

SECOND SUPPLEMENT DATED 28 NOVEMBER 2022 TO THE  
BASE PROSPECTUS DATED 19 JANUARY 2022

**Banca Monte dei Paschi di Siena S.p.A.**

*(Incorporated with limited liability in the Republic of Italy)*



**€50,000,000,000**

**Debt Issuance Programme**

This second supplement (the “**Supplement**”) to the Base Prospectus dated 19 January 2022, as supplemented by the first supplement dated 24 November 2022 (the “**Base Prospectus**”) constitutes a supplement for the purposes of article 23 (1) of the Prospectus Regulation and is prepared in connection with the €50,000,000,000 Debt Issuance Programme (the “**Programme**”) established by Banca Monte dei Paschi di Siena S.p.A. (“**BMPS**” or the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement will be published on the website of the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu).

### **Purpose of the Supplement**

The purpose of the submission of this Supplement is to update (i) the “*Risk Factors*” section of the Base Prospectus; (ii) the “*Documents incorporated by reference*” section of the Base Prospectus to incorporate by reference the press release headed “*Fitch Ratings improves the bank’s ratings with stable outlook*”, published by the Issuer on its website on 24 November 2022 and (iii) the “*Banca Monte dei Paschi di Siena S.p.A.*” section of the Base Prospectus.

## RISK FACTORS

The paragraph titled “*Risks related to the speculative rating assigned to the Issuer and its debt*” inserted in the “*Risk Factors*” section of the Base Prospectus by way of the first supplement thereto approved on 24 November 2022 (on pages 79 and 80 of such first supplement), shall be deleted and replaced by the following:

*“Risks related to the speculative rating assigned to the Issuer and its debt*

The Issuer and its debt are subject to ratings by Moody's Investors Service (“**Moody's**”), Fitch Ratings Ireland Limited (“**Fitch**”), and DBRS Morningstar (“**DBRS**”, and together with Moody's and Fitch, the “**Agencies**”), which, as of the date of the Base Prospectus, have assigned ratings to the Issuer that fall into the non-investment grade category, which is characterised by an accentuated risk profile and includes debt securities that are particularly exposed to adverse economic, financial, and sectoral conditions. Specifically, the ratings assigned and are:

- (i) for Fitch: b+ (Viability Rating), BB- (Long-term Deposit Rating), B+ (Long-term Senior Debt Rating) and B (Short-term Deposit Rating) as per the latest Rating action dated 24 November 2022. The outlook is classed as "stable". According to the rating agency Fitch, the upgrade occurred in the latest Rating action reflects the Bank's strengthened capitalisation following the capital increase which restored adequate capital buffers over regulatory requirements and gives the Bank the necessary resources to complete its restructuring plan, including crucial cost cuts and investments. The upgrade also considers a reduced stock of impaired loans and lower capital encumbrance by the unreserved portion since MPS asset-quality clean-up. The rating agency Fitch expects the cost reductions, in combination with rising interest rates, to lead to higher and more sustainable profitability and more than offset the impact from expected deterioration in the operating environment in Italy in 2023;
- (ii) for Moody's: b3 (standalone Baseline Credit Assessment), B1 (long-term deposit rating) and Caa1 (long-term senior debt rating), NP (short-term deposit rating), as per the latest rating action dated 17 March 2022. The outlook is stable. According to Moody's, the rating reflects weakness in the business network, capital position, and profitability albeit with improvements realized in the last period; the bank's performance remains volatile and subject to losses that can erode capital. In addition, the cost structure remains higher than other Italian banks;
- (iii) for DBRS: B (high) (Intrinsic Assessment), BB(low) (long-term deposit rating) and B (high) (long-term senior debt rating), R-4 (short-term deposit rating) as per the latest rating action dated 15 June 2022. The outlook is qualified as "stable." According to the rating agency DBRS, the ratings reflect weakness and volatility in profitability, despite a return to profit in 2021; however, due to the significant de-risking achieved in recent years, pressures from the cost of risk have decreased. The ratings also reflect low capital levels.

It should be noted that the aforementioned agencies consider the Group's capitalization levels to be vulnerable to possible impacts arising from the macroeconomic environment; impacts that the rating agencies indicated could be exacerbated by already weak profitability and difficulties in restoring full commercial capacity in the market.

In determining the rating assigned to the Issuer, the rating agencies consider and examine various indicators of the Group's performance, and in particular the results of the commercial network, the Bank's profitability, cost structure, capital levels, asset quality, legal risks, funding and liquidity.

The main factors that may lead to a possible rating downgrade are:

- a failure to implement the Bank's new strategy envisaged in the Business Plan 2022-2026, with a focus on both profitability levels and its sustainability over time; and

- a deterioration in asset quality above rating agencies' expectations, large unexpected cost items such as from pending legal claims or the restructuring.

Should the Issuer experience a deterioration (so-called downgrading) in the ratings assigned by the agencies, there could be a greater burden in raising financing, less easy recourse to the capital market and, more generally, potential negative repercussions for the Group's liquidity.

The Issuer's rating may also be affected by the rating of the Italian State which, as of the date of the Base Prospectus, is Baa3 for Moody's with a negative outlook, BBB for S&P with a stable outlook, BBB for Fitch with a stable outlook, and BBBh for DBRS with a stable outlook. Any significant downgrade in Italy's sovereign rating could adversely affect the Issuer's ratings, with consequent negative effects on the Bank's and/or the Group's business and economic, capital, and/or financial position.”

## DOCUMENTS INCORPORATED BY REFERENCE

On 24 November 2022, the Issuer has published on the Issuer’s website the press release headed “*Fitch Ratings improves the bank’s ratings with stable outlook*” (the “**Fitch Press Release**”) which is available at [https://www.gruppomps.it/static/upload/pr\\_/pr\\_fitch\\_24-11-2022\\_eng.pdf](https://www.gruppomps.it/static/upload/pr_/pr_fitch_24-11-2022_eng.pdf).

A copy of the Fitch Press Release has been filed with the CSSF and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

The “*Documents Incorporated by Reference*” section on pages 61-64 of the Base Prospectus is amended as follows:

1. The list of documents under the first paragraph of “*Documents incorporated by reference*” section shall be supplemented as follows:

“(m) the press release headed “*Fitch Ratings improves the bank’s ratings with stable outlook*” ([https://www.gruppomps.it/static/upload/pr\\_/pr\\_fitch\\_24-11-2022\\_eng.pdf](https://www.gruppomps.it/static/upload/pr_/pr_fitch_24-11-2022_eng.pdf)) (see cross-reference table below);”.

2. The table set out under paragraph “*Cross-reference table*” is hereby supplemented with the following:

Press release headed “ <i>Fitch Ratings improves the bank’s ratings with stable outlook</i> ” (“ <b>Fitch Ratings – Press Release</b> ”)	Entire document	All
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Copy of the Fitch Press Release have been filed with the CSSF and, by virtue of this Supplement, are incorporated by reference in, and forms part of, the Base Prospectus.

## BANCA MONTE DEI PASCHI DI SIENA S.p.A.

The “*Ratings*” sub-section under section “*Banca Monte dei Paschi di Siena S.p.A.*” on pages 197-198 of the Base Prospectus shall be deleted in its entirety and replaced by the following paragraph:

### “4. Ratings

On 24 November 2022 Fitch completed its annual review, resulting in the decision to upgrade the Long-Term Issuer Default Rating (“IDR”) to “B+” from “B” and the Viability Rating (“VR”) to “b+” from “b”. The outlook has improved to “stable” from “evolving”.

On 15 June 2022 DBRS completed its annual review, resulting in the decision to confirm all BMPS ratings, including the Long-Term Issuer Rating of “B (high)”, Long-Term Senior Debt Rating of “B (high)” and Long-Term Deposits Rating of “BB (low)”. The trend on all ratings was confirmed stable.

On 17 March 2022 Moody’s Investors Service concluded its review for the upgrade of BMPS “b3” standalone Baseline Credit Assessment and long-term ratings (including the “B1” long-term bank deposits rating and “Caa1” long-term senior unsecured rating).

<b>Ratings Agencies</b>	<b>Long term rating</b>	<b>Outlook</b>	<b>Short term rating</b>	<b>Outlook</b>	<b>Last updated</b>
Moody’s	Caa1 <sup>15</sup>	Stable	(P)NP <sup>16</sup>	-	17 March 2022
Fitch	B+	Stable	B <sup>17</sup>	-	24 November 2022
DBRS	B (High)	Stable	R-4 <sup>18</sup>	Stable	15 June 2022

15 Long Term Debt.

16 Pursuant to the rating scale of Moody’s Investor Service, “NP” rating refers to issuers rated “Not Prime”, *i.e.* that do not fall within any of the “Prime” rating categories. The short-term rating is on the issuance programme and is therefore provisional (P).

17 Pursuant to the rating scale of Fitch Ratings, “B” rating refers to minimal capacity for timely payment of financial commitments, plus heightened vulnerability to adverse changes in financial and economic conditions in the in short term.

18 Pursuant to the rating scale of DBRS, “R-4” rating refers to a short-term security (or to a short-term securities portfolio) with a highly speculative grade whose short-term redemption capacity is uncertain.”

## GENERAL

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or any other document incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with article 21 of the Prospectus Regulation, copies of this Supplement and all documents incorporated by reference in the Base Prospectus can be obtained free of charge from the Issuer's website (<https://www.gruppomps.it/en/>) and from the office of the Issuer and, in case of Notes admitted to the Official List and to trading on the Luxembourg Stock Exchange's regulated market, from the principal office in Luxembourg of *Banque Internationale à Luxembourg, société anonyme*, being at 69 Route d'Esch, L-2953 Luxembourg. Copies of this Supplement, of the Fitch Press Release and all documents incorporated by reference in the Base Prospectus will also be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).