of employees

Incentive and Rewards Schemes for Merit Recognition

- Incentive scheme for 2024-28E linked to targets
- “Organic” succession framework for senior positions through talent development
- Initiatives for talent retention, attraction and detection



An Historic and Strong Franchise, A Future-Ready Way to do Banking...



...Deeply Rooted in Our Strong ESG Culture

Selected Examples



E

- Strengthening of **commercial focus on green products offering for individuals**, in line with strategic business priorities (e.g., green mortgages, sustainability-linked loans and green loans) and setting-up an incentive framework for customers
- **Support to SMEs in the green energy transition** (e.g. financing energy efficiency and self-consumption initiatives), with focus on **agrifood sector**
- Enrichment of **wealth management offering** with **ESG investment solutions** and **specialised expertise**
- New issuance of **green and social bonds**
- New Advanced Analytics technologies to meet **Net-Zero goals on BMPS operations by 2030**



S

- **Social role of the Bank** for people and businesses in the territories where we operate
- **Financial education programs, pension advice and financial planning**
- **Micro-finance solutions** for borrowers delivering positive social impact



G

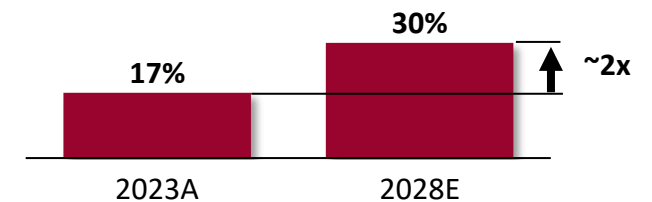
- **Integration of ESG components** across planning, compensation systems, risk management models and monitoring tools
- **Career paths and flexibility options** to support **women in leadership roles**

Selected Highlights

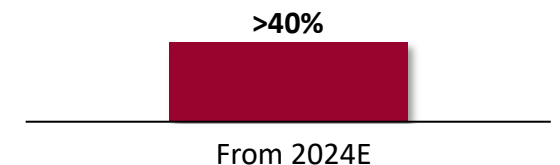
Green Loans to NZBA sectors⁽¹⁾ over Total Lending to NZBA sectors (%)



ESG Financing in % of New Lending



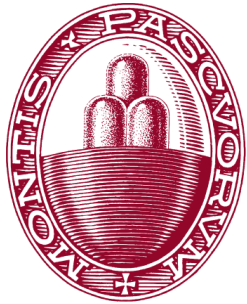
AuM Invested in ESG Products as % Total UCITS AuM (%)



Issuances of Green / Social Bonds (€bn)

~25% of total issuances to be carried out over the period 2024-28E





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2. Business Plan 2024-2028

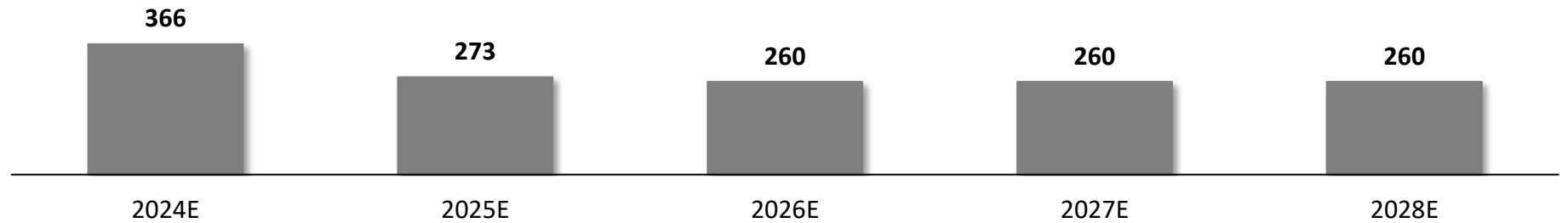
B. Updated Financial Targets



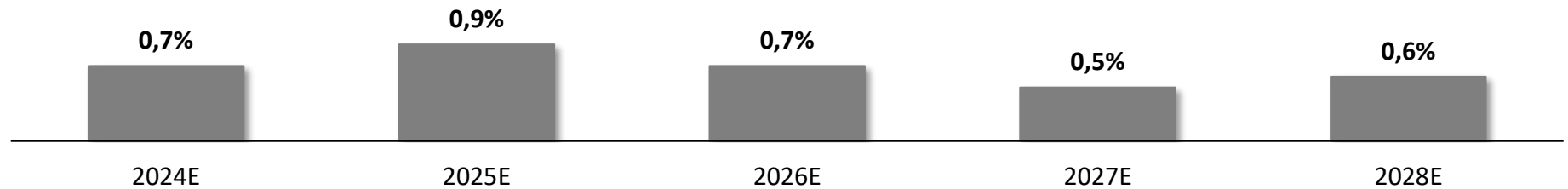
Overview of Macroeconomic Assumptions Underlying Updated Financial Targets for 2024-28E

Key Macroeconomic Assumptions⁽¹⁾

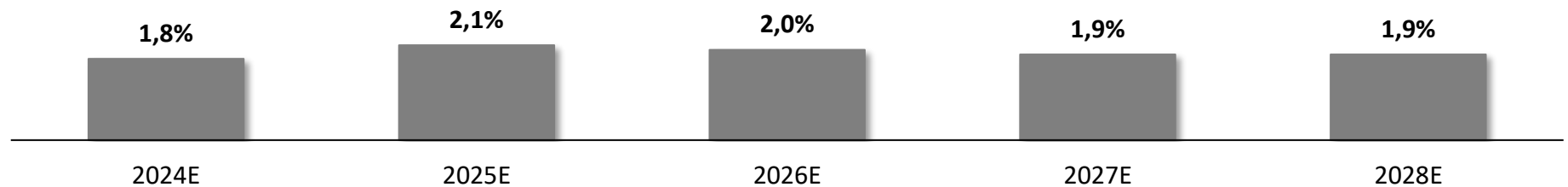
Euribor 3 months (bps)



Real GDP Growth (YoY %)



Inflation (%)



Updated Financial Targets Recap

	2024E	2026E	2028E	24-26E	24-28E
Selected P&L Items (€m)				CAGR	CAGR
Operating Income	3,840	3,844	4,056	0.1%	1.4%
Operating Costs	(1,868)	(1,967)	(2,034)	2.6%	2.2%
Gross Operating Profit	1,972	1,878	2,022	(2.4%)	0.6%
LLPs ⁽¹⁾	(421)	(353)	(280)	(8.4%)	(9.7%)
Net Operating Profit	1,551	1,525	1,742	(0.8%)	2.9%
Pre-tax Profit ⁽²⁾	1,300	1,420	1,657	4.5%	6.2%
Selected KPIs				Δ	Δ
Cost / Income Ratio	49%	51%	50%	2.5pts	1.5pts
Cost of Risk (bps)	54bps	44bps	34bps	(9bps)	(20bps)
Gross NPE Ratio	4.5%	4.3%	3.7%	(0.2pts)	(0.7pts)
NPE Coverage	49.0%	51.9%	54.8%	2.9pts	5.8pts
CET1 Ratio	18.1%	18.1%	18.5%	0.0pts	0.5pts
Stated RoATE ⁽³⁾	12.4%	12.2%	13.3%	(0.2pts)	0.9pts

Sustainable revenues
with improved mix

Enhanced structural efficiency
at operating level

Sustained improvement in risk profile

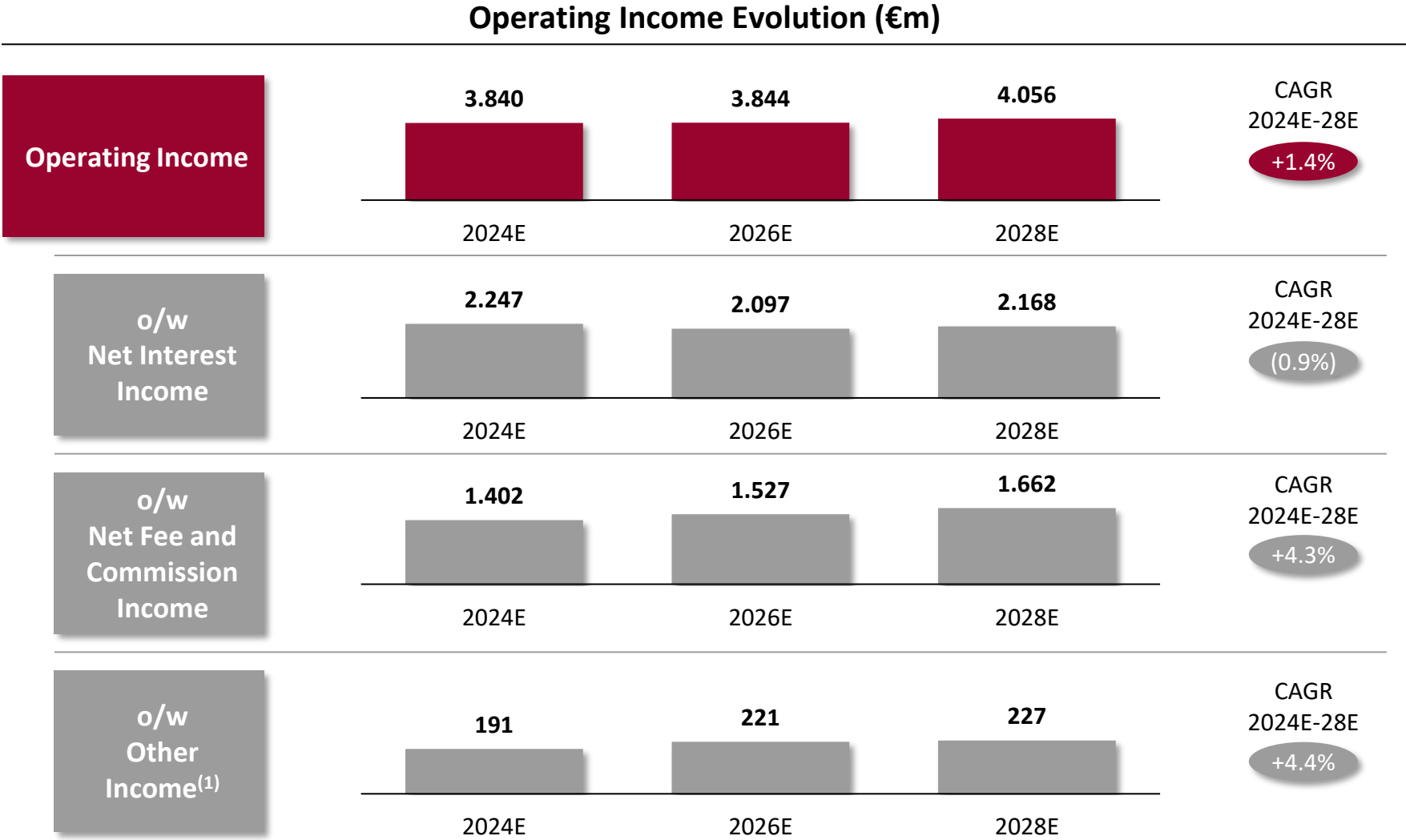
Strong capital and sound liquidity

Sustainable profitability
throughout the plan



Focus on Operating Income: Evolution and Breakdown

- Operating Income projected to grow at a 1.4% CAGR 2024-28E, driven by increase in Net Fee and Commission income offsetting the decrease in Net Interest Income
- Net Interest Income slightly decreasing at -0.9% CAGR 2024-28E, with new lending priorities / volumes growth mitigating the expected impact from decrease in interest rates
- Net Fee & Commission income growing at +4.3% CAGR 2024-28E, mostly driven by Wealth Management and Protection products

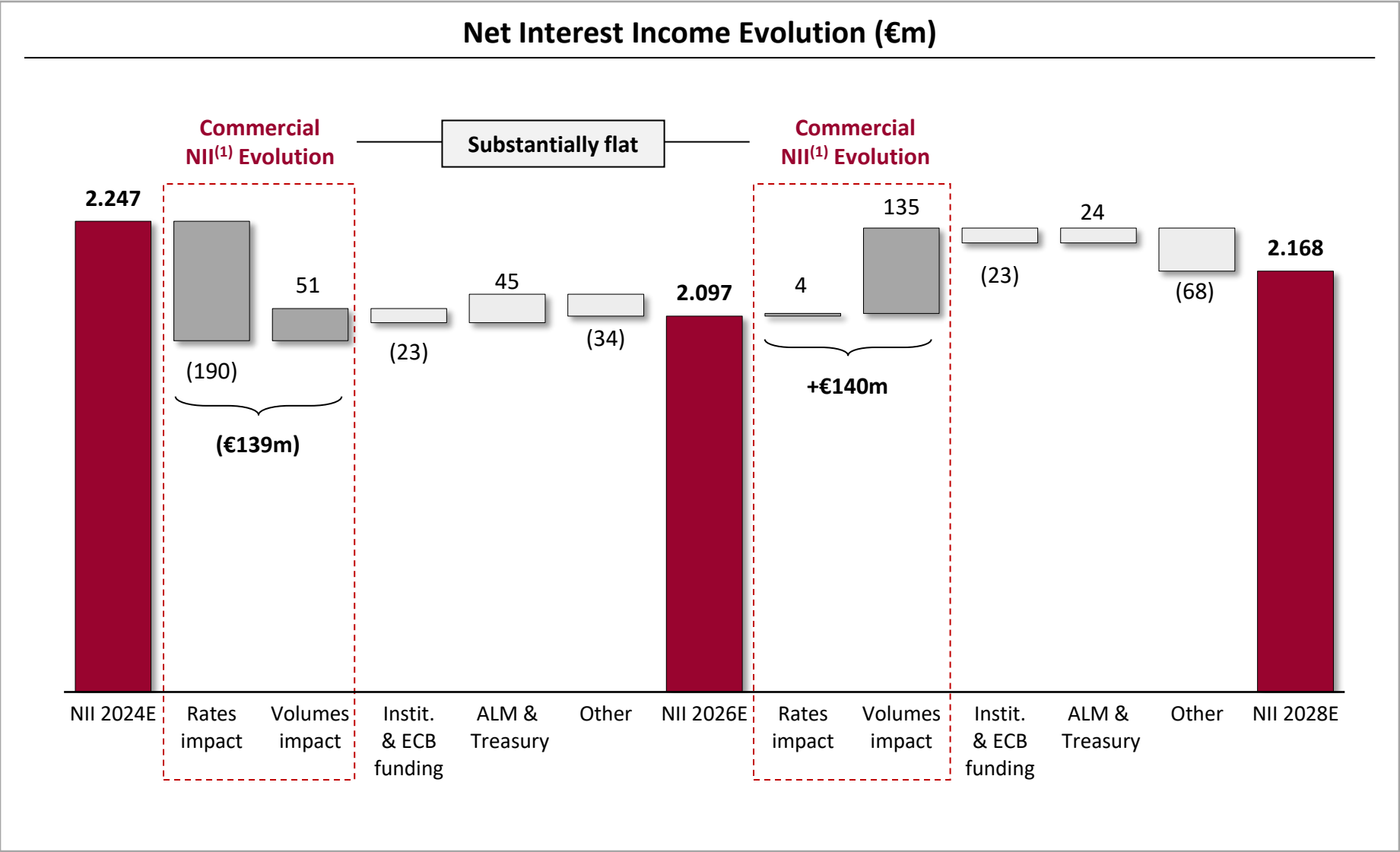


Notes: (1) Other income includes pro-rata earnings for AXA MPS stake, trading & other items.



Focus on Net Interest Income

- Net interest income component related to commercial activities⁽¹⁾ negatively impacted by expected rates dynamics (over the period 2024-26E), to be offset by the envisaged commercial volumes growth following new lending priorities (especially over the period 2026-28E)
- The combination of increase in institutional funding coupled with progressively reduced reliance on ECB funding expected to result in slightly higher net interest expenses for these components
- Envisaged net positive contribution of ALM & Treasury activities



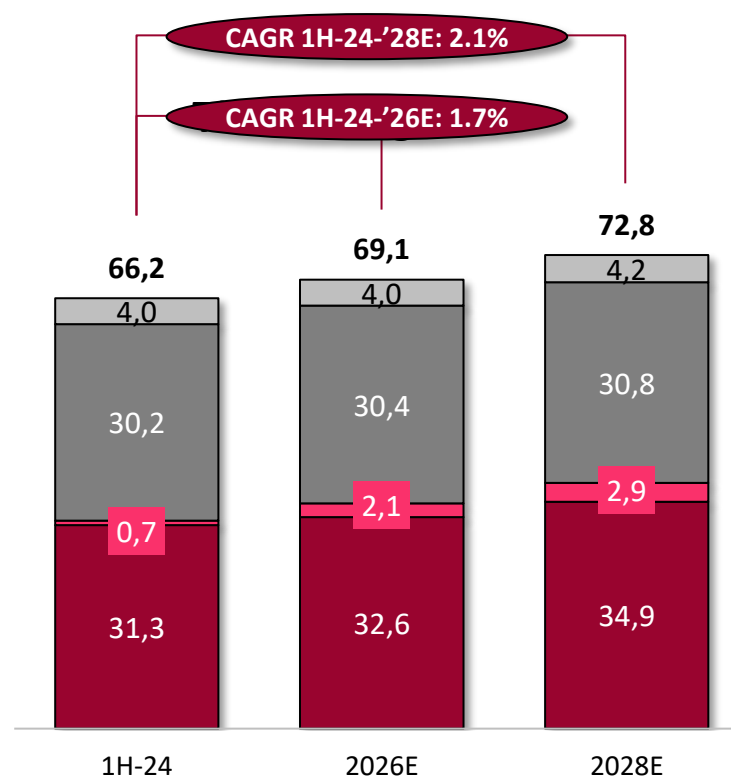
Notes: (1) Commercial NII related to commercial activities, excluding items related to the purchase activity of tax credit / "Ecobonus" and other accounting items.



Focus on Commercial Volumes

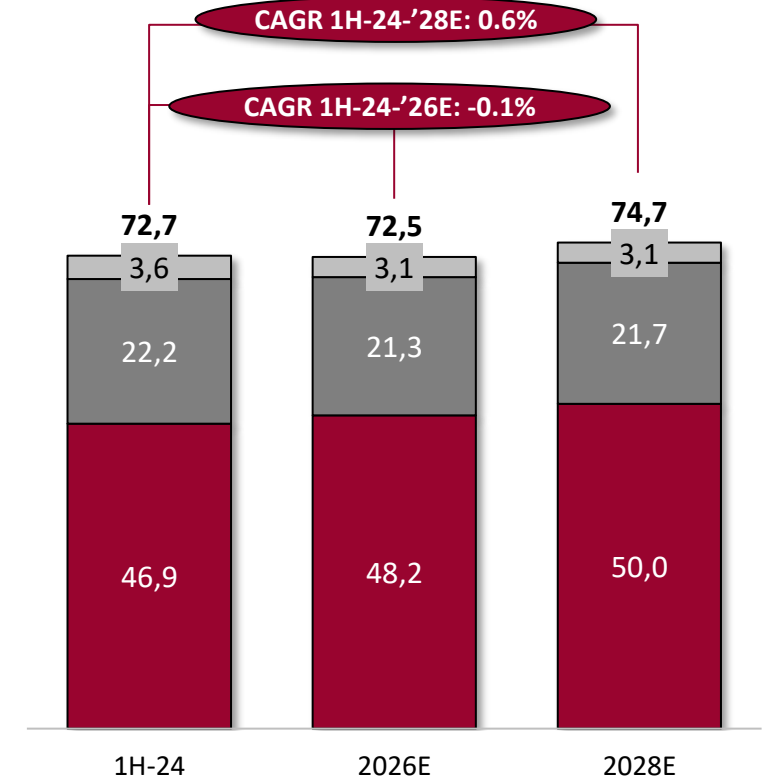
- Commercial loans stock projected to grow at 2.1% CAGR over the period 1H24-28E, driven by the planned commercial initiatives with regards to household lending and new verticals for SMEs
- Commercial direct savings projected to grow at 0.6% CAGR over the period 1H24-28E, mainly driven by increase in retail deposits over the period

Commercial Loans Mix⁽¹⁾ (€bn)



■ Mortgages & Other Retail⁽²⁾
■ Consumer Finance
■ SME
 ■ Large Corporates

Commercial Direct Savings Mix⁽¹⁾ (€bn)

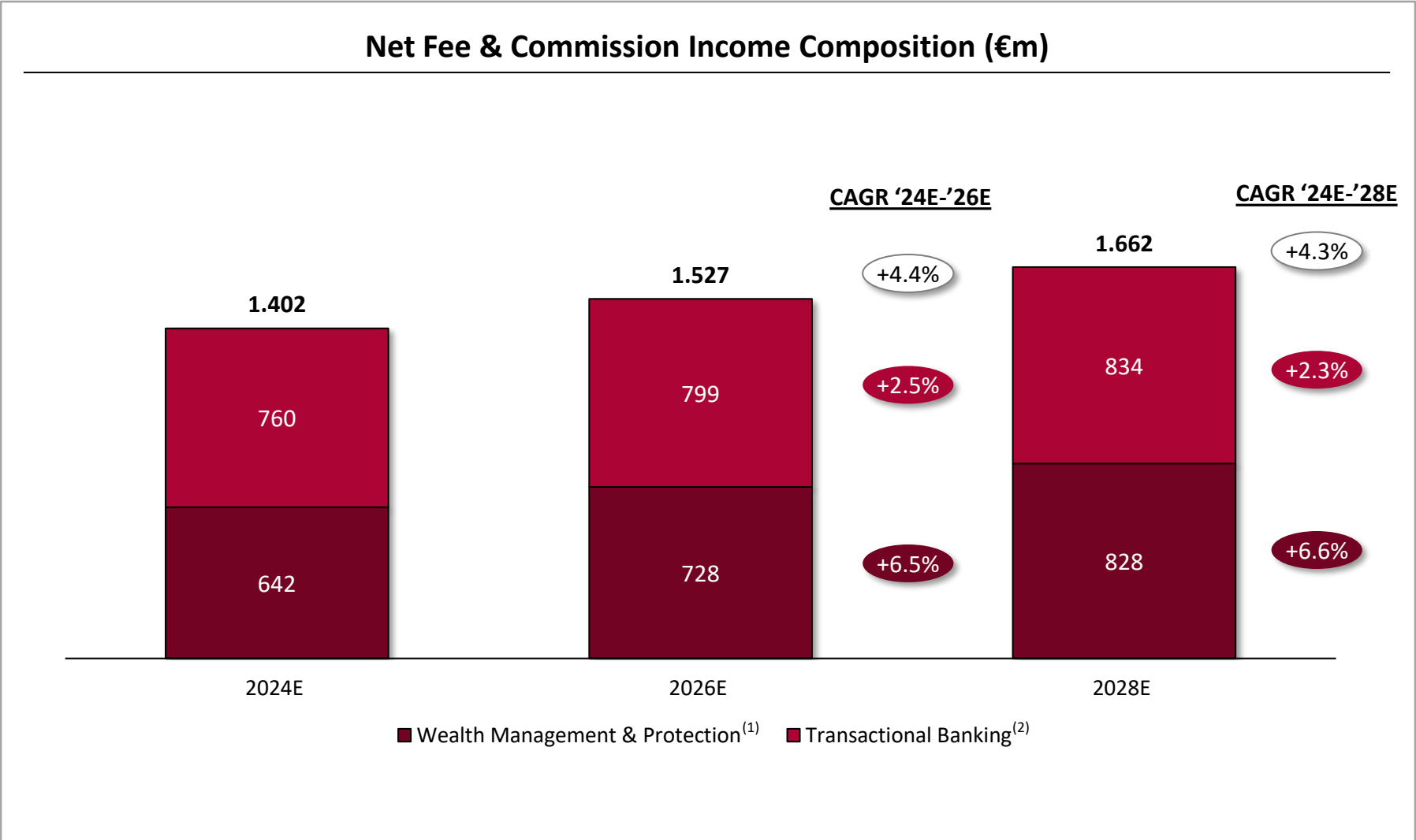


■ Retail Deposits⁽³⁾
■ SME Deposits
 ■ Large Corporate Deposits



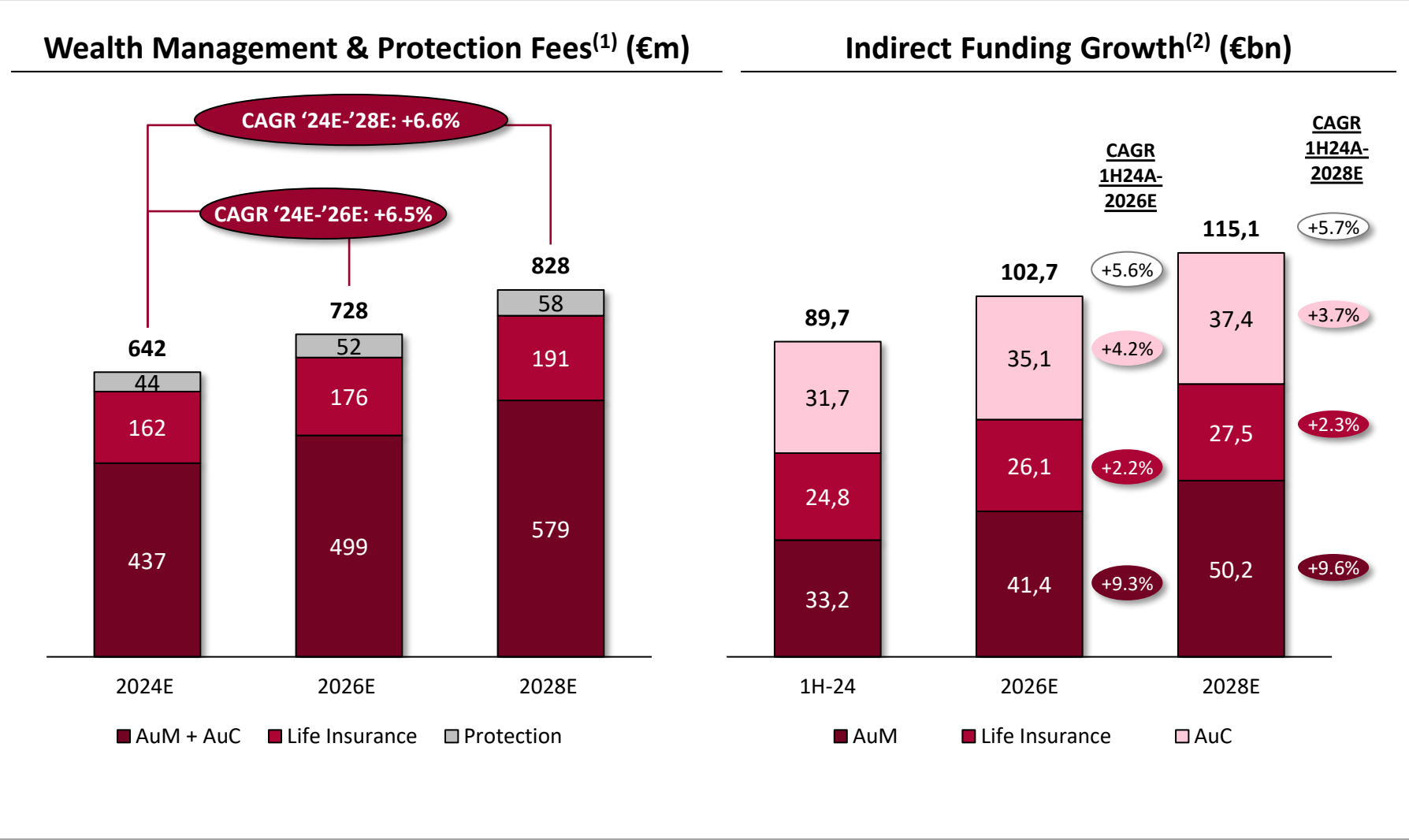
Focus on Net Fee & Commission Income: Evolution and Breakdown

- Growth in net fee & commission income at +4.3% CAGR over the period 2024-28E driven by both:
 - Wealth Management & Protection (AuM, AuC, Life Insurance and Protection) growing at a +6.6% CAGR
 - Transactional Banking fees growing at a +2.3% CAGR



Focus on Net Fee & Commission Income: Evolution of Wealth Management & Protection Fees

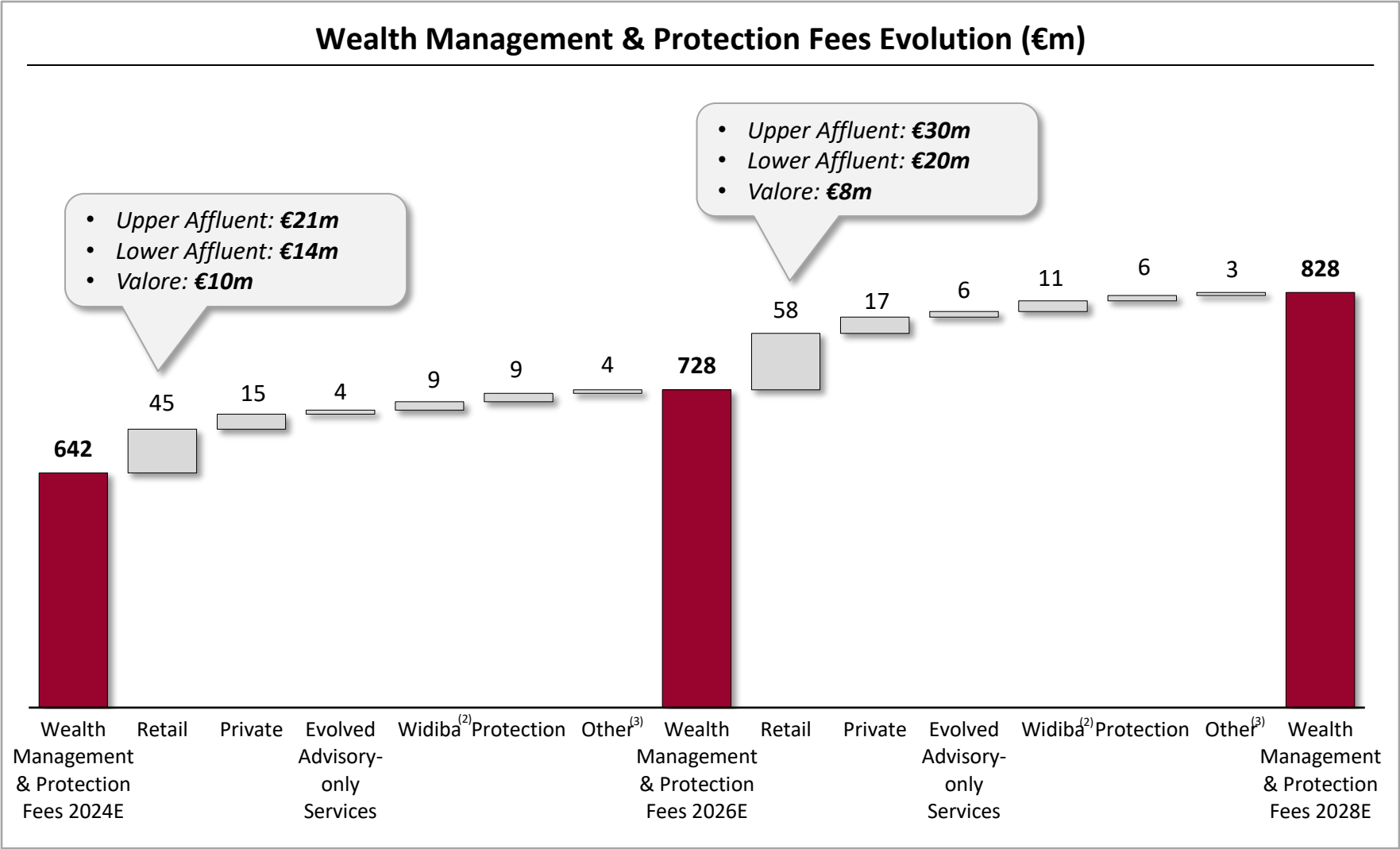
- Projected sustained growth in wealth management & protection fees (+6.6% CAGR over the period 2024-28E), driven by:
 - Envisaged indirect funding growth at +5.7% CAGR 1H24-28E, as a result of **commercial focus** coupled with expected positive impact of market performance
 - Shift in penetration from AuC into AuM + Life insurance (from ~65% to ~68%) supported by combination of strategic initiatives coupled with expected lower rates environment



Notes: (1) Wealth Management & Protection fees based on managerial view. Includes net fee & commission income from AuM, AuC, Life Insurance and Protection. (2) Indirect funding not including certain corporate deposits for securities transactions and internal pension funds. Delta with 2Q-24 stock due to MP Banque.

Focus on Net Fee & Commission Income: Evolution of Wealth Management & Protection Fees (Cont'd)

- **Wealth Management & Protection fees evolution driven by:**
 - **Significant commercial focus on Retail initiatives**, especially through the **introduction of the Upper Affluent segment** (for clients with TFA⁽¹⁾ of €250-500k)
 - **Continuous development of the Private segment**, benefitting from the **overall enhancement of Wealth Management advisory capabilities**
 - **Launch of the evolved Advisory-Only proposition**, to meet more complex client needs
 - **Growth of the Widiba platform**, through targeted hiring strategy
 - **Upgrade of Protection offering**, including modular covers and digital small tickets offering



Notes: (1) Total Financial Assets. (2) Net fee and commission income for Widiba. (3) Including Business clients and other items.

Focus on Net Fee & Commission Income: Build-up of Widiba's Platform at Scale

Growth of network and channels

- **Accelerated recruiting** of financial advisors (mainly mid-sized, but also some with large portfolios), focusing on **geographic areas with higher potential**
- **Evolution of digital channels** (e.g., App) in line with the best practices and enhancement of digital marketing, with targeted investments to **accelerate acquisition**

New service models

- Creation of a **new service model** with remote RMs to develop "self" clients
- **Distinctive value proposition** (e.g., product, brand) for "Private" segment

Product and service offering

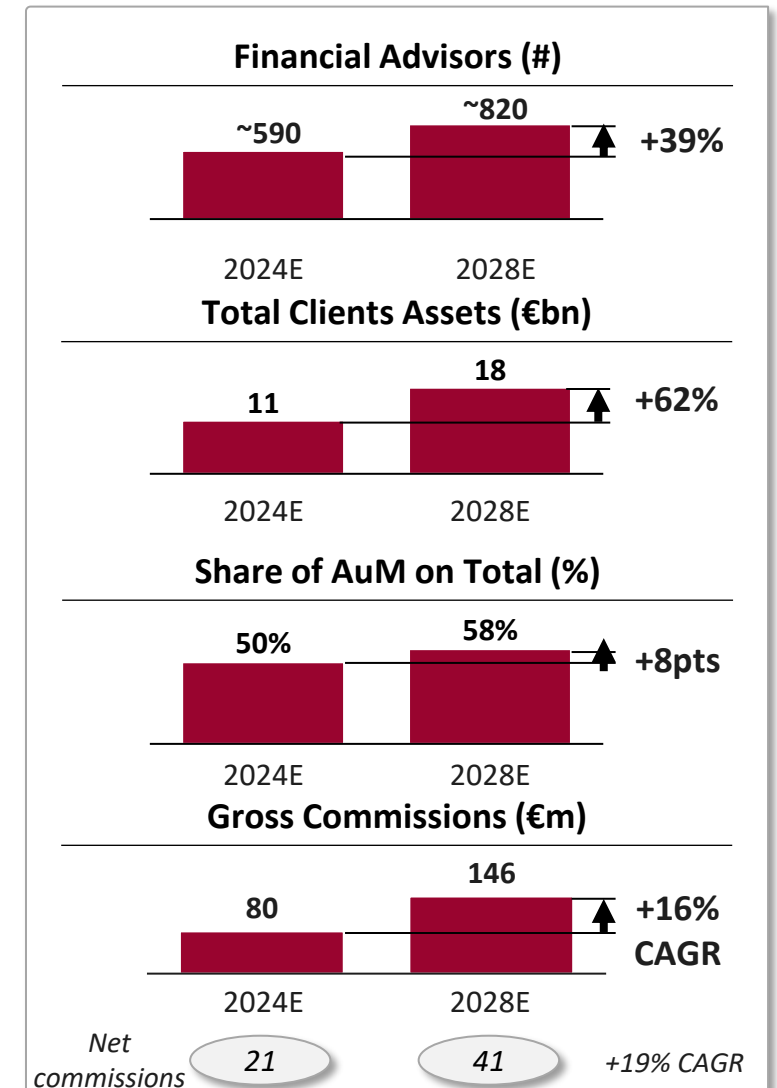
- **Expansion of product range** (e.g., alternatives, bancassurance, certificates) and **enhancement of advisory services** in order to accelerate conversion of direct deposits into AuM/ AuC

Synergies with BMPS

- **Enrichment of Widiba's product offering** leveraging synergies with BMPS also thanks to the recently developed "**Wealth Management & Advisory Center**"
- **Strengthened geographic footprint**, leveraging synergies with BMPS network

Enhancement of innovation

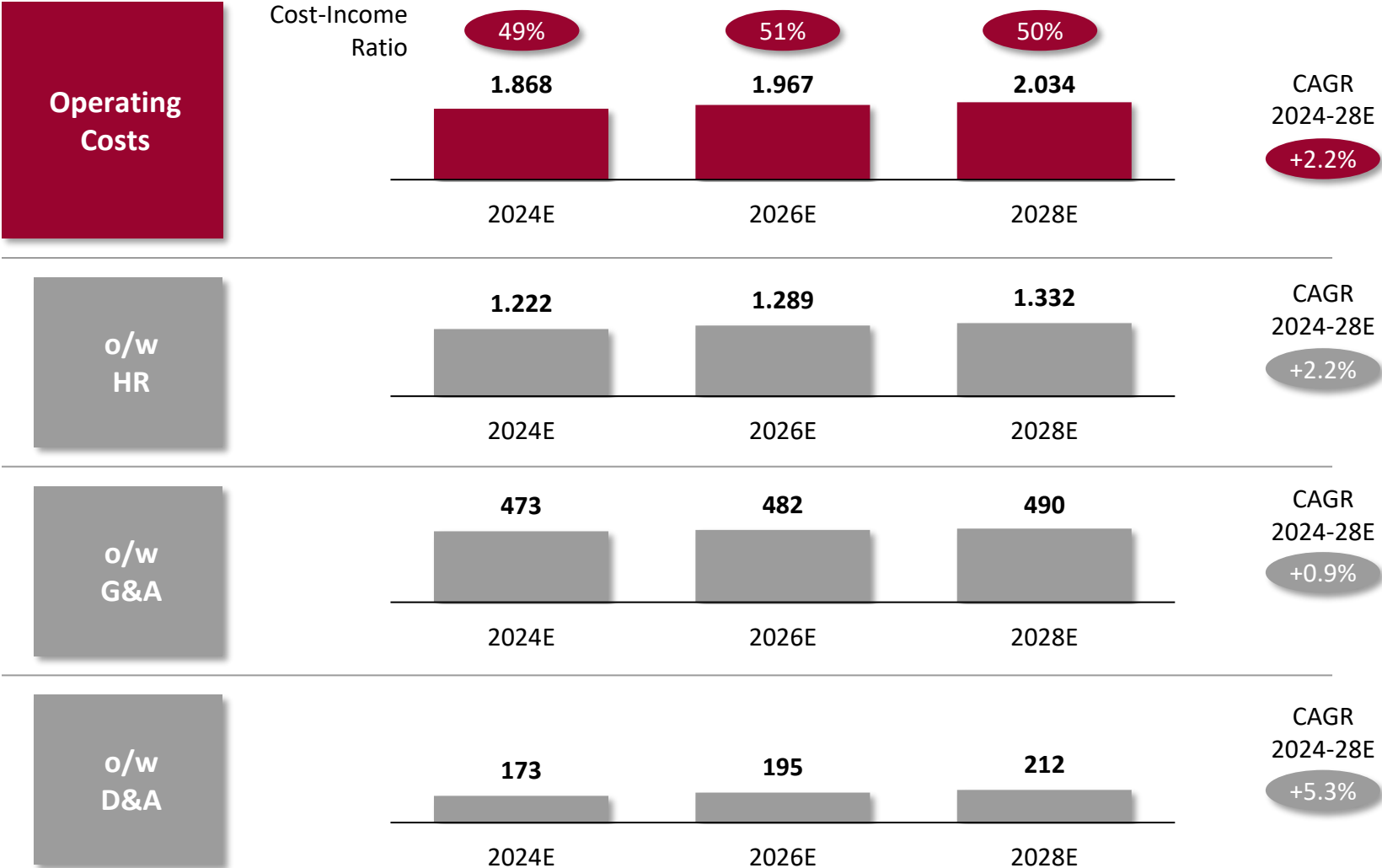
- **Enhancement of evolved CRM skills** thanks to adoption of Advanced Analytics to identify higher potential clients and generate leads for advisors and RMs
- Creation of an «innovation lab» to identify and seize **innovation opportunities** in the relationship between clients and advisors, enabled by new technologies



Focus on Operating Costs: Evolution and Breakdown

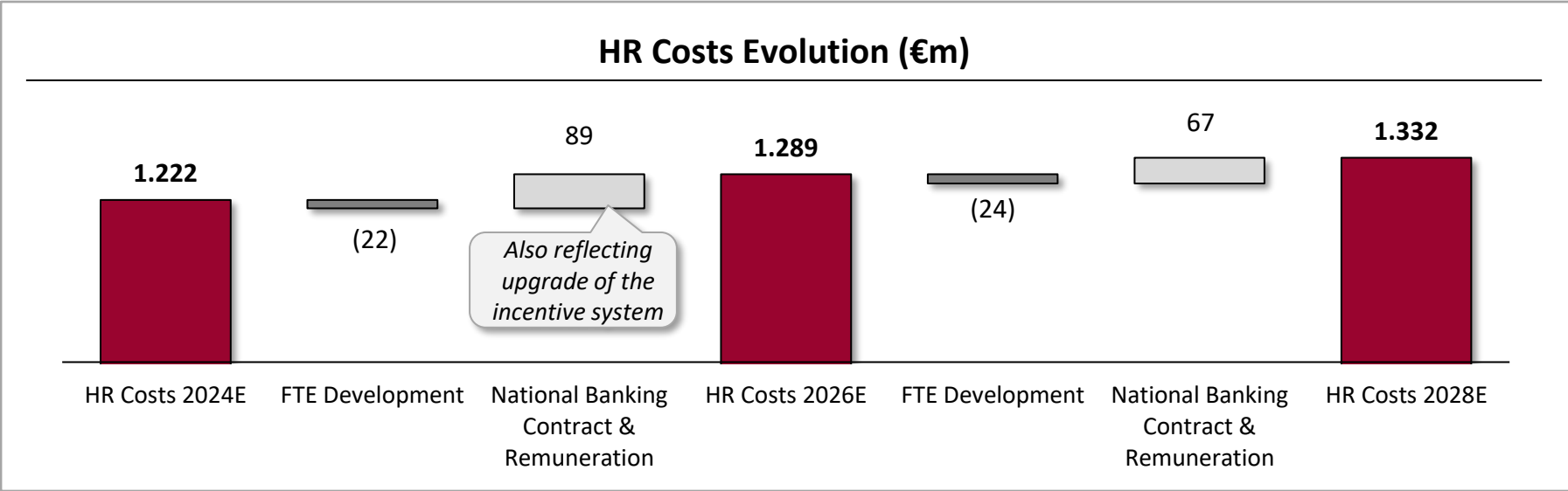
Operating Costs Evolution (€m)

- Operating Costs at ~€2.0bn in 2026-28E (vs. ~€1.9bn in 2024E), with initiatives partially offsetting impact of labour contract renewal, inflation and incremental transformation costs
- Expected increase in HR costs over the period 2024-28E (+2.2% CAGR), mostly driven by labour contract renewal
- Expected evolution of G&A costs (+0.9% CAGR) reflecting strong cost discipline and management, in line with proven track record of effective expense management / reduction
- Projected D&A increase reflecting the effects of the envisaged investments over the period 2024-28E, especially in relation to IT capex

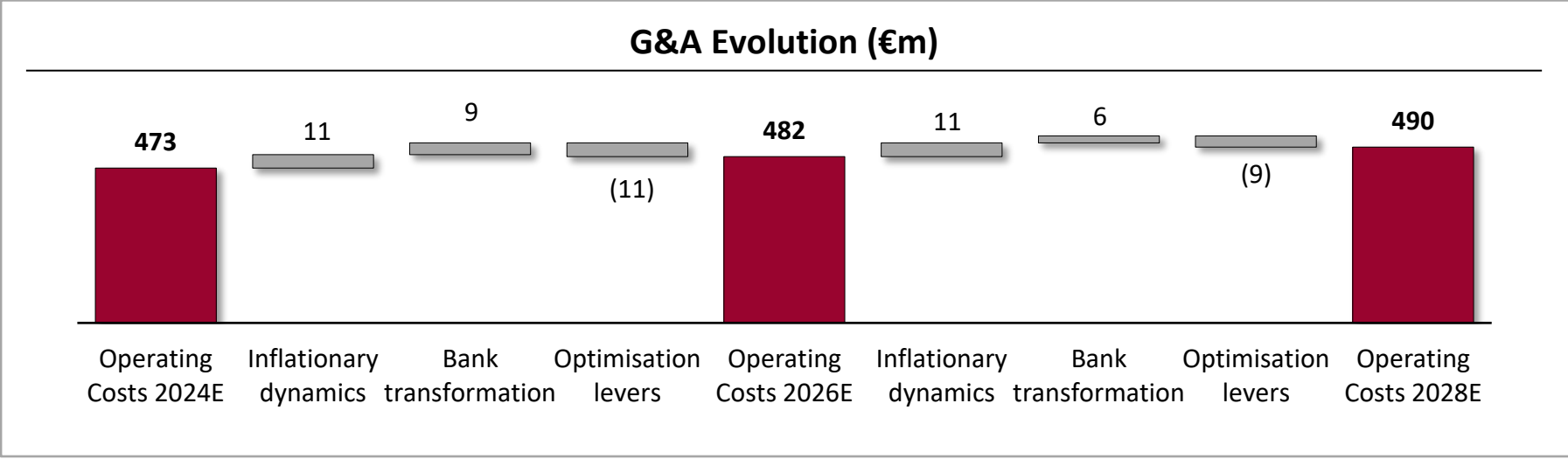


Focus on Operating Costs: Evolution and Breakdown (Cont'd)

- Expected increase in HR costs over the period 2024-28E (+2.2% CAGR), as the planned decrease in total FTEs is more than offset by the impacts of **labour contract renewal, inflation and increase in incentive system**
- Recruitment of ~800 young talented professional



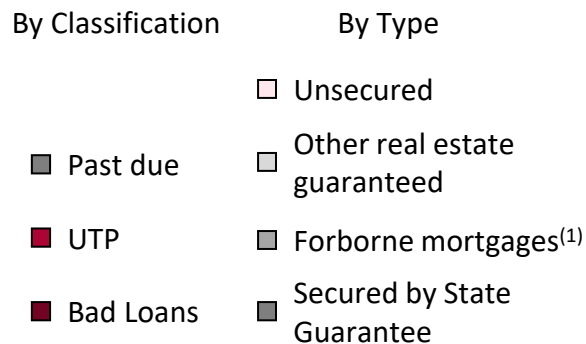
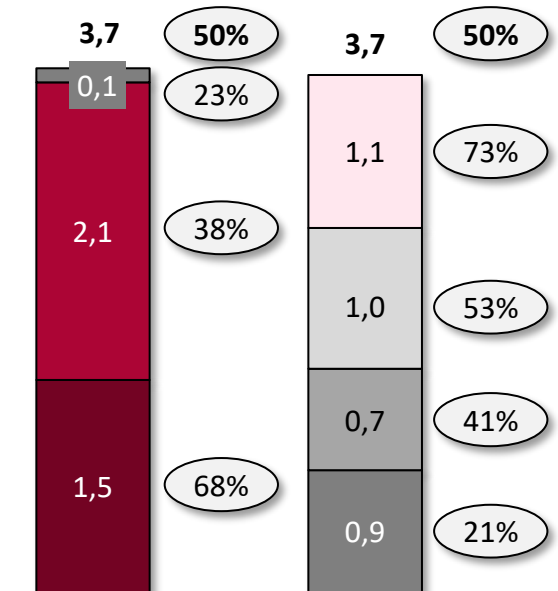
- Envisaged impacts from inflation dynamics and bank transformation initiatives partially offset by cost optimisation drivers, nearly reabsorbing cost increments coming from inflation, e.g.:
 - Zero-based management
 - Cost-to-serve optimisation
 - New central dedicated unit for “project governance”



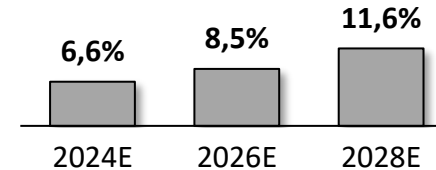
Focus on Non-Performing Exposures: Evolution

- **Collection rate supported**, among other things, **by the stock of loans secured by State guarantees** (~€0.9bn as of Jun-2024), **coupled with strong track record of the Bank in recovery / collection**
- **Cure rate supported**, among other things, **by the expected completion of forbearance period for forbore mortgages** (~€0.7bn⁽¹⁾ as of Jun-2024, on which recovery and restructuring levers have already been proactively activated), **as well as initiatives for assessment, classification and collection**
- **Default rate reduction driven by set of already activated levers** (e.g., retail mortgage switch / rebalancing from variable to fixed rates) **and enabled by the evolving macroeconomic scenario**

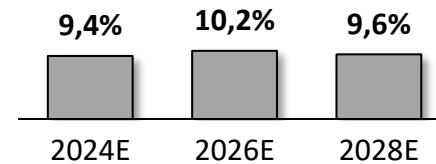
Gross NPE Stock Jun-24 (€bn)



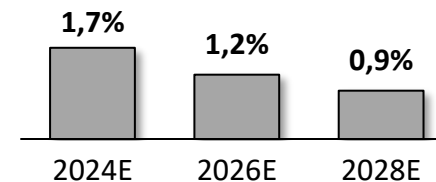
Collection Rate



Cure Rate



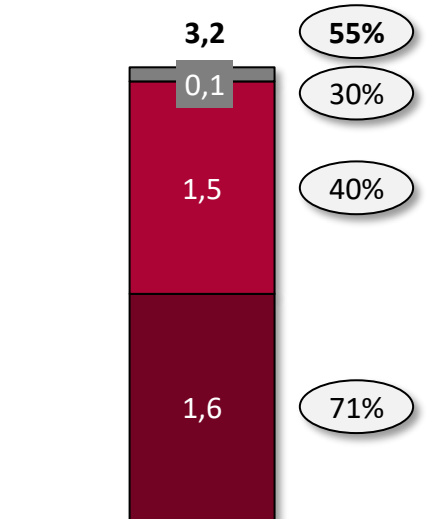
Default Rate



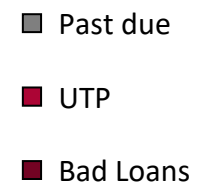
Disposals

~€2bn NPE Disposals expected in 2024-28E

Gross NPE Stock 2028E (€bn)



By Classification

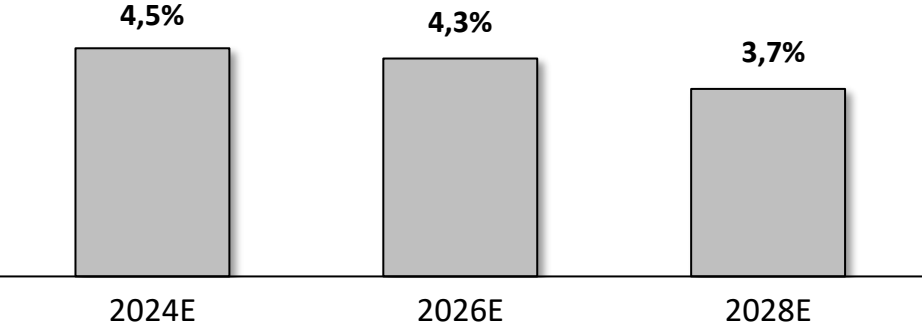


○ Cash coverage



Focus on Non-Performing Exposures: Evolution of Key Asset Quality Indicators

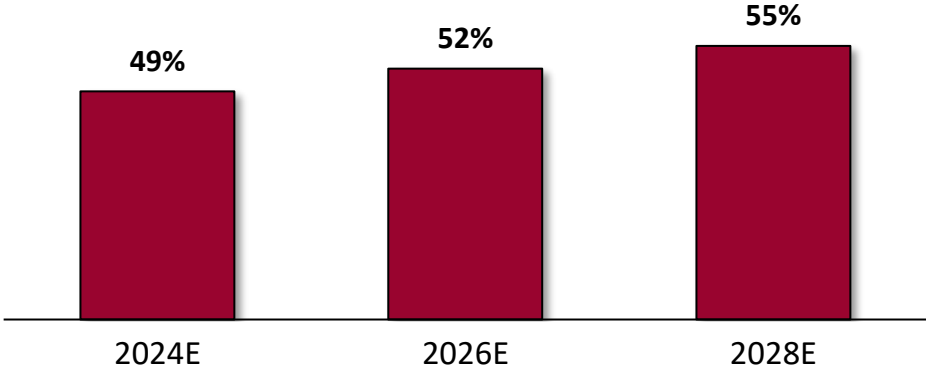
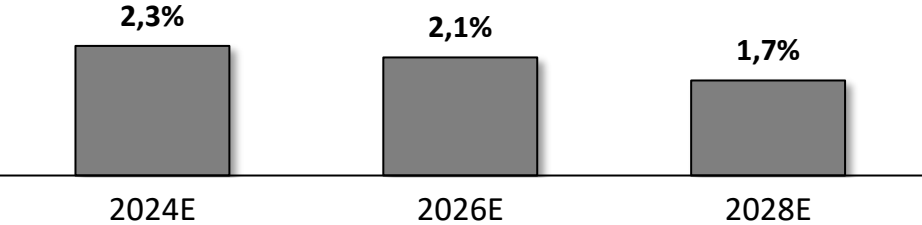
Gross NPE Ratio



NPE Coverage



Net NPE Ratio



Cost of Risk expected to further improve at 44bps in 2026E and 34bps in 2028E (from 54bps in 2024E)



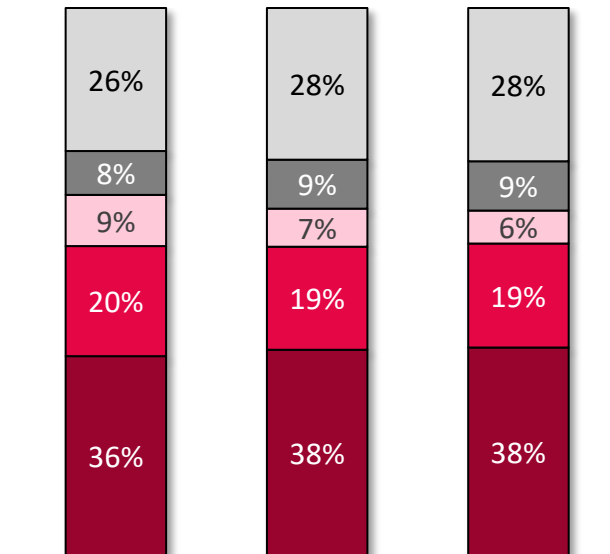
Notes: (1) Excluding forbore mortgages with State Guarantee.

Clear Funding Strategy

Group Ample Liquidity Buffer and Diversified Funding Strategy

Funding Mix (€bn)

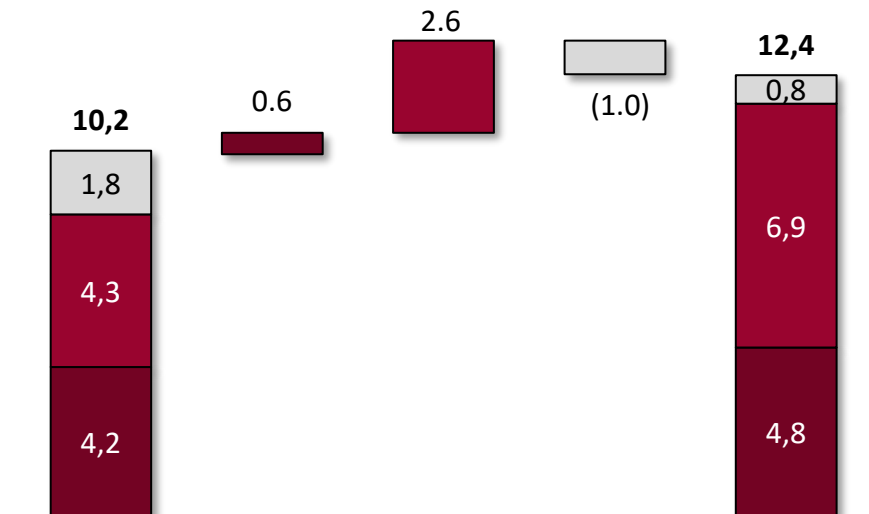
- Stable mix with further reduction of exposure to ECB



- Retail Deposits
- SME & Corp. Deposits
- ECB Funding
- Institutional Bonds
- Other

Institutional Bonds Evolution (€bn)

- Total funding reimbursement in 2H24-28E at €9.2bn
- Total funding issuance in 2H24-28E at €11.3bn



- Senior Preferred Bonds
- Covered Bonds
- Subordinated Bonds

MREL

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

	2024E	2026E	2028E
MREL Target + CBR	26.9%	27.3%	27.3%
Buffer	2.0%	1.8%	1.7%
MREL	28.9%	29.1%	29.0%

LCR and NSFR

- Significant LCR and NSFR target buffer

	2024E – 2028E
LCR	~160%
NSFR	~140%



Significant Value Creation Potential from DTA

Current Stock of DTA (2Q-24)

Convertible DTAs	€0.4bn
DTAs on Tax Losses Carry Forward	€1.3bn
Other Non Convertible DTAs	€0.6bn
DTAs Not Recorded On Balance Sheet	€1.9bn

DTA Stock Evolution and Net Tax Impact at P&L (€bn)

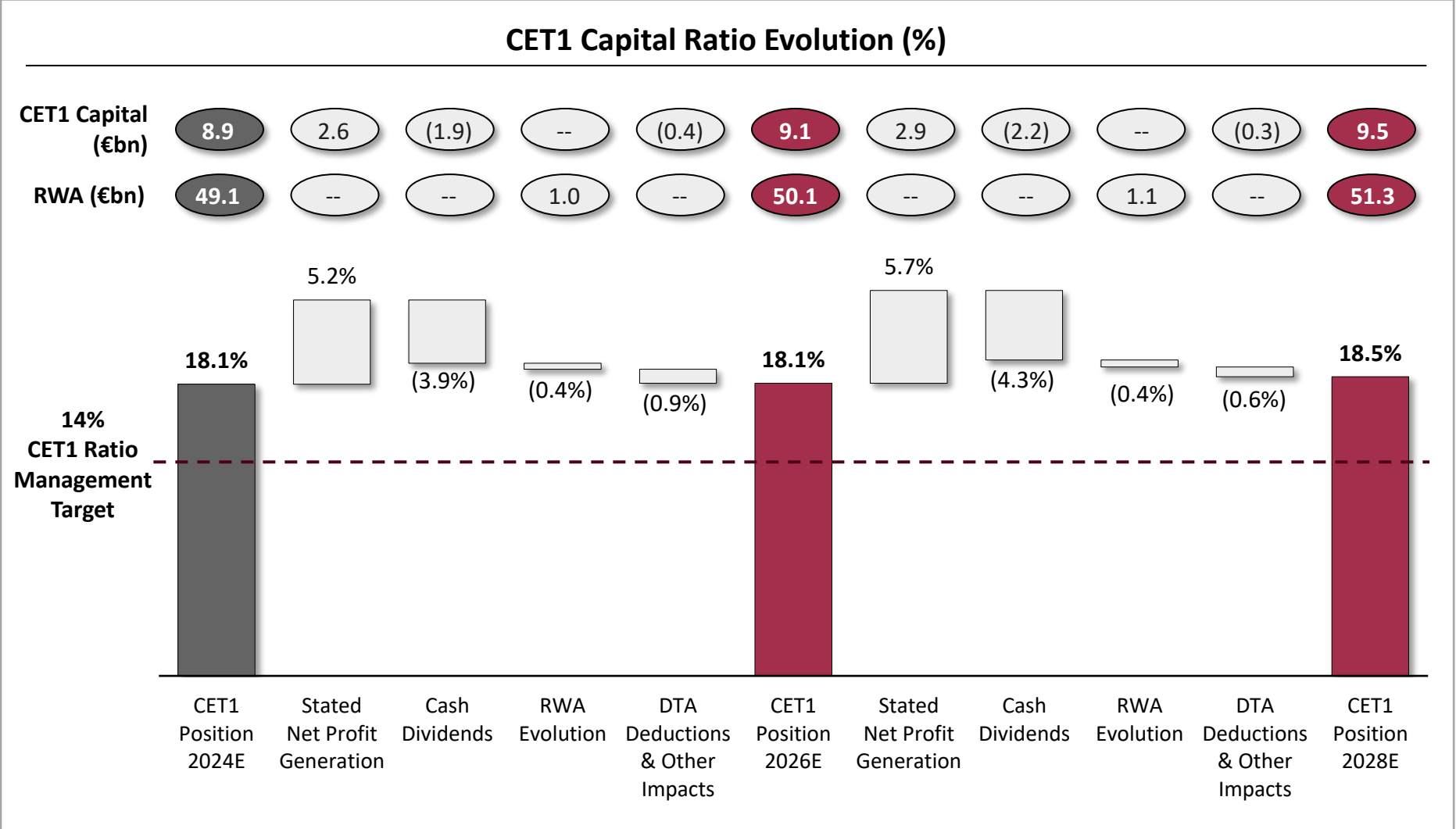
	2024E	2026E	2028E
Income Statement			
Pre-tax profit	1.3	1.4	1.7
Net tax impact ⁽¹⁾	0.4	(0.1)	(0.2)
<i>Implied effective tax rate</i>	<i>n.m.</i>	<i>8%</i>	<i>11%</i>
Net Profit	1.7	1.3	1.5
DTA Stock			
DTA on Balance Sheet	2.2	2.3	2.2
DTA off Balance Sheet	1.8	1.1	0.5

- Expected ~€2.4bn of “on and off-balance sheet” tax losses carry forward at the end of projection period, **NOT** yet captured by CET1 ratio at YE 2028E
- Significant unrealised value and core capital creation potential stemming from DTAs beyond 2028E

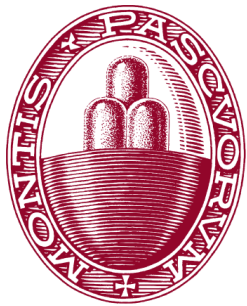


Regulatory Capital Evolution

- Capital ratios evolution, assuming for illustration purposes cash dividends related to 2025-28E in line with 2024E⁽¹⁾
- Sustained capital generation between 2024E and 2028E, resulting in CET1 ratio above 18% throughout projection period
- Expected amount of DTAs (tax losses carry forward “on and off” balance sheet) of ~€2.4bn at the end of 2028E NOT captured by CET1 Ratio projection
- First time adoption impact of CRR3 estimated at ~€1.3bn of lower RWAs as at year-end 2025E, more than offsetting the impact of the update of AIRB models for ~€0.8bn higher RWAs



Notes: (1) 75% of pre-tax profit, but not higher than 75% of net profit (as per current statutory provisions) in case net profit lower than pre-tax profit in future years due to net negative tax effect.

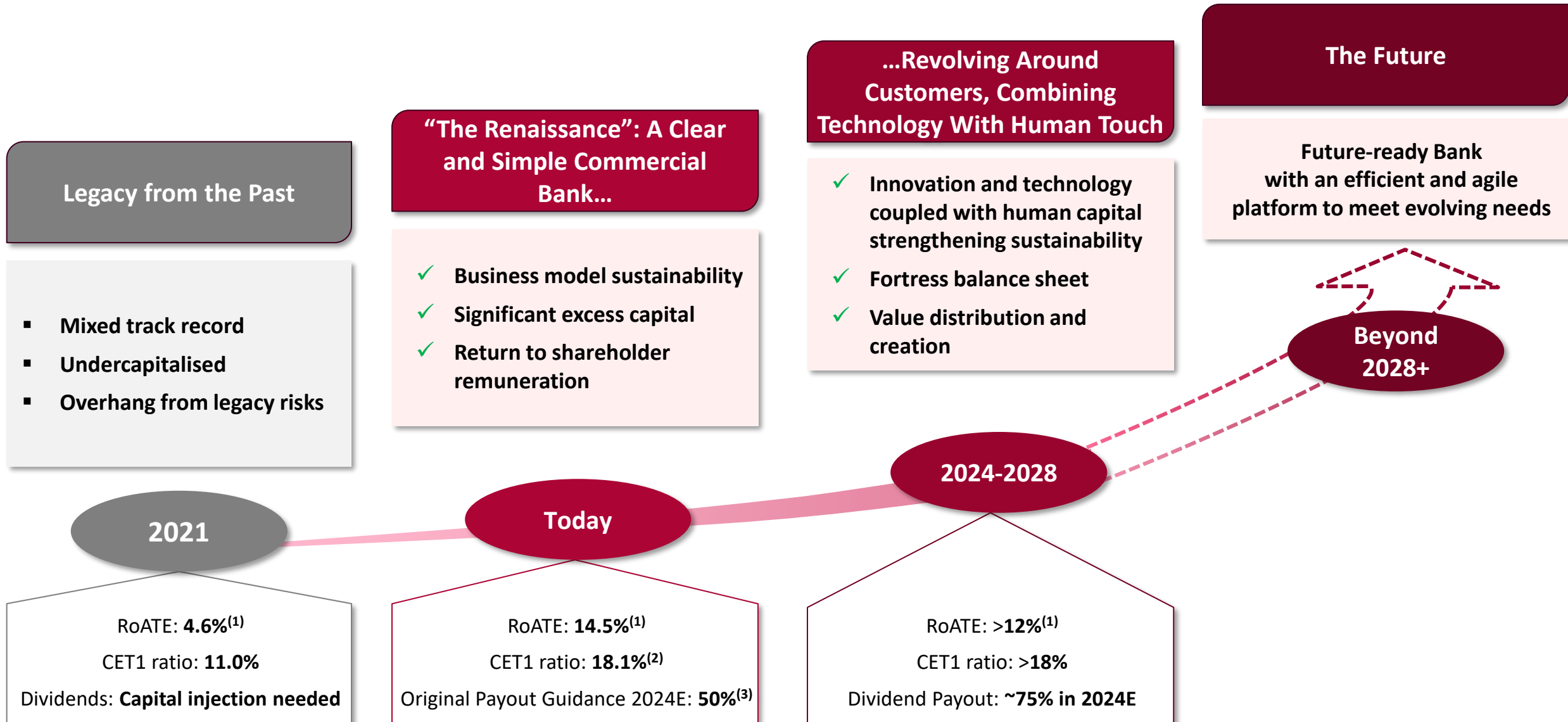


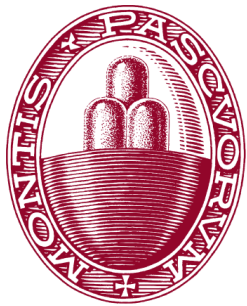
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3. Closing Remarks and Q&A Session



The Evolving Journey of BMPS: from the “Renaissance” to the Future





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Appendix – Supporting Materials of 2Q-24 & 1H- 24 Results



Focus on DTAs

On and Off Balance Sheet DTAs (€bn)

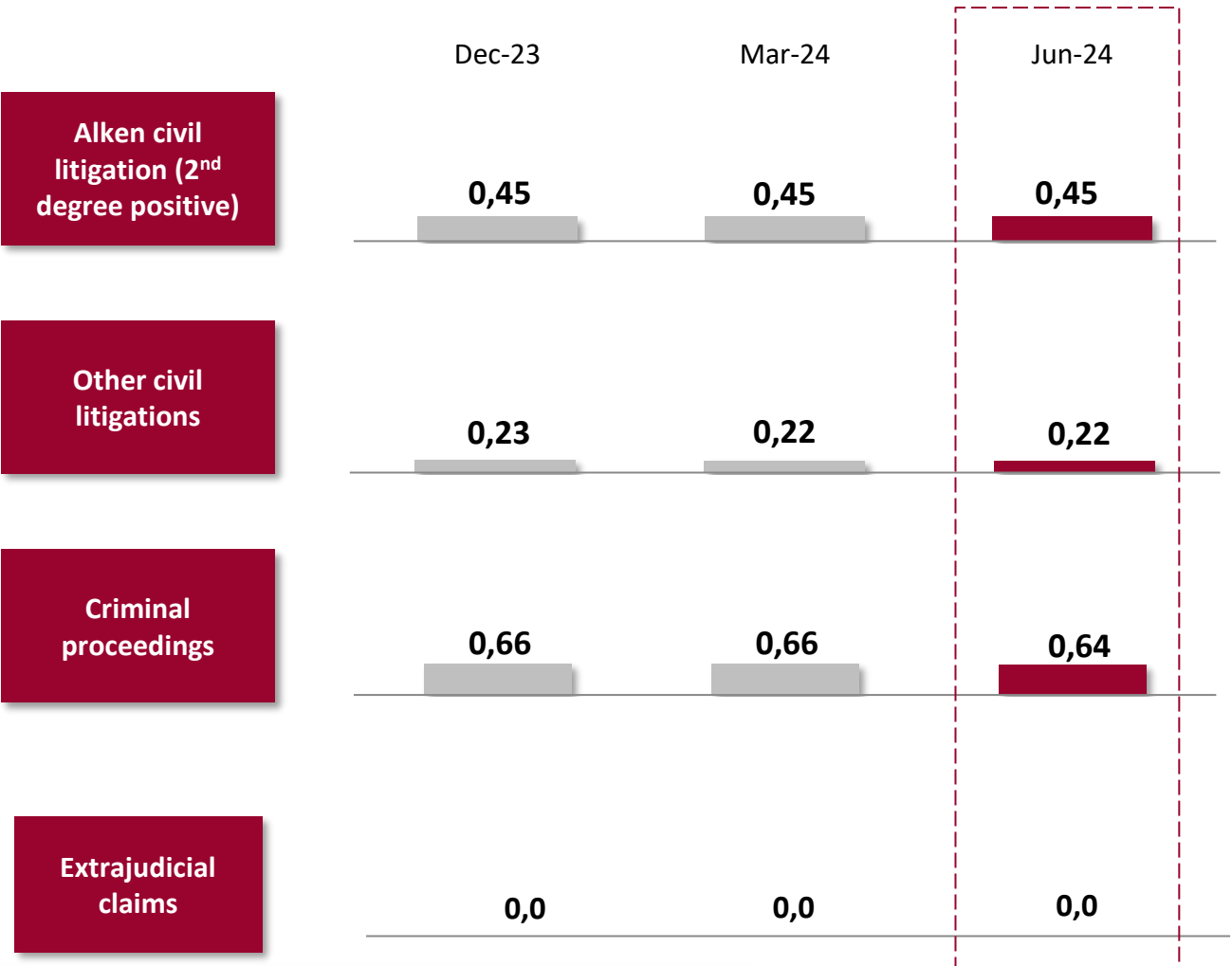
	Dec-23	Mar-24	Jun-24
Convertible DTAs	0.5	0.5	0.4
DTAs on Tax loss carryforwards	0.7	0.8	1.3
Other non-convertible DTAs	0.6	0.6	0.6
Total on balance sheet DTAs	1.8	1.9	2.4
DTAs not recorded in balance sheet	2.6	2.5	1.9

- Following the approval of the new financial targets and the expected improved capability of the Bank to generate sustainable profits, in 2Q reassessment of DTA on Tax loss carryforwards from “off - balance sheet” to “on - balance sheet” for €0.6bn was performed
- Stock of DTAs not recorded in Balance Sheet at €1.9bn, almost entirely composed by DTAs on tax loss carryforwards
- Current Italian fiscal regulations do not set any time limit to the use of tax loss carryforwards against the taxable income of subsequent years



Extraordinary Litigations and Extrajudicial Claims

Gross Petitem⁽¹⁾ (€bn)



- Extraordinary litigations and extrajudicial claims stable since December 2023
- The positive trend of civil sentences on disclosure of financial information 2008-2017 NPE proceedings is continuing; such trend includes the cluster of NPE proceedings
- 1st degree verdict, issued on May-24 in favor of the Bank, regarding litigation commenced by institutional investors for an amount of approximately €186m, concerning, inter alia, NPE issue



Notes: (1) Excluding remote risk litigations, in line with IAS 37.86.

Reclassified Income Statement

(€m)	2Q-24	1Q-24	1H-24	1H-23	2Q-24/ 1Q-24 (%)	1H-24/ 1H-23 (%)
Net Interest Income	585	587	1,172	1,083	-0.3%	+8.3%
Net fees and commission income	370	365	736	670	+1.4%	+9.8%
Core Revenues	956	952	1,908	1,753	+0.4%	+8.9%
Profit (loss) of equity-accounted investments (AXA)	12	15	28	42	-19.6%	-34.1%
Financial revenues ⁽¹⁾	51	38	89	58	+35.4%	+52.5%
Other operating net income	-1	7	6	-2	n.m.	n.m.
Operating Income	1,018	1,013	2,031	1,851	+0.5%	+9.7%
Personnel expenses	-304	-305	-608	-574	-0.3%	+5.9%
Other administrative expenses	-117	-115	-232	-253	+1.9%	-8.1%
Depreciations/amortisations and net impairment losses on PPE	-42	-42	-84	-87	-0.9%	-2.4%
Operating Costs	-463	-462	-925	-914	+0.2%	+1.2%
Gross operating profit	555	551	1,106	937	+0.8%	+18.0%
Net impairment losses for credit risk	-98	-106	-204	-205	-7.0%	-0.4%
Net impairment losses for other financial assets	-4	-1	-5	2	n.m.	n.m.
Net operating profit	453	444	897	734	+1.9%	+22.2%
Net gains/losses on equity investments, PPE and intangible assets at FV, and disposal of investments	-23	-6	-29	-30	n.m.	-2.7%
Systemic funds contribution	0	-75	-75	-59	-99.5%	+28.7%
DTA Fee	-15	-15	-31	-31	+0.0%	-2.9%
Net accruals to provisions for risks and charges	-11	-4	-15	-2	n.m.	n.m.
Restructuring costs / one-off costs	-34	-8	-41	4	n.m.	n.m.
Pre-tax profit (loss)	370	336	706	615	+9.9%	+14.7%
Income taxes	457	-4	453	4	n.m.	n.m.
Profit (loss) for the period	827	333	1,159	619	n.m.	+87.3%



Balance Sheet

Total Assets⁽¹⁾ (€m)

	Jun-23	Dec-23	Mar-24	Jun-24	QoQ%	YoY%
Loans to Central banks	544	527	832	566	-32.0%	4.1%
Loans to banks	2,238	2,582	2,313	2,671	15.5%	19.3%
Loans to customers	76,056	76,816	78,423	77,975	-0.6%	2.5%
Securities assets	19,590	17,277	18,176	18,399	1.2%	-6.1%
Tangible and intangible assets	2,496	2,483	2,423	2,356	-2.8%	-5.6%
Other assets	19,878	22,930	24,608	26,734	8.6%	34.5%
Total Assets	120,801	122,614	126,775	128,701	1.5%	6.5%

Total Liabilities⁽¹⁾ (€m)

	Jun-23	Dec-23	Mar-24	Jun-24	QoQ%	YoY%
Deposits from customers	74,727	80,558	83,204	86,180	3.6%	15.3%
Securities issued	9,416	10,081	9,514	10,342	8.7%	9.8%
Deposits from central banks	15,283	13,148	11,629	12,010	3.3%	-21.4%
Deposits from banks	1,898	1,351	1,304	1,114	-14.6%	-41.3%
Other liabilities	10,977	7,497	10,816	8,260	-23.6%	-24.8%
Group net equity	8,500	9,979	10,307	10,795	4.7%	27.0%
Non-controlling interests	1	1	1	0	-33.3%	-50.0%
Total Liabilities	120,801	122,614	126,775	128,701	1.5%	6.5%



Lending & Direct Funding

Total Lending (€m)

	Jun-23	Dec-23	Mar-24	Jun-24	QoQ%	YoY%
Current accounts	3,073	2,756	2,668	2,634	-1.3%	-14.3%
Medium-long term loans	53,330	51,838	52,047	51,579	-0.9%	-3.3%
Other forms of lending	14,341	14,219	14,628	14,659	0.2%	2.2%
Reverse repurchase agreements	3,657	6,230	7,241	7,225	-0.2%	97.6%
Impaired loans	1,656	1,774	1,838	1,877	2.1%	13.4%
Total	76,056	76,816	78,423	77,975	-0.6%	2.5%

Direct Funding (€m)

	Jun-23	Dec-23	Mar-24	Jun-24	QoQ%	YoY%
Current accounts	63,006	65,446	64,459	66,640	3.4%	5.8%
Time deposits	4,762	5,948	7,353	7,715	4.9%	62.0%
Repos	4,394	6,565	8,769	9,179	4.7%	n.m.
Bonds	9,416	10,081	9,514	10,342	8.7%	9.8%
Other forms of direct funding	2,565	2,599	2,623	2,646	0.9%	3.1%
Total	84,142	90,639	92,718	96,522	4.1%	14.7%

