

FOURTH SUPPLEMENT DATED 6 SEPTEMBER 2019 TO THE BASE PROSPECTUS DATED 22 JANUARY 2019



Banca Monte dei Paschi di Siena S.p.A.
(incorporated as a joint stock company in the Republic of Italy)

€20,000,000,000 Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments of interest and principal by

MPS Covered Bond S.r.l.
(incorporated as a limited liability company in the Republic of Italy)

This fourth Supplement (the "**Supplement**") to the base prospectus dated 22 January 2019 (the "**Base Prospectus**") as supplemented by the first supplement dated 23 April 2019, the second supplement dated 31 May 2019 and the third supplement dated 10 July 2019 constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC (the "**Prospectus Directive**") and Article 13.1 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended (the "**Prospectus Act**") and is prepared in connection with the €20,000,000,000 covered bond programme (the "**Programme**") established by Banca Monte dei Paschi di Siena S.p.A. ("**BMPS**" or the "**Issuer**") and guaranteed by MPS Covered Bond S.r.l. (the "**Guarantor**").

Capitalised terms used in this Supplement, and not otherwise defined herein, shall have the same meaning ascribed to them in the Base Prospectus.

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 (having 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 has been approved by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") as a supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg.

Copies of this Supplement and the document incorporated by reference in this Supplement can be obtained free of charge from the registered office of the Issuer and are available on the Luxembourg Stock Exchange website (www.bourse.lu). In case of any offering of securities under the Programme, the above documents with respect to the Issuer will also be available on the Issuer's website (www.mps.it).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b)

any other statement in, or incorporated by reference into, 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 inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Purpose of this Supplement

The purpose of the submission of this Supplement is to update the information contained in the Base Prospectus and, in particular:

1. update the cover page of the Base Prospectus
2. update paragraphs titled "*Risks deriving from judicial and administrative proceedings*" and "*Risks deriving from tax disputes*" set out in the "*Risks Factors*" section of the Base Prospectus;
3. update the section named "*Documents Incorporated by Reference*" of the Base Prospectus, incorporating by reference the consolidated half-year report of BMPS as at 30 June 2019;
4. update certain information contained in the section named "*Banca Monte dei Paschi di Siena S.p.A.*" of the Base Prospectus;
5. update the section named "*Management of the Bank*" of the Base Prospectus; and
6. update the section named "*General Information*" of the Base Prospectus.

1. **COVER PAGE**

The fourth paragraph of the cover page of the Base Prospectus shall be deleted and replaced as follows (track changes show the amendments made):

"Interest amounts payable under the Covered Bonds may be calculated by reference to EURIBOR, which is provided by the European Money Markets Institute ("EMMI") and to LIBOR, which is provided by ICE Benchmark Administration Limited ("ICE"), in each case as specified in the relevant Final Terms. At the date of this Prospectus, both EMMI and ICE are authorised as benchmark administrators, respectively with respect to EURIBOR and LIBOR, and are included on, the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to article 36 of Regulation (EU) No. 2016/1011 (the "Benchmarks Regulation")."

2. RISKS FACTORS

- 2.1 On page 49 of the Base Prospectus, under paragraph "*Risks deriving from judicial and administrative proceedings*", the third and fourth subparagraphs shall be deleted and replaced as follows:

"The approximately 98 claims brought by former holders of notes subject to Burden Sharing, for approximately Euro 48 million of the overall petitem as at 30 June 2019, are included in the Bank judicial proceedings relating to investment services activities. In such proceedings the relevant plaintiffs are claiming the violation of the general principles set forth by the Consolidated Finance Act and the general principles of correctness, transparency and duty of care with respect to the sale of such securities.

As at 30 June 2019, the overall petitem in relation to civil and administrative proceedings of the Group was equal to Euro 5.4 billion of which approximately Euro 896 million for the civil proceedings related to the suits brought by the shareholders in the context of 2008, 2011, 2014 and 2015 capital increases and approximately Euro 267 million requested by the civil claimants, where quantified, relating to the criminal proceedings no. 29634/14 and no. 955/16 which the Issuer is part of (for further information, please see the section titled "Legal Proceedings", respectively under paragraphs "Disputes deriving from ordinary business" and "Civil actions instituted by shareholders in the context of the 2008, 2011, 2014 and 2015 capital increases" of this Base Prospectus). Euro 846 million shall be added to such overall petitem in relation to extra-judicial claims received by the Issuer in relation to such capital increases. The overall petitem for tax proceedings of the Group is equal to approximately Euro 106 million (of which Euro 102 million relating to the Bank) while the overall petitem relating to the passive labour proceedings is equal to Euro 63 million (including the labour proceedings brought by certain employees of Fruendo S.r.l.) almost entirely relating to the Bank.

In light of the estimates made on the risk of adverse outcome in the aforementioned proceedings, as at 30 June 2019, provisions for "legal and tax disputes" included under the item "provision for risks and charges", amount approximately to Euro 567 million, comprising claw-backs of approximately Euro 45 million and legal disputes of approximately Euro 510 million. Furthermore, as at the same date, in addition to the above, the "provision for risks and charges" includes tax disputes for approximately Euro 12.3 million and labour disputes (both passive and active) for approximately Euro 25 million."

- 2.2 On page 51 of the Base Prospectus, under paragraph "*Risks deriving from judicial and administrative proceedings*", the last subparagraph of paragraph "(a1- Risks deriving from disputes initiated against former representatives and representatives of the Bank)" shall be deleted and replaced as follows:

"The bringing of civil action by the Bank against Giuseppe Mussari, Antonio Vigni, Daniele Pirondini and Gian Luca Baldassarri was also dismissed on the assumption of a Bank's liability for complicity with the defendants. As at 30 June 2019, civil plaintiffs that appeared against the Bank were in aggregate 1,242 and the overall petitem, where quantified in the relevant writ of summons and in the conclusions, amounts to approximately Euro 191 million with reference to such proceedings."

- 2.3 On page 53 under paragraph "*Risks deriving from judicial and administrative proceedings*", the last subparagraph "(a2 - Risks deriving from dispute against former representatives charged with the crimes of false corporate communications and market manipulation)" the following paragraph is deemed to be included:

“At the hearing of 18 March 2019 the investigation proceeding was opened and hearings are scheduled in September and October 2019. The petitum of such proceedings, determined by adding up the claims for pecuniary and non pecuniary damages where quantified in the relevant writ of summons, amounts to approximately Euro 76 million.”

- 2.4 On page 54 under paragraph *"Risks deriving from judicial and administrative proceedings"*, the second paragraph of letter (b) *"Risks deriving from civil disputes initiated by investors and/or shareholders of the Bank"* shall be deleted and replaced as follows:

“In this respect, amongst the initiatives against the Issuer, some investors and/or shareholders of the Bank initiated actions aimed at obtaining compensation for alleged damages suffered by the same subjects due to the alleged inaccuracy of the disclosure provided by the Issuer in the context of the 2008, 2011, 2014 and 2015 capital increases transactions and, in any case, due to the assumed unfairness of the price-sensitive information provided from 2008 to 2015. As at 31 December 2018, 30 proceedings with compensatory aims have been initiated before different Courts. In such claims, the plaintiffs mainly act for the declaration of the Bank’s liability pursuant to art. 94 of the Consolidated Finance Act, as well as for the cancellation of the capital increases’ subscription agreement because of wilful and/or essential error pursuant to the Italian Civil Code. As at 30 June 2019, the overall petitum for such actions is equal to around Euro 896 million.”

- 2.5 On page 54 under paragraph *"Risks deriving from judicial and administrative proceedings"*, the seventh subparagraph of letter (b) *"Risks deriving from civil disputes initiated by investors and/or shareholders of the Bank"* shall be deleted and replaced as follows:

“As at 30 June 2019, these complaints amounted to 926, for a total petitum of approximately Euro 654 million, where quantified. The residual petitum claimed by complainants who did not initiate judicial proceedings is equal to approximately Euro 591 million to which, in relation to the 2014-2015 capital increases, another 305 complaints shall be added for a petitum of approximately Euro 257 million (approximately Euro 255 million in relation to those complainants who have not started any legal proceedings). There was a significant increase in the number of requests compared to 31 December 2018 (59 for a claimed amount of approximately Euro 17 million). The overall requested amount as at 30 June 2019 is therefore approximately Euro 846 million.”

- 2.6 On pages 81-84 of the Base Prospectus, paragraph *"Risks deriving from tax disputes"* shall be deleted and replaced as follows:

“The Bank and the main Group’s companies are subject to several tax proceedings.

As at 30 June 2019, around 40 cases are pending, for an overall amount of around Euro 106 million for taxes, sanctions and interest set out in the deeds of contestation (for which Euro 102 million of the Bank). The value of disputes also includes that associated with tax verifications closed, for which no dispute is currently pending since the tax authority has not yet formalised any claim or contestation.

It should be noted that the significant decrease in the total contingent liabilities compared to 31 December 2018, amounting to approximately Euro 35 million, is mainly due to the facilitated settlement of a series of disputes pursuant to and in accordance with the methods provided for by the provisions of Law Decree 119/2018 (the so-called "Pace Fiscale").

In relation to pending tax disputes, which are associated with "likely" unfavourable outcomes, as at 30 June 2019 the Bank allocated to the overall provision for risks and charges an amount equal to approximately Euro 12.3 million.

Finally, it should be noted that, on 10 April 2018, the revenue agency, regional office for Tuscany, started a control proceedings on the Bank for the 2015 tax period. Following the conclusion of such controls, on 17 December 2018 a tax police audit report was notified to the Bank objecting (i) the incorrect calculation with regard to IRES of the benefits deriving from the provisions of EGS and (ii) with regard to Italian regional tax on productive activities ("IRAP") the non-taxation of certain revenues recorded under items not relevant for the purpose of the mentioned tax. The higher potential taxes associated with the EGS finding are equal to Euro 3.3 million, while the findings relating to IRAP entail higher taxes for approximately Euro 3.9 million. In-depth assessments of the complaints raised are still ongoing in order to identify the appropriate initiatives to be carried out.

Notwithstanding the evaluations effected by the Bank, the Group companies and the respective consultants, it cannot be excluded that an unfavourable verdict in pending proceedings and/or the commencement of new proceedings, even as a result of the aforementioned on-going tax assessment, may involve increased tax risks for the Bank and/or the Group, with the consequent need to effect additional provisions or disbursements, with a potential negative impact on the business and the capital, economic and/or financial conditions of the Bank and/or the Group."

3. DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus entitled "*Documents incorporated by reference*" beginning on page 168 of the Base Prospectus.

The consolidated half-year report of BMPS as at 30 June 2019 including the relevant auditors' review report (the "**Half-year Report as at 30 June 2019**"), having previously been published and filed with the CSSF, is incorporated by reference in and forms part of this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Base Prospectus.

* * *

The table below sets out the relevant page references with respect of the information incorporated by reference.

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4. **BANCA MONTE DEI PASCHI DI SIENA S.P.A.**

- 4.1 On page 216 - 304 of the Base Prospectus, at the end of section 3 titled “*Major Events - Banca Monte dei Paschi di Siena S.p.A.*”, under paragraph “*Recent developments*” the following subparagraphs are deemed to be included:

“*STS Securitisation*”

On 2 July 2019 the Bank successfully completed the securitisation of a portfolio of approximately Euro 2.3 billion, consisting of performing loans granted to Italian small- and medium-sized enterprises. The transaction, executed as part of the Bank's funding program, in line with the objectives of the Restructuring Plan, was structured in compliance with the requirements of the new securitisation regulation, obtaining the STS assessment (“Simple, Transparent and Standardised” transactions) from the company Prime Collateralised Securities (PCS) UK as a third-party verification agent. The transaction was carried out through the vehicle Siena PMI 2016 S.r.l, which issued the following notes: Class A1 Senior Notes of Euro 519.4 million and Class A2 Senior Notes of Euro 813.0 million, with AA/AAA rating assigned by Fitch/DBRS; Class B Mezzanine Notes of Euro 225.8 million with AA-/AA(low) rating assigned by Fitch/DBRS; Class C Mezzanine Notes of Euro 271.0 million with BB+/BB(high) rating assigned by Fitch/DBRS; Class D Mezzanine Notes of Euro 248.5 million with CCC/CC rating assigned by Fitch/DBRS; and unrated Junior Notes of approximately Euro 180.7 million. The European Investment Bank and Cassa Depositi e Prestiti S.p.A. have respectively subscribed Class A2 Senior Notes for Euro 400 million and Euro 320 million. The proceeds will be used to grant loans, in order to support Italian small- and medium-sized enterprises. The remaining senior notes are intended for placement with other institutional investors or, together with the mezzanine and junior notes, for use as collateral for funding transactions.

Assignment of NPLs to Illimity

On 31 July 2019 BMPS signed two agreements with Illimity Bank S.p.A. for the sale of almost Euro 700 million non-performing exposures.

The first transaction concerned the assignment without recourse of NPLs of BMPS and MPS Capital Services. The portfolio being sold had a value of approximately Euro 240 million and included both secured and unsecured loans, originally backed by an ISMEA (“Istituto di Servizi per il Mercato Agricolo Alimentare”) guarantee.

The second transaction concerned the sale of unlikely-to-pay exposures of BMPS and MPS Capital Services. The portfolio had a value of approximately Euro 450 million and mainly included unsecured loans to corporates.

Assignment of NPEs to Cerberus

On 1 August 2019 BMPS finalised the assignment of NPEs for approximately Euro 455 million to a subsidiary of Cerberus Capital Management L.P..

The agreement concerned the sale of unlikely-to-pay exposures of BMPS and MPS Capital Services and the portfolio mainly included secured loans to corporates.

Further assignment of NPLs

On 14 August 2019 BMPS completed four further transactions for the sale of NPLs for approximately Euro 340 million.

Such transactions involved the assignment of a mix of secured and unsecured bad loans for an amount of Euro 137 million as well as Unlikely-to-Pay exposures of BMPS and MPS Capital Services, for an amount of Euro 202 million.

The successful completion of these transactions (together with the transactions completed in July/August and described above) represents a further and significant step forward in accelerating the derisking process envisaged by the Restructuring Plan and complying with the Commitments.”

- 4.2 On page 301-303 of the Base Prospectus, at the end of the subparagraph titled “*Other events relating to 2017-2019*” under paragraph *Recent developments* of section 3 titled “*Banca Monte dei Paschi di Siena S.p.A. - Major Events*” the following paragraphs are deemed to be included:

“Issue of a Senior Preferred Unsecured bond

On 4 July 2019 BMPS successfully completed the issue of a fixed-rate Senior Preferred Unsecured bond with a 3-year maturity for an amount of Euro 500 million, reserved to institutional investors. The transaction has been carried out in accordance with the Bank’s funding plan and represented the first issue of a senior unsecured instrument by BMPS since the beginning of the Restructuring Plan. Due to the strong demand (order-book above Euro 1.1 billion from around 100 investors), the yield - initially indicated in a range of 4.250% - 4.375% - was tightened towards a final level of 4.0%. The bond, issued under the Euro Medium Term Notes Programme of BMPS with ratings Caa1 (Moody’s) / B (Fitch) / B(high) (DBRS), is listed on the Luxembourg Stock Exchange.

Fitch confirms BMPS's ratings

On 12 July 2019 Fitch confirmed all ratings assigned to the Bank, including the long-term Issuer Default Rating of “B” with a “stable” outlook, the short-term Issuer Default Rating of “B” and the viability rating of “b”.

Issue of a subordinated Tier 2 bond

On 16 July 2019 BMPS successfully completed the issue of a fixed-rate Tier 2 Subordinated bond with a 10-year maturity for an amount of Euro 300 million, reserved to institutional investors. The transaction represented a further important step in the implementation of its Restructuring Plan and encountered a positive market response (order book above Euro 600 billion from around 100 investors). Due to the strong demand, the yield (initially indicated in a range of 11.00 - 11.50%) was tightened towards a final level of 10.50%. The bond, issued under the Euro Medium Term Notes Programme of BMPS with ratings Caa2 (Moody’s) / CCC+ (Fitch), is listed on the Luxembourg Stock Exchange.”

- 4.3 On pages 310 and 311 of the Base Prospectus, the sixth, seventh and eighth subparagraphs of the paragraph titled “*Judicial and arbitration proceedings*” under Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” –shall be deleted and replaced as follows:

“Such requests – individually or collectively brought through two professionals and ADUSBEF – although heterogeneous are mainly reasoned with generic references to the alleged infringement, by BMPS, of the sector legislation in the matter of disclosure and, accordingly, rebutted by the Bank since they are generic, ungrounded, unsupported by suitable documentary evidence and in some instances, time barred. As at 30 June 2019, the residual petitum claimed

by complainants who did not institute any judicial proceedings is equal to around Euro 591 million.

In addition, there were also 305 cases of threatened litigation relating to the 2014-2015 capital increases. As at 30 June 2019, the overall petitem in relation to civil and administrative proceedings of the Group is equal to approximately Euro 5.4 billion of which approximately Euro 896 million for the civil proceedings relating to the suits brought by the shareholders in the context of 2008, 2011, 2014 and 2015 capital increases of the Issuer, and approximately Euro 267 million requested by the civil claimants, where quantified, relating to criminal proceedings no. 29634/14 and no. 955/16 which the Issuer is part of. Euro 846 million shall add to such overall petitem in relation to extra-judicial claims received by the Issuer in relation to such capital increases. The overall petitem for tax proceedings of the Group is equal to approximately Euro 106 million (of which Euro 102 million relating to the Bank) while the overall petitem relating to the passive labour proceedings is equal to Euro 63 million including the labour proceedings brought by certain employees of Fruendo S.r.l.) almost entirely relating to the Bank.

In light of the estimates made on the risks of an adverse outcome in the aforementioned proceedings, as at 30 June 2019, provisions for “legal and tax disputes” included under the item “provision for risks and charges” amount approximately to Euro 567 million, comprising claw-backs of approximately Euro 45 million and legal disputes of approximately Euro 510 million. Furthermore, as at the same date, in addition to the above, the “provision for risks and charges” includes tax disputes for approximately Euro 12.3 million. In relation to labour disputes (both passive and active), provisions for approximately Euro 25 million have been recorded inclusive also of the legal proceedings initiated by the employees of Fruendo S.r.l., for the description of which, please see “Labour disputes” of this Base Prospectus.”

- 4.4 On pages 315 and 319. of the Base Prospectus, the section (C) ““FRESH 2008”, “Alexandria”, “Santorini”, “Chianti Classico” Transactions – Criminal proceedings before the Courts of Milan” of the paragraph titled “Criminal investigations and proceedings” of Section 9– “Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings” shall be deleted and replaced as follows:

“(C) “FRESH 2008”, “Alexandria”, “Santorini”, “Chianti Classico” Transactions – Criminal proceedings before the Courts of Milan

By decision of 13 January 2016, the public prosecutor’s office at the Court of Milan ordered the notification to BMPS and other suspects of the notice of conclusion of preliminary investigations pursuant to and to the effects of article 415-bis of the Italian Criminal Procedure Code concerning the investigation threads relating to the “FRESH 2008”, “Alexandria”, “Santorini” and “Chianti Classico” transactions. According to the press release disclosed on 14 January 2016 by the public prosecutor’s office at the Court of Milan, all investigation threads relating to the aforementioned transactions have been completed.

With respect to the “FRESH 2008” transaction (carried out in the context of the fundraising operations for the acquisition of Banca Antonveneta), three BMPS officers and executives in office at the time of events were charged with several criminal offenses, such as: false corporate communications in relation to the 2008 financial statements (article 2622 Italian Civil Code), market manipulation in connection with the 2008 financial statements and the semi-annual financial statements as at 30 June 2008 (article 185 of the Consolidated Finance Act), obstruction of the exercise of supervisory functions of the Bank of Italy (article 2638 of the Italian Civil Code), false statements set out in prospectus (article 173-bis Consolidated Finance Act) with reference to the prospectuses relating to the two capital increases carried out in 2008

and 2011 and to the prospectuses relating to the offering of bonds and certificates carried out during the period 2008-2012. In relation to the latter, also the effects resulting from the incorporation by reference of certain accounting documents have been deemed relevant due to the incorrect recognition of, inter alia, the “FRESH 2008”, “Alexandria” and “Santorini” transactions.

With reference to the “Santorini” transaction, two former officers and one BMPS executive, and six managers of Deutsche Bank – whose conduct was relevant for the purposes of articles 3 and 4, subsection 1, of Law 146/2006 on transnational crimes – were charged with the crimes of false corporate communications (article 2622 of the Italian Civil Code) and market manipulation (article 185 of the Consolidated Finance Act) in relation to the impacts deriving from the transaction on the financial statements for 2008, 2009, 2010, 2011 and on the financial positions as at 31 March 2012, 30 June 2012 and 30 September 2012.

With reference to the Alexandria transaction, three BMPS officers and executives in office at the time of the events and two managers of Nomura – whose conduct was relevant for the purposes of articles 3 and 4, subsection 1, of Law 146/2006 on transnational crimes – were charged with the crimes of false corporate communications (article 2622 of the Italian Civil Code) and market manipulation (article 185 of the Consolidated Finance Act) in relation to the impacts deriving from the transaction on the financial statements for 2009, 2010, 2011 and on the financial positions as at 31 March 2012, 30 June 2012 and 30 September 2012.

As mentioned above, this proceeding (no. 26934/2014) has been combined with the criminal proceeding pending before the Courts of Milan and described in Section (B) “Restructuring of “Alexandria” notes” above, in the context of which the indictment was already requested with reference to the crimes related to the 2009 financial statements. It has also been deemed to charge the same individuals with the crime of obstruction of the exercise of supervisory functions by CONSOB (article 2638 of the Italian Civil Code) with respect to the reporting of certain transactions carried out between BMPS and Nomura and involving government securities. The same proceeding was also combined with the proceeding pending before the Courts of Siena and described under Section (A) “Acquisition of Banca Antonveneta and FRESH 2008” above.

In particular, as regards the “Chianti Classico” transaction, two former managers of the Issuer in office at the time of the events have been charged with the crime of obstruction of the exercise of supervisory authorities’ functions (article 2638 of the Italian Civil Code) due to the omission of some communications in relation to the same transaction to the Bank of Italy and CONSOB. According to the charges, the managers in cooperation with each other have fraudulently hidden facts that should have been reported concerning the economic, patrimonial and financial situation of the Issuer in relation to the above transaction, aimed at enhancing the value of the real estate assets of the MPS Group through the transfer of the Consorzio Perimetro and securitisation of the related loans through the vehicle Casaforte; and in any case, intentionally obstructing the supervisory functions of the abovementioned supervisory authorities by omitting the communications due in relation to such transaction.

In relation to the crimes alleged against these individuals, the public prosecutor’s office also served the notice of conclusion of preliminary investigations:

- to BMPS for the administrative offenses under articles 25-ter letter. b), 25-ter letter. s) and 25-sexies of Legislative Decree No. 231/2001 following the charging of the crimes of false corporate communications (article 2622 of the Italian Civil Code), obstruction of the exercise of supervisory authorities’ functions (article 2638 of the Italian Civil Code) and market manipulation (article 185 of the Consolidated Finance Act); and

- *to Deutsche Bank, Deutsche Bank AG London branch and Nomura for the administrative offenses under articles 25-ter letter. b), and 25-sexies of Legislative Decree No. 231/2001 following the charging of the crimes of false corporate communications (article 2622 of the Italian Civil Code) and market manipulation (article 185 of the Consolidated Finance Act).*

The outcomes of the investigation revealed that, in the financial statements and financial reports of BMPS disclosed to the market between the financial statements as at 31 December 2008 and the quarterly reports at 30 September 2012, false data would have been exposed.

As regards the crimes related to the balance sheets as at 31 March 2012, 30 June 2012 and 30 September 2012, the suspects have been charged, having determined the conditions for approval by the new top executives of BMPS, due to the behaviours previously adopted by top managers.

By order of 13 May 2016, the PHJ authorised the filing and admissibility of the claims for damages of the civil plaintiffs against the entities already involved in the proceedings (no. 29634/2014) as defendants pursuant to Legislative Decree 231/2001, having deemed recognisable to the civil plaintiff, in case of criminal proceedings involving the company and its employees, the protection of the compensation right against the entity and resulting in the compensatory requests existing in abstract, not being charged to the entities any joint liability in terms of wilful misconduct or negligence and being relevant an occasional relation between the harmful event and the functions exercised by the accused individuals, in the absence of objections concerning their own personal interests.

On 2 July 2016, with the approval of the public prosecutor's office, BMPS filed a request for a plea bargain in the criminal proceedings, in relation to the objections made against the Bank pursuant to Legislative Decree 231/2001.

With the plea bargain, upheld by the PHJ on 14 October 2016, the Bank exited the proceedings as accused of the administrative offence subsequent to crimes committed by its own former executives, limiting the consequences to an administrative monetary sanction of Euro 600,000 and a confiscation for EUR 10 million, without the risk of higher sanctions.

Finally, always with regard to the above, on 1 October 2016, the PHJ ordered the indictment of defendants other than the Bank. At the hearing of 15 December 2016 before the second criminal section of the Courts of Milan, subsequent to the request as civilly liable parties of the Banks BMPS, Nomura, Deutsche Bank, around 1,500 civil plaintiffs served on the Bank the civilly liable summons in respect of the crimes charged to the indicted former directors and managers.

During the trial, by order of 6 April 2017, the Courts of Milan ruled on the exclusion request of civil plaintiffs filed by defendants and civilly liable parties, excluding certain civil plaintiffs.

The appearance as civil plaintiff of the Bank against Giuseppe Mussari, Antonio Vigni, Daniele Pirondini and Gian Luca Baldassarri was also denied on the assumption of a Bank's liability for complicity with defendants.

As at 30 June 2019, civil plaintiffs who appeared against the Bank are 1,242 and the overall petitum, where quantified in the relevant writ of summons and in the conclusions, amounts to approximately Euro 191 million with reference to such proceedings.

In relation to the abovementioned proceedings, the trial has been declared closed and the indictment of public prosecutors started from 11 April 2019.

At the hearing of 16 May 2019, after the prosecution by the Public Prosecutors, requests for penalties were formulated for almost all the defendants of the banks involved. In particular, in relation to the former managers of the Issuer, the offence of market abuse with reference to the press releases disclosed to the market in March-April 2012 in relation to the financial statements for the year 2011 was identified and the following sanctions were requested:

- for Giuseppe Mussari and Antonio Vigni, 8 years of imprisonment and Euro 4 million fine; and

- for Daniele Pirondini and Gian Luca Baldassarri, 6 years of imprisonment and Euro 1.5 million fine.

For the two foreign banks involved, Deutsche Bank AG and Nomura International PLC, sanctions were also requested pursuant to Legislative Decree 231/01, with penalties of up to Euro 450 million each and seizures in equal measure.

At the hearings held on 23 and 30 May 2019, the civil parties summoned the Bank as civil liable party and presented their claims for damages for an overall petitum equal to approximately Euro 191 million (as the aggregate of pecuniary and non pecuniary damages).

The MPS Foundation did not file any claim against the Issuer, as it did not sue the Bank as civilly liable, and filed claims only against former managers and directors of the Issuer, as well as against the exponents of Nomura, claiming to state:

- the liability for non-asset damages to be charged to all of them, on a joint and several basis, to be settled on an equitable basis, according to the assessment of the judge, to an amount of not less than Euro 100 million;*
- the liability for damages to be charged to the former managers and directors of the Issuer, on a joint and several basis, and the exponents of Nomura.*

In case a general compensation order is issued, the MPS Foundation also requested an immediately enforceable provisional request.

Bank of Italy and the MPS Foundation did not sue the Issuer as civilly liable and requested that the defendants are ordered to pay damages amounting to be settled on an equitable basis.

With respect to CONSOB, which sued the Issuer as civilly liable, for almost all the damage items requires a quantification on equitable basis, except for that relating to the costs of supervision quantified in total amount equal to approximately Euro 749.000. The provisional request is subordinately requested in the amount of approximately Euro 298.000.

At the hearing of 18 July 2019, the defendants revoked their constitution against Deutsche Bank and Nomura, as well as their claims for damages against these banks.

Further hearings are scheduled for September 2019. On 12 May 2017, the indictment of officers Alessandro Profumo, Viola Fabrizio and Salvadori Paolo (the first two no longer being in office) has been requested in the context of new criminal proceedings before the Courts of Milan where they are charged with the crimes of false corporate communications (article 2622 of the Italian Civil Code), in respect of the accounting of the "Santorini" and "Alexandria" transactions, as regards the Bank's financial statements, reports and other corporate communications, from 31 December 2012 until 31 December 2014 and as regards the semi-annual report as at 30 June 2015 as well as market manipulation (article 185 of the

Consolidated Finance Act) in relation to communications released to the public with regard to the approval of the abovementioned financial statements and reports.

In respect of these proceedings, where the Bank is identified as the offended party, the first hearing was held on 5 July 2017, during which some hundreds of individuals and some category associations asked to appear as civil plaintiffs. The PHJ deferred the case to 29 September 2017, for the decision on the requests, as well as for the combination with the proceedings pending against BMPS, as the accused party pursuant to Legislative Decree No. 231/2001 for the same events today charged to Mr. Profumo, Viola and Salvadori. At the hearing of 29 September 2017, no. 304 of the no. 337 damaged parties that made the relevant request were admitted. The others have been excluded due to procedural deficiencies. At such hearing, the proceeding pending against the Bank as the administrative accountable entity was merged in the proceeding pending against the individuals. The court has then permitted the summons of the Bank as civilly liable party, deferring the proceeding to the hearings of 10 November 2017 and 24 November 2017, in order to permit the carrying out of the related notification.

At the hearing held on 10 November 2017, wherein the Bank appeared as civilly liable, Mr. Salvadori's attorney argued that the request for the referral of the trial for his client was null and void as his imputability could have been given only for the crime under article 2622 of the Italian Civil Code and not for the crime under article 185 of the Consolidated Finance Act. Relating to such point, the same attorney also objected to the lack of competence of the Milan judicial authority. The public prosecutor – while taking part against the territorial competence matter – has agreed with the assumption of the voidance request as argued by Mr Salvadori's attorney who, at this point, required the transmission to his office of the entire proceeding – instead of Mr. Salvadori only – which started on 12 May 2017 against Mr Profumo, Mr Viola and Mr Salvadori in order to avoid any fragmentation and for the purpose of restarting such proceedings as a single proceeding.

At the hearing of 24 November 2017, the PHJ issued an order which:

- *declared null and void the request for the referral of the trial relating to Mr Salvadori;*
- *decided for the fragmentation of the relevant position in the main proceedings (against Mr Viola and Mr Profumo and the Bank) in relation to the accusation relating to the crime provided for by article 185 of the Consolidated Finance Act; and*
- *reserved decision on the claim relating to the territorial competence after the conclusions of the public prosecutor.*

The public prosecutor served the notice of conclusion of the investigation to Mr Salvadori in relation to the crime provided by article 185 of the Consolidated Finance Act and filed the (new) request for the referral of the trial relating to Mr Salvadori for this crime and finally requested a (new) preliminary hearing (for the crime of market manipulation).

At the hearing of 9 February 2018, the PHJ called for the proceedings relating to Mr Salvadori following the separation of the proceedings relating to the crime provided for by article 185 of the Consolidated Finance Act decided at the previous hearing.

The damaged parties admitted to the proceedings have summoned against BMPS for its civil liability.

Following the formalisation of the entrance appearance of the Issuer, the public prosecutor asked for the issuing of a judgment not to proceed on the grounds that there is no crime, or on the grounds that the fact is not qualified as a crime in relation to the different counts filed.

Following the hearing, the timetable of the proceedings had been scheduled for 13, 20 and 27 April 2018 in order to continue the discussion and potentially issue the order closing the preliminary hearing. Following the preliminary hearing, the PHJ noted that there were no grounds for issuing a judgment not to proceed and decided for the referral to trial of Mr Viola, Mr Profumo, Mr Salvadori and BMPS (indicted entity pursuant to Legislative Decree No. 231/2001).

At the hearing held on 17 July 2018, 2,243 civil claimants joined in the proceedings. Some of them formally asked that the Bank be summoned as the entity liable to pay for damages, while most of the defending counsels merely requested that their clients, by appearing before the Court, benefit from their participation in the proceedings. Some civil claimants joined in the proceedings against the Bank, seeking a declaration of liability under Legislative Decree No. 231/2001. At the end of the hearing, the Court adjourned the case to the hearings of 16 October 2018, 6 November 2018, 13 November 2018 and 19 November 2018.

The hearing, scheduled to discuss the civil actions brought as part of criminal proceedings by the civil claimants already joined in the proceedings during the previous hearing held on 17 July 2018, was duly held on 16 October 2018, to which a further 165 civil parties were added. The defendants' and the Bank's counsels have claimed that the latter have joined in the proceedings beyond expiry of the relevant terms.

At the hearing held on 6 November 2018, the Panel declared the exclusion from the proceeding of certain civil parties that, consequently, amounted to 2,272 (the petitum relating to this proceeding, where quantified in connection with the filing of damaged civil parties, was approximately equal to Euro 76 million), ordering the extension of the proceeding between the Bank and the new civil plaintiffs admitted without further formalities and rejecting the request for joining in the proceedings by CONSOB, Bank of Italy and Ernst & Young as civil responsables.

By an order issued at the hearing held on 19 November 2018, the Court rejected the objections relating to the lack of territorial competence previously raised by the defending counsels and, consequently, the discussion of the case started and the next hearing has been scheduled on 18 March 2019, reserving a decision with respect to the request of a conservative seizure against Mr. Profumo and Mr. Viola raised by certain parties. By order issued on 3 December 2018, the Courts rejected the request for a precautionary seizure made against the above mentioned exponents.

At the hearing of 18 March 2019, the trial investigation was opened and some texts were excised. The trial is on-going. In respect of these criminal proceedings (no. 955/2016), during the meeting held on 12 July 2018 the board of directors of the Bank considered that, for the time being, none of the relevant conditions has been met to lodge a claim for damages under civil law against the former Chairman of the board of directors, Mr. Alessandro Profumo and the former Managing Director, Mr. Fabrizio Viola.

In its decision, the board of directors has taken into account all available elements, with the sole aim to pursue the Bank's interests and safeguard its assets, considering in more detail that:

- (i) the discussion of the case following committal for trial will be an appropriate opportunity to assess, as part of an adversarial procedure, the conduct of the top management in respect of events (i.e. how the Alexandria and Santorini transactions have been accounted for) which regards the past of the Bank and which, in light of the settlement agreements executed by the former directors with Nomura and Deutsche Bank, have no current impact on the Banks' accounts;*

- (ii) *furthermore, the Bank has been involved in the same criminal proceedings for both third-party liability and liability under Legislative Decree 231/2001. The latter is a type of liability in respect of which the Court of Milan itself has excluded in the past that the same party may also join a civil action. Hence, the Bank may monitor the progress of the discussion, gathering useful elements for its decision, and at the same time present the necessary arguments in order to safeguard its assets; and*
- (iii) *should any issues arise from the evidence gathering phase, and/or from the autonomous investigations already started by the Bank and currently in progress, confirming that the defendants are liable (in addition to the fact that the Bank has actually suffered a measurable loss), such issues might be relied upon to propose to the shareholders' meeting to lodge a claim for damages under civil law vis-à-vis the defendants.*

The Bank has however reserved the right to take any and all action to safeguard its assets and interests.”

- 4.5 On page 320 of the Base Prospectus, the last paragraph of the paragraph titled “*Criminal investigations and proceedings*” of Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” shall be deleted and replaced as follows:

“The proceeding, which continues against the defendants only in relation to the facts relating to the first count (financial transaction carried out by Enigma), ended at first instance at the hearing held on 16 July 2019 with the acquittal of Mr. Baldassarri and all the other defendants.”

- 4.6 On page 329 of the Base Prospectus, the seventeenth paragraph of the paragraph titled “*Corporate liability actions brought by the Bank for the “Alexandria” and “Santorini” transactions*” of Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” shall be deleted and replaced as follows:

“Even in this case Mr. Vigni relinquished the trial against the Bank as a result of the functional incompetence objection of the Courts of Florence, while the recourse/indemnity action brought by Mr. Mussari against the Bank continued. Following the hearing for the specification of the final conclusion held on 25 July 2019, the decision is pending.”

- 4.7 On pages 327 - 330 of the Base Prospectus, the twenty-first paragraph titled “*Corporate liability actions brought by the Bank for the “Alexandria” and “Santorini” transactions*” Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” shall be deleted and replaced as follows:

“In the course of the proceedings, by order of the Courts some civil plaintiffs were excluded. As at 30 June 2019, civil plaintiffs that appeared against the Bank were in aggregate around 1,242.”

- 4.8 On pages 330 - 331 of the Base Prospectus, Section (A) “*Civil actions instituted by shareholders in the context of the 2008, 2011, 2014 and 2015 capital increases*” of the paragraph titled “*Civil Proceedings*” of Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” shall be deleted and replaced as follows:

“(A) Civil actions instituted by shareholders in the context of the 2008, 2011, 2014 and 2015 capital increases

It should be noted that certain investors/shareholders of the Bank have started proceedings aimed at obtaining compensation for the damages incurred thereby due to the alleged inaccurate disclosure given by the Issuer in the context of the 2008, 2011, 2014 and 2015 capital increase transactions and, in any case, as regards the alleged inaccuracy of the price sensitive information given from 2008 to 2015. As at 31 December 2018, they have filed 30 claims for damages before the different Courts. The plaintiffs in these civil actions are suing the Bank mainly seeking a declaration of the Bank's liability under article 94 of the Consolidated Finance Act and the cancellation of the subscription agreement of the capital increases on the basis of wilful misconduct and/or essential error under the Italian Civil Code. The overall petitum of the abovementioned proceedings amounts to around Euro 896 million.

As at 31 December 2018, various claims have been brought by investors individually, through consumer associations or legal advisers (903, of which 69 intervened in the proceedings instituted by Marangoni Arnaldo and described below) for a total of around Euro 654 million of the claimed amount, where quantified, referred to alleged losses associated with the share capital transaction, alleged inaccuracy of the information contained in the prospectuses and/or financial statements and/or the price sensitive information given by BMPS from 2008 to 2011 about 10 per cent. of such requests have then turned into civil proceedings (mostly with the intervention in the proceeding promoted by a sole shareholder).

Such claims have been brought individually or collectively through two professionals and ADUSBEF and although heterogeneous, they appear reasoned by generic references to the alleged violation, by the Bank, of the banking legislation with reference to the matter of disclosure and therefore have been rebutted by the Bank since they are deemed generic, ungrounded, unsupported by suitable documentary evidence and in some cases time barred. As at 31 March 2019, the amount of the residual petitum claimed by plaintiffs who did not bring legal actions is equal to around Euro 591 million.

In addition, there were also 66 threatened litigations relating to the capital increase 2014-2015 for an amount requested equal to approximately Euro 18 million (and, therefore, overall equal to Euro 609 million as at 31 March 2019).

As at 30 June 2019, these complaints amounted to 926, for a total petitum of approximately Euro 654 million, where quantified. The residual petitum claimed by complainants who did not initiate judicial proceedings is equal to approximately Euro 591 million to which, in relation to the 2014-2015 capital increases, another 305 complaints shall be added for a petitum of approximately Euro 257 million (approximately Euro 255 million in relation to those complainants who have not started any legal proceedings). There was a significant increase in the number of requests compared to 31 December 2018 (59 for a claimed amount of approximately Euro 17 million). The overall requested amount as at 30 June 2019 is therefore approximately equal to Euro 846 million.

** * * **

Please find below a description of the six most relevant disputes brought by shareholders and/or investors of the Bank, in relation to which the aggregate petita is equal to around Euro 688 million.

(i) Legal dispute Banca Monte dei Paschi di Siena S.p.A./Portatori dei Titoli FRESH 2008.

Certain holders of FRESH 2008 securities (for the description of which, please see "Major Events" –"FRESH 2008" of this Base Prospectus) expiring in 2099 summoned BMPS, Mitsubishi UFJ Investors Services & Banking Luxembourg S.A. (which replaced the bank issuing the debenture loan Bank of New York Mellon Luxembourg), the English company J.P.

Morgan Securities Ltd. (currently J.P. Morgan Securities plc) and the American company J.P. Morgan Chase Bank N.A. (which entered into a swap agreement with the debenture loan issuer) before the Court of Luxembourg asking the court to ascertain that the Burden Sharing Decree does not apply to FRESH 2008 securities' holders and, consequently, to declare that said bonds cannot be forcibly converted into shares, and to declare that these bonds shall continue to remain valid and effective in accordance with the terms and conditions for the issue thereof, as these are governed by the Luxembourg Law, and finally asking the court to declare that, without the conversion of FRESH 2008 securities, BMPS is not entitled to obtain from JP Morgan the payment of Euro 49.9 million to the detriment of FRESH 2008 securities' holders. The proceeding is ongoing and the Bank has not made any provisions for risks and charges.

For the sake of completeness, it should be noted that, following the commencement of said proceedings, on 19 April 2018, the Bank filed an action before the Court of Milan against J.P. Morgan Securities Ltd (currently J. P. Morgan Securities plc) and J.P. Morgan Chase Bank N.A. London Branch as well as the representative of FRESH 2008 securities' holders and Mitsubishi Investors Services & Banking (Luxembourg) S.A. asking the court to ascertain that the Italian court has sole jurisdiction to decide on the usufruct/life interest agreement and company swap agreement entered into by the Bank with the first two defendants within the scope of the 2008 capital increase. Consequently, the Bank asked the court: (i) to ascertain the ineffectiveness of the usufruct/life interest agreement and company swap agreement which provide for payment obligations vis-à-vis JP Morgan Securities Ltd (currently J. P. Morgan Securities plc) and J.P. Morgan Chase Bank N.A. after the entry into force of Decree 237; (ii) to ascertain that the usufruct/life interest agreement is ineffective and/or has been terminated and/or has expired; and (iii) to ascertain that the usufruct/life interest agreement has been terminated due to the capital deficiency event of 30 June 2017. The first hearing was held on 18 December 2018 and the Judge, deeming existing the prejudicial issue raised by the defendants in relation to the jurisdiction and considered the existence of a dispute with the same petitum and legal issue pending before the Court of Luxembourg, has granted the parties time limits to replicate against the ritual objections and has adjourned the hearing to 16 April 2019 to discuss the controversial issue. Following the hearing held on 2 July 2019 the decision is pending.

(ii) Dispute Banca Monte dei Paschi di Siena S.p.A. / Marangoni Arnaldo +123

In July 2015, Arnaldo Marangoni sued the Bank claiming to have purchased shares between 2008 and 2013, both during the 2008 and 2011 capital increases, and on the electronic stock market on the basis of the alleged false disclosure given by the Bank on its capital, economic, financial, profit and management situation. During the trial through voluntary intervention, another 123 individuals came forward with the same contestations (although the respective positions are not fully homogeneous). The 123 interveners requested: (i) the declaration of falsehood of the individual financial statements, quarterly and semi-annual reports, the 2008 and 2011 capital increase prospectuses, and the price sensitive press releases relating to 2008, 2009, 2010, 2011 and 2012 of BMPS and, accordingly, (ii) BMPS conviction to pay pecuniary and non-pecuniary damages for a petitum equal to around Euro 97 million (petitum then decreased to around Euro 89 million).

On 25 January 2018, the Judge rejected the counterclaims on the preliminary questions, postponing the proceedings to 13 February 2018. At the hearing the Issuer filed a reservation to appeal the non definitive judgment of the Court of Milan and the Judge postponed the proceedings to the hearing to be held on 18 December 2018. At the hearing, the Court ordered a technical appraisal (consuleza tecnica d'ufficio) to identify any omission of information and determine any related damage arising thereof. The hearing was postponed to 19 February 2019 for the appointment and oath of the technical expert. During such hearing the expert's questions

were discussed and clarified. The start of the technical expert's appraisal was scheduled for 1 April 2019, while the proceedings were postponed to the hearing of 19 November 2019.

(iii) Dispute Banca Monte dei Paschi di Siena S.p.A. / Coop Centro Italia S.c.p.a.

By writ of summon dated 26 July 2016, Coop Centro Italia s.c.p.a. ("**Coop**") sued the Bank, together with CONSOB, before the Court of Florence (section specialised in corporate matters), for the hearing of 20 January 2017, claiming Euro 85.5 million for damages and Euro 17.9 million for loss of profits determined during the trial for an overall petitum of Euro as 103.4 million due to an alleged falsehood of the prospectuses relating to the Bank's 2008, 2011 and 2014 capital increases in which the company participated.

Specifically, the opponent claimed damages for Euro 20.3 million in respect of the 2008 capital increase and Euro 9.2 million for the 2011 capital increase, for contractual liability pursuant to article 1218 of the Italian Civil Code, as well as article 94, subsection 8 of the Consolidated Finance Act or article 2049 of the Italian Civil Code in relation to the actions of its then officers and employees, as well as, always pursuant to article 1218 of the Italian Civil Code and article 94, subsection 8 of the Consolidated Finance Act, for Euro 56 million, jointly and severally – or subordinately each to the extent of pertinence – with CONSOB, liable pursuant to articles 2043 and 2049 of the Italian Civil Code for the actions of the authority and those of its commissioners and officers, with regard to the 2014 capital increase, the above in respect of the capital losses incurred as well as the loss of profit determined during the trial. On the hearing of 12 October 2017 the judge reserved his position in relation to the preliminary requests.

At the hearing held on 12 October 2017, the judge resolved upon a technical appraisal and the relevant technical operations started on 30 October 2018. The hearing has been postponed to 23 May 2019 for the technical appraisal. With an application deposited on 15 January 2019, the technical experts asked the judge whether to involve the bondholders which took part in the technical appraisal or not. By order dated 17 January 2019, the judge reserved the right to decide on this point and suspended the technical assessment. On 28 February 2019, the technical experts asked the judge to specify whether the technical expert's report could be extended to the correct accounting of the receivables and whether the technical experts could take into account the fact that in 2011, further to purchasing shares, Coop also sold the option rights to which it was entitled. The judge granted the parties the deadline of 10 September 2019 to take a position on the various preliminary questions and preliminary investigations discussed in the case and set the hearing at 3 October 2019 for the discussion of these aspects; the technical appraisal is therefore still suspended.

(iv) Dispute Banca Monte dei Paschi di Siena S.p.A. / Coofin S.r.l.

By writ of summons dated 26 July 2016, Coofin S.r.l. sued the Bank, together with CONSOB, before the Courts of Florence (section specialised in corporate matters), at the hearing of 20 January 2017, claiming overall damages of Euro 51.6 million for damages and Euro 9.8 million for loss of profits determined during the trial for an overall petitum of Euro as 61.4 million due to alleged falsehood of the prospectuses relating to the Bank's 2008, 2011 and 2014 capital increases in which the company participated.

Specifically, the opponent claimed damages for approximately Euro 11.5 million for the 2008 capital increase and Euro 6.1 million for the 2011 capital increase, for contractual liability pursuant to article 1218 of the Italian Civil Code, as well as article 94, subsection 8 of Legislative Decree No. 58/98 or article 2049 of the Italian Civil Code in relation to the actions of its then officers and employees, as well as, always pursuant to article 1218 of the Italian Civil Code and article 94, subsection 8 of Legislative Decree No. 58/98, for Euro 34 million,

jointly and severally – or subordinately each to the extent of pertinence – with CONSOB liable pursuant to articles 2043 and 2049 of the Italian Civil Code for the actions of the authority and those of its commissioners and officers, with regard to the 2014 capital increase, the above in respect of the capital losses incurred as well as the loss of profit determined during the trial. During the hearing held on 13 March 2018 the Court reserved its position in relation to the admission of preliminary evidence. Following the hearing set for 13 March 2018, the Court then postponed to 6 December 2018 for the admission of preliminary evidence and by a separate order postponed to a hearing on 5 March 2019 the discussion of the exception for the expiration of time objection filed by the Bank and aimed at obtaining the authorisation to produce as evidence the CONSOB note dated June 2017 on the effectiveness of pro-forma. The hearing for discussion of the exception for the expiration of time objection was scheduled to be held on 10 October 2018. Following the replacement of the judge, the hearing of 10 October 2018 was automatically postponed to 5 March 2019; nothing was ordered with regard to the hearing for the clarification of the conclusions of 6 December 2018, which was not held. By decree of 26 February 2019, the judge scheduled the hearing to 25 February 2021; therefore, the technical appraisal has not been allowed, while the Court's reservation on the request for remittance in terms formulated by the defence has been lifted, allowing the production of various documents of interest to the Bank with the exception of the CONSOB notes.

(v) *Dispute Banca Monte dei Paschi di Siena S.p.A./ Alken Fund Sicav and Alken Luxembourg S.A.*

The counterparties (the “Funds”), with a writ of summons notified on 22 November 2017, filed a suit before the Court of Milan against the Issuer, Nomura International, Giuseppe Mussari, Antonio Vigni, Alessandro Profumo, Fabrizio Viola and Paolo Salvadori asking to ascertain and declare: (i) an alleged liability of BMPS pursuant to article 94 of the Consolidated Finance Act and for the conduct of Mussari, Vigni, Profumo and Viola pursuant to article 2395 of the Italian Civil Code for the misconducts made with respect to the plaintiffs; (ii) an alleged liability of Mussari and Vigni in relation to the investments made by the Funds in 2012 on the basis of untrue information; (iii) an alleged liability of Viola, Profumo and Salvadori in relation to the investments made by the Funds after 2012; and (iv) an alleged liability of Nomura pursuant to article 2043 of the Italian Civil Code and as a consequence to order BMPS and Nomura to jointly reimburse the material damages equal to Euro 423.9 million to Alken Funds Sicav and Euro 10 million for minor management fees and reputational damages to the management company of Alken Luxembourg S.A. and Mussari and Vigni, jointly with BMPS and Nomura, for the damages arising from the investments made in 2012 and Viola, Profumo and Salvadori, jointly with BMPS and Nomura, for the damages following 2012. The counterparties also requested to order the defendants to reimburse the non-material damages, following the determination of the crime of false corporate communications.

The first hearing, initially scheduled for 18 September 2018, has been deferred to 11 December 2018, and the Issuer entered an appearance within the established deadline and submitted its defence arguments. It is to be noted that three natural persons have entered an appearance with separate statements of defence seeking damages for a total amount of approximately Euro 0.7 million. At the hearing held on 11 December 2018, the Court reserved its decision on the prejudicial exceptions raised by the parties. The Court, lifting its reservation and in acceptance of the objections raised by all the defendants, declared the summons of Alken null and void due to the failure to specify the dates on which shares have been purchased, granting the claimants time limits to complete the claims within 11 January 2019. Conversely, the Court considered Alken's claims raised in connection with the alleged incorrect accounting entries sufficiently specific and rejected the objection of invalidity relating to the appearance documents. The first hearing, therefore, has been deferred to 30 January 2019. During such hearing, the Issuer was granted a deadline until 8 July 2019 to contest the requests made by the intervener Umberto

Saraval, after which the parties discussed and illustrated their preliminary briefs and related requests. At the end of the discussion, the judge reserved the right to decide on the investigative measures. By order of 24 July 2019, the judge rejected Alken's petition for a technical appraisal, considering that the case was ready for the decision in view of the subjective characteristics of the plaintiff (professional investor) and Alken's operations on the BMPS shares. The Court scheduled a hearing for 14 April 2020 for the specification of the final conclusions.

(vi) *Dispute York and York Luxembourg funds / BMPS, Alessandro Profumo, Fabrizio Viola, Paolo Salvadori and Nomura International plc*

By means of a writ of summons notified to the Bank on 11 March 2019, the York and York Luxembourg funds sued the Issuer, Nomura International plc, Alessandro Profumo, Fabrizio Viola and Paolo Salvadori in front of the Court of Milan – section specialized in corporate matters – requesting that the defendants are ordered to jointly pay damages amounting to a total of Euro 186.7 million and – subject to an incidental finding that the offence of false corporate communications has been committed – to pay compensation for non-monetary damages to be paid on an equitable basis pursuant to Article 1226 of the Italian Civil Code, plus interest, revaluation, interest pursuant to Article 1284, paragraph 4 of the Italian Civil Code and compound interest pursuant to Article 1283 of the Italian Civil Code.

The plaintiffs' claim is based on alleged losses incurred as part of its investment transactions in BMPS for a total of Euro 520.30 million carried out through the purchase of shares (investment of Euro 41.4 million by York Luxembourg) and derivative instruments (investment of Euro 478.9 million by the York funds). The plaintiffs quantified their comprehensive losses at Euro 186.7 million.

Such transactions began in March 2014, when Fabrizio Viola and Alessandro Profumo respectively held the positions of Chief Executive Officer and Chairman of the Bank. The plaintiffs' charge alleged unlawful conduct by the Bank's top management that would have distorted the financial representation of the financial statements by substantially modifying the assumptions on which the valuation of the financial instruments issued by the Bank is based.

The first hearing is scheduled to be held on 29 January 2020; the Bank will take legal action in the manner and within the time limits required by law."

- 4.9 On page 335 of the Base Prospectus, the second paragraph of subparagraph titled "Disputes relating to securities subject to the Burden Sharing" of the paragraph titled "Civil Proceedings" of Section 9 "Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings" shall be deleted and replaced as follows:

"Following 31 December 2018, further disputes were initiated, up to a total of 95 as at 30 June 2019, for an overall petitum of approximately Euro 48 million and a provision for risks and charges for approximately Euro 23 million as at 30 June 2019. This increase in complaints was also due to the intervention of consumer associations. As at the date of this Base Prospectus, the proceedings are still in progress and no final decision has been taken, since the Bank has proposed appeal to the decisions of first instance. Within its accounting policies, the Issuer evaluates the updating of the provision criteria and their value in the light of the evolution of the jurisprudential framework currently being developed."

- 4.10 On page 339, the subparagraph titled "(E) Civil disputes instituted by Riscossione Sicilia S.p.A. and the Assessorato of Economy of Sicily before the Courts of Palermo" of the paragraph titled "Civil disputes arising in connection with the ordinary business

of the Issuer” of Section 9 “Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings” shall be deleted and replaced as follows:

“(E) Civil disputes instituted by Riscossione Sicilia S.p.A. and the Assessorato of Economy of Sicily before the Courts of Palermo

By writ of summons dated 15 July 2016, Riscossione Sicilia S.p.A. sued the Bank before the Courts of Palermo for contractual liability seeking the conviction of the Bank to the payment of Euro 106.8 million.

Riscossione Sicilia S.p.A.’s claim, as set out in the writ of summons, falls within the realm of the complex relations between the Bank and the plaintiff, originating from the transfer to Riscossione Sicilia S.p.A. (pursuant to Law Decree 203/05, converted into Law 248/05) of the stake held by BMPS in Monte Paschi Serit S.p.A. (then Serit Sicilia S.p.A.).

Specifically, Riscossione Sicilia S.p.A., in relation to the contractual provisions relating to such disposal, asked for the Bank’s conviction, under its contractual liability for alleged contingent liabilities of Monte Paschi Serit S.p.A./Serit Sicilia S.p.A..

The Bank duly appeared for trial filing a counterclaim against Riscossione Sicilia S.p.A.. The preliminary phase of the proceedings was recently concluded with the filing and examination of a technical expert's report, the results of which were favourable to the Issuer. The technical experts concluded that nothing is due from the Bank to Riscossione Sicilia S.p.A and identified a receivable of the Bank equal to approximately Euro 2.8 million, arising from the sale of 60% of Serit Sicilia S.p.A. to Riscossione Sicilia S.p.A. by the Bank on September 2006, a sum retained by Riscossione Sicilia S.p.A. as collateral. The technical expert also ascertained a further amount to be credited to the Bank, the exact quantification of which has been devolved to the Court, linked to the obligation of Riscossione Sicilia S.p.A. to carry out the collection of the notices of default, not exceeding approximately Euro 3.3 million. The counterparty's requests to call on the technical expert to provide clarifications and modify its own conclusions were rejected and the proceedings were postponed for the specification of the conclusions to 8 March 2021.

With the petition filed on 1 September 2016, the BMPS asked the Courts of Palermo to order Riscossione Sicilia S.p.A to immediately pay the amount of Euro 40 million, plus interest and expenses, due to the failed payment by the defendant of certain overdue instalments relating to two loan agreements. The Courts of Palermo issued on 25 January 2017 the relevant decree and the writ of execution for the amount for which interim execution for Euro 25 million was granted.

With writ of summons notified on 11 March 2017, Riscossione Sicilia filed an appeal against such injunctive relief asking for the withdrawal thereof and, as a counter-claim, the conviction of the Bank to the payment of an amount of around Euro 66 million.

At the basis of its appeal Riscossione Sicilia S.p.A alleged to be owed the amount of Euro 106.8 million by the Bank by virtue of some representations and warranties contained in two share assignment agreements with which the BMPS had assigned to Riscossione Sicilia the full share capital of the company Serit – Sicilia S.p.A.. In the writ of summons, Riscossione Sicilia acknowledged the circumstances according to which its requests are already the subject matter of another action pending before the same Courts.

BMPS duly appeared for trial asking for the rejection of the opponent’s claims. By order dated 26 January 2018, the judge (i) rejected the counterparty requests and (ii) accepted the Bank's request to grant provisional execution of the injunction for the entire amount. At the hearing of

12 June 2018, the judge ordered the separation of the position relating to the loan agreement for which an injunction had been issued from the position relating to the defences explained by Riscossione Sicilia counter-claims and joined the counter-claim formulated by Riscossione Sicilia with another judgment.

With regard to the judgement concerning the receivable deriving from the loan contract, the judge granted the terms pursuant to article 183, paragraph 6, of the Italian Code of Civil Procedure. Following the filing of the pleadings, the judge considered the case ready for the decision and adjourned the discussion to the hearing of 24 September 2019.

For the sake of completeness, it is highlighted that, on 19 October 2017, Riscossione Sicilia S.p.A. appealed against the decision issued by the Court of Palermo on 6 October 2017 – by which the court rejected the injunction pursuant to article 700 of the Italian Civil Procedure Code promoted by Riscossione Sicilia S.p.A. against the suspension of the credit facility notified by the Bank. Also the appeal ended with the rejection of the claims of Riscossione Sicilia. In this regard, it should be noted that the measure by which the Court of Palermo rejected the complaint filed by Riscossione Sicilia - confirming, on the one hand, the groundlessness of the allegations made by the latter and the correctness of the Bank's conduct, which legitimately suspended the use of the credit facilities in application of the provisions of Articles 1460 and 1461 of the Italian Civil Code - contains a statement concerning the alleged public nature of the money to be collected. On 10 May 2018, the Sicily Region's Department of Economic Affairs served an appeal pursuant to Article 700 of the Code of Civil Procedure on the basis of the above ruling, against the Bank and against Riscossione Sicilia, before the Court of Palermo, requesting the Bank to be prevented from suspending the credit lines in order to allow the current account holder Riscossione Sicilia to fulfil the obligation to transfer the sums subject to tax revenue to the Sicily Region Tax Authority by adopting any urgent measure suitable for transferring the sum of approximately Euro 68.6 million plus any interest to the Sicily Region Tax Authority and, on its behalf, to the competent Department for Economic Affairs of the Sicily Region. In the proceedings in question, the Bank was duly summoned and the Court, which had reserved its right to hear the parties at the hearing scheduled for 21 June 2018, rejected the appeal by a decision communicated on 28 June 2018.

On 17 July 2018, the Assessorato of Economy of Sicily notified the Bank of an injunction pursuant to article 2 of Royal Decree No. 639/1910 and an injunction to return the abovementioned amount of Euro 68.6 million pursuant to article 823 of the Italian Civil Code within 30 days. The Bank challenged such an injunction requesting the suspension of its effectiveness. In this respect, the first hearing has been scheduled for 12 December 2018. The Court, with an order dated 24 August 2018, rejected the request for the suspension, specifying that the injunction can be executed on the money standing to the credit of the account opened by Riscossione Sicilia S.p.A. Upon the filing of a request by the defendant to sue Riscossione Sicilia S.p.A., the Court of Palermo has deferred the first hearing, initially scheduled for 17 July 2019, to 26 September 2019.

For the sake of completeness, it is to be noted that BMPS has also promoted an administrative trial before the Regional Administrative Court of Sicily – office of Palermo seeking the declaration of nullity and the voidance of the injunction issued by the Assessorato of Economy of Sicily on 17 July 2018 pursuant to article 2 of Royal Decree No. 639/1910.

The appeal aims at challenging such injunction in which is stated that “as alternative, pursuant to article 823, paragraph 2, of the Italian Civil Code, order to Banca Monte dei Paschi di Siena itself (...) to provide, within 30 days from receipt of the present, for returning to the Region of Sicily the amount of Euro 68,573,105.83, plus interest at the rate established by special provisions for late payment in commercial transaction, as required by article 1284, paragraph 4 of the Italian Civil Code”.

Following the notification of the appeal on 16 October 2018, BMPS has filed the appeal itself on 12 November 2018 without contextually asking for the scheduling of the hearing (such request may be presented within 12 November 2019).

The Assessorato of Economy of Sicily duly appeared for trial assisted by the government lawyer on 15 November 2018.”

- 4.11 On pages 341-342, the subparagraph titled “(H) Civil dispute instituted by Formenti Seleco S.p.A. in extraordinary administration before the Courts of Monza” of the paragraph titled “Civil disputes arising in connection with the ordinary business of the Issuer” of Section 9 “Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings” shall be deleted and replaced as follows:

“(H) Civil dispute instituted by Formenti Seleco S.p.A. in extraordinary administration before the Courts of Monza

Formenti Seleco S.p.A. in extraordinary administration instituted a proceeding – against a group of banks, amongst which is the Issuer – seeking compensation for damages associated with abusive granting of credit. The petitem in this action is around Euro 45 million. The Courts di Monza, with procedural justification, rejected the plaintiff’s claims. Subsequently, Formenti Seleco appealed the decision before the Court of Appeal of Milan which, in turn, rejected the plaintiff’s claims. The latter appealed the decision before the Supreme Court which, with decision no. 11798/2017, confirmed the decision of the Court of Appeal of Milan, upholding only in part the appeal reason relating to the sharing of first instance trial expenses; the Court accordingly referred the case to the Court of Appeal of Milan for the sole decision on expenses. The measure of the Court of Appeal rejecting the principal request for conviction of the Bank (with others) for the payment of the amount of Euro 45.6 million, then became definitive. By a decision published on 13 March 2019, the Court of Appeal ordered Formenti Seleco to pay all the costs of both instances, upholding the claims of all the defendant banks, including BMPS. Since Formenti Seleco did not spontaneously comply with the abovementioned decision, the Bank filed an application pursuant to article 111 of the Italian bankruptcy law before the Court of Monza, requesting the inclusion in the statement of liabilities of the receivable relating to litigation costs; the hearing for the first appearance of the parties is scheduled for 18 September 2019. At the same time, Formenti Seleco has filed an appeal with the Supreme Court against the same decision, as well as a writ of revocation pursuant to article 395 no. 4. of the Italian civil procedure code before the Court of Appeal of Milan; the first hearing for discussion has been scheduled for 19 December 2019.”

- 4.12 On page 344 of the Base Prospectus, the subparagraph titled “Anti-money laundering” of the paragraph titled “Civil disputes arising in connection with the ordinary business of the Issuer” of Section 9 “Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings” shall be deleted and replaced as follows:

“Anti-money laundering

As at the date of this Base Prospectus, 13 judicial proceedings are pending before the ordinary judicial authority in opposition to sanctioning decrees issued by the MEF in the past years against some employees of BMPS and the Bank (as a jointly liable party for the payment) for infringements of reporting obligations on suspicious transactions pursuant to Legislative Decree No. 231/2007. The overall amount of the opposed monetary sanctions is equal to approximately Euro 4.8 million, of which around Euro 1,755,000.00 was already paid.

The Bank’s defence in the context of such proceedings aims, in particular, at illustrating the impossibility to detect, at the time of events, the suspicious elements of the transactions/ subject

matter of the allegations, usually emerging only after an in-depth analyses carried out by the tax police and/or other competent authority. The upholding of the Bank's position may entail the avoidance by the judicial authority of the sanctioning measure imposed by the MEF and, in case the payment of the sanction has already been executed, the recovery of the related amount.

For the sake of completeness, it is worth noting that, as at 30 June 2019, 84 administrative proceedings are pending – in addition to the abovementioned proceedings in respect of which the opposition proceeding are in progress – instituted by the competent authorities for the alleged violation of the anti-money laundering regime. The overall amount of the petitum (amount of money of the individual operations to which these objections refer to) related to the abovementioned administrative proceedings is equal to around Euro 103 million.”

- 4.13 On pages 345-347 of the Base Prospectus, the paragraph titled “*Labour dispute*” of Section 9 “*Banca Monte dei Paschi di Siena S.p.A.*” shall be deleted and replaced as follows:

“Labour disputes

As at the date of this Base Prospectus, the Bank is a party in around 600 judicial proceedings, both active and passive, of a labour nature concerning, inter alia, appeals against individual dismissals, declaration requests of subordinate employment relations with indefinite duration, compensation for damages due to professional setbacks, requests for higher positions and miscellaneous economic claims.

As at 30 June 2019, the overall petitum relating to the passive labour proceedings is equal to Euro 63 million (Euro 70 million as at 31 December 2019) almost entirely relating to the Bank.

Provisions were created to pay the costs associated with these proceedings, based on an internal assessment of the potential risk. The provisions the Bank created regarding this type of litigation are contained within the “provision for risks and charges” which amounts to around Euro 25 million as at 30 June 2019, almost entirely relating to the Bank.

It has to be further specified that, after the transfer of the back-office activities business unit to Fruendo S.r.l., which occurred in January 2014 and concerned 1,064 resources, 634 employees (subsequently reduced to 476 as a results of renouncement/conciliation and deaths) sued the Bank before the Courts of Siena, Rome, Mantua and Lecce seeking, inter alia, the continuation of their employment relationship with the Bank, subject to prior declaration of ineffectiveness of the transfer agreement entered into with Fruendo S.r.l.

As at the date of this Base Prospectus, a first instance action is pending for one plaintiff with a hearing set for 4 October 2019, while for the other 475 first and/or second instance decisions have already been issued with an unfavourable outcome for the Bank and a consequent entitlement for the same employees to be rehired.

In particular, a first instance judgment was already issued for 142 employees (by the Courts of Lecce and Rome) which the Bank has already challenged and/or has reserved to challenge by the ritual terms in front of the competent Court of Appeal with hearings scheduled between May 2019 and February 2020. A second instance judgment has already occurred for 333 employees (by the Courts of Appeals of Florence, Rome and Brescia) against which the Bank has already promoted the challenge before the Supreme Court (as at the date of this Base Prospectus, the schedule of the public hearing by the Supreme Court in relation to all the claims filed is pending).

For the sake of full disclosure, it is worth noting that both the Bank and Fruendo have filed a petition in the Court of Appeals in Rome, Lecce and Brescia for referral to the European Court of Justice of preliminary matters that are essential for the purposes of ruling. In particular, an assessment was requested regarding the conformity to EC Directive 2001/23 of article 2112 of the Italian Civil Code, as interpreted by the decisions of the Supreme Court, to which the appealed judgments conform, and whether:

- *the transfer of an economic entity, functionally autonomous though not pre-existing, as it was identified by the transferor and the transferee at the time of the transfer, would not allow for the automatic transfer of employment relationships pursuant to article 2112 of the Italian Civil Code and therefore would require the consent of the concerned workers; and*
- *the automatic transfer of employment relationships pursuant to article 2112 of the Italian Civil Code would not be permitted and therefore the consent of the concerned workers would be required if, in the case of a transfer of an economic entity carrying out banking back-office activities, the transferring Bank would maintain ownership of the applications and IT infrastructure, only granting them to the transferee for use for valuable consideration.*

As at the date of this Base Prospectus, 72 employees (later reduced to 31 after renouncements and reconciliations) out of possible 475 gave notice of an act of precept by which they have demanded to be reinserted into the labour book (“Libro Unico del Lavoro”) of the Bank and for restoring their contribution and insurance position, both opposed by the Bank with appeals before the labour section of the Court of Siena. At the hearings of 15 February 2019, the judge reserved his judgement.

Given the above, the Bank, jointly with Fruendo S.r.l., is analysing the issues arising from the possible unfavourable ruling in the labour disputes.

Please finally note that 32 employees filed a complaint for the offence of failed malicious execution of a judicial measure (article 388 of the Italian Criminal Code). In the context of the criminal proceedings 567/17 brought before the Criminal Courts of Siena, after the abovementioned complaint, the public prosecutor filed a dismissal request against accused persons Tononi Massimo, Viola Fabrizio, Falciai Alessandro and Morelli Marco which was challenged by the claimants.

The public prosecutor again requested the closure of the proceedings for lack of grounds which has been opposed by the persons who filed the complaints on 2 March 2018, with the relevant hearing being scheduled for 11 April 2018. At the hearing held on 11 April 2018, the Judge for the Preliminary Investigation reserved his decision for 5 days. On 12 April 2018, the Judge for the Preliminary Investigation rejected the opposition filed on 2 March 2018 and declared the closure of the proceedings.

Furthermore, it is worth noting that during 2017, 52 employees of Fruendo S.r.l. (then reduced to 32 following renouncement/conciliation) have sued the Bank before the Court of Siena (with 6 separate proceedings) in order to demand the continuation of the working relationship with the Bank, following the declaration of illegal interposition of workforce (“illecita interposizione di manodopera”), so-called “appalto illecito” (which has no criminal implications) in the context of services disposed through outsourcing from the Bank to Fruendo S.r.l. On 26 January 2019, the Court of Siena upheld the motivations brought by the Bank, rejecting the claims raised by the plaintiffs.

The amount of the petitum and of the related provisions for risks and charges referred to the labour litigation described above is also inclusive of such judicial claims with regard to legal costs: other than legal costs, no further provisions have been made since at the time of the sale of the business all the claimants maintained their remuneration with the Bank and they did not suffer salary reductions applied to the employees of the Bank, in accordance with the applicable trade union agreements.

Finally, it is worth noting that, in relation to the Restructuring Plan, the evolution of the expenses related to the employees does not provide for the re-integration of those individuals that have issued a summons against the Bank, in relation to the transfer of the back-office unit to Fruendo S.r.l., which occurred in January 2014. Such circumstance is explicitly emphasised in the text of the commitment, with specific reference to the interested target, as well as the number of employees and the cost/income ratio. As a consequence of the above, in the event that the Bank, following an adverse judgment, was constrained to re-integrate the employees related to such litigation, the Bank will have discretion, with the agreement of DG Comp, to consequently adjust such target."

- 4.14 On pages 351-352 of the Base Prospectus the tenth paragraph of paragraph titled “*Judicial proceedings pursuant to Italian Legislative Decree 231/2001*” of Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” shall be deleted and replaced as follows:

“The PHJ at the Court of Forlì ordered the indictment of the defendants, including BMPS, for profiles of administrative liability of entities. Following a preliminary issue concerning territorial jurisdiction with the Court of Rimini, at the hearing of 1 December 2017, the proceeding was postponed (i) to 5 June 2018 for the discussion of preliminary issues and (ii) to 17 April 2019 for the continuation of the proceeding. At this hearing, BMPS requested the declaration of nullity of its charge due to the uncertainty of the latter.

The Court reserved its decision and adjourned the case to 7 June 2019. After rejecting all the objections of the defendants, the Court continued the proceedings admitting all the texts cited by the parties and scheduling an hearing on 4 July 2019 to appoint an expert which shall transcribe the telephone tapping. On 4 July 2019, the Court scheduled hearings on 11 November 2019 and 25 November 2019 for the summoning of the texts; subsequently, the hearings will be held twice a month, starting from January 2020.”

- 4.15 On page 352 of the Base Prospectus, the eighth subparagraph of paragraph titled “*Banca Monte dei Paschi di Siena S.p.A. – Legal Proceedings – Judicial and arbitration proceedings – Administrative offences pursuant to Legislative Decree 231/2001 challenged in relation to the sale of investment diamonds based on alleged self-laundering crime (article 648-ter of the Italian Criminal Code)*” shall be deleted and replaced as follows:

“As at 30 June 2019, the provisions for risks and charges in view of the reimbursement initiative amounted to Euro 160 million, taking into account the provisions made during the first half of 2019 for an amount equal to Euro 88 million. During such timeframe the Bank entered into settlement agreements with its clients for an amount equal to Euro 75 million.”

- 4.16 On pages 353-355 of the Base Prospectus, the paragraph titled “*Tax disputes*” of Section 9 “*Banca Monte dei Paschi di Siena S.p.A. - Legal Proceedings*” shall be deleted and replaced as follows:

“Tax disputes

The Bank and the main Group companies are involved in a number of tax disputes. As at 30 June 2019 around 40 cases are pending, for a total amount at consolidated level of approximately Euro 106 million for taxes, sanctions and interests set out in the relevant claim (of which Euro 102 million relating to the Bank). The value of disputes also includes that associated with tax verifications closed for which no dispute is currently pending since the tax authority has not yet formalised any claim or contestation.

It should be noted that the significant decrease in the total contingent liabilities compared to 31 December 2018, amounting to approximately Euro 35 million, is mainly due to the facilitated settlement of a series of disputes pursuant to and in accordance with the methods provided for by the provisions of Law Decree 119/2018 (the so-called "Pace Fiscale").

In relation to pending tax disputes, which are associated with "likely" unfavourable outcomes, as at 30 June 2019 the Bank allocated to the overall provision for risks and charges an amount equal to approximately Euro 12.3 million.

Please find below an overview of the most significant pending proceedings in terms of petitum (over Euro 10 million as taxes and penalties), and the main investigations in progress, which may yet have a potential impact for which there are no proceedings pending.

(A) Revaluation substitute tax

On 21 December 2011, two tax assessment notices were served on MPS Immobiliare, with regard to IRES and IRAP, respectively, issued based on the findings of a 2006 tax police audit report.

The dispute relates to the correct determination of the calculation base for substitute tax on the payment of the revaluation surplus pursuant to Law 266/2005. The relevant liability (higher taxes and sanctions) is equal to approximately Euro 31 million. On 15 October 2013, the District Tax Court of Florence entirely upheld the arguments presented by the company, completely overruling the above tax claims also in light of similar case law decisions on the matter, some of which have become final after the tax authority's failure to appeal them before the Supreme Court. The tax authority lodged an appeal against the District Tax Committee's decision. Such appeal was rejected on 28 September 2015 by the competent Regional Tax Committee, which confirmed the favourable first instance decision. Against the second instance decision, the tax authority filed an appeal before the Supreme Court and the Bank filed a counterclaim.

The risk of an unfavourable outcome in the case has been assessed by the company and its advisers as remote.

(B) Deductibility and pertinence of some costs of the former consolidated company Prima SGR S.p.A.

BMPS is involved in the proceedings instituted by – at the time of events – the investee company Anima SGR S.p.A. against the allegations brought by the Regional Tax Office of Lombardy against Prima SGR S.p.A. (a company already included in the tax consolidation, now merged by incorporation into Anima SGR S.p.A.) for lack of competence or pertinence of some costs deducted in tax years 2006, 2007 and 2008.

The Regional Tax Office of Lombardy claimed in aggregate, Euro 20.6 million for taxes and sanctions: (i) for financial year 2006 taxes of around Euro 4.3 million and sanctions of around

Euro 5.1 million; (ii) for financial year 2007 taxes of around Euro 2.8 million and sanctions of around Euro 3.6 million; and (iii) for financial year 2008 taxes of around Euro 2.1 million and sanctions of around Euro 2.7 million.

The tax assessment notices were challenged before the Provincial Tax Committee of Milan. In respect of financial year 2006, the proceeding is currently pending before the Supreme Court following the challenge of the judgment pursuant to which the Regional Tax Committee of Lombardy upheld the first instance judgment save for the exception relating to the challenge for wrongful withholding of costs equal to approximately Euro 2.7 million. In relation to financial years 2007 and 2008, the proceedings following the appeal lodged by the Bank against the negative ruling of the Provincial Tax Committee of Lombardy of 21 December 2017 (which upheld the appeal of the Regional Tax Office against the first instance judgment favourable to the bank), is still pending before the Supreme Court.

Furthermore, in respect of financial year 2006, on 2 May 2017, the Regional Direction of Lombardy notified a partial self-protection measure with which, upholding the request brought by the Bank, the sanctions relating to one of the allegations in the dispute have been disregarded and overall sanctions have been re-determined, for an amount of around Euro 3.9 million (instead of 5.1 million). Accordingly, net of the taxes already paid on a definitive basis, of around Euro 0.6 million, with reference to one allegation which was not challenged during the trial, the overall amount due to taxes and sanctions is reduced from Euro 20.6 million to Euro 18.8 million.

According to BMPS and its consultants, the risk of a negative outcome in this dispute shall be qualified as likely in respect of Euro 1.8 million and possible in respect of Euro 17 million.

(C) Deductibility of the capital loss posted by the former consolidated company AXA MPS Assicurazioni Vita in respect of the securities held thereby in Monte Sicav

BMPS is involved in the legal action instituted by the investee company AXA MPS Assicurazioni Vita (a company already included in the tax consolidation) against the complaints lodged by the Regional Tax Office of Lazio regarding the tax treatment of the write-downs carried out in respect of the units held in the Luxembourg-based open-ended investment company Monte Sicav.

In particular, the Tax Office claimed that the qualification of the securities issued by Monte Sicav Equity was not correct (i.e. series or mass issued securities), and that such securities should have instead been qualified as equity interests and consequently been governed by the relevant regime. More specifically, the auditors maintained that the adjustments in value of Monte Sicav Equity's securities could not be entirely deducted in the financial year during which they had been posted, i.e. 2004, as was done by the company.

As a consequence, the Regional Tax Office of Lazio included the entire amount of value adjustments posted and deducted by AXA MPS Assicurazioni Vita within the tax base, claiming that the company shall pay higher taxes and sanctions for Euro 26.2 million, of which Euro 23.2 million in relation to IRES and Euro 3 million in relation to IRAP.

Proceedings are currently pending in relation to such claims.

The dispute relating to IRES was settled on a facilitated basis by AXA MPS Assicurazioni Vita pursuant to and in accordance with the procedures provided for by the provisions of Decree Law 119/2018 (the so-called "Pace Fiscale"), with a total disbursement of Euro 11.6 million. The dispute relating to IRAP is pending before the Supreme Court and, in light of the outcome

of the similar dispute illustrated below, the risk of a negative outcome has been qualified as "probable".

A similar case concerned the tax year 2003, in relation to which the tax authorities contested the full deductibility, for IRPEG (former corporate income tax) and IRAP purposes, of the value adjustments recorded by AXA MPS Assicurazioni Vita and relating to Monte Sicav securities. The Supreme Court rejected BMPS's appeal with a decision issued on 9 July 2019 (filed on 26 July 2019). The tax liability arising from such dispute amounts to approximately Euro 7.5 million, plus interests.

With reference to the above-mentioned tax disputes involving AXA MPS Assicurazioni Vita, it should be noted that the impact on BMPS of the liabilities (if any) arising from the above proceedings depends on the involvement (if any) of BMPS deriving from the guarantee clauses set out in the assignment agreements of AXA MPS Assicurazioni Vita."

5. MANAGEMENT OF THE BANK

5.1 On pages 356-358 of the Base Prospectus, under the section titled "*Board of Directors*" the table with the details relating to board of directors shall be deleted and replaced as follows:

“

Name	Position	Date of birth	Position held
Stefania Bariatti (*)	Chair	28 October 1956	Vice President of the Board of Directors of SIAS S.p.A. Sole Director of Canova Guerrazzi s.s. Vice President of the Board of Directors and member of the Executive Committee of the Italian Banking Association Vice President of the Board of Directors of A2A S.p.A.
Antonino Turicchi	Deputy Chair	13 March 1965	Director to Autostrade per l'Italia S.p.A. Director of Leonardo S.p.A. Chair of the Board of Directors of STMicroelectronics Holding N.V. Manager of Direzione VII – Finanze e privatizzazioni del Dipartimento del Tesoro del Ministero dell'Economia e delle Finanze
Marco Morelli	Chief Executive Officer	08 December 1961	Director and member of the Executive Committee of the Italian Banking Association

Name	Position	Date of birth	Position held
			Vice President of the Board of Directors of Fondazione Onlus Gino Rigoldi
Maria Elena Cappello (**)	Director	24 July 1968	Director of Prysmian S.p.A. Director and member of the Sustainability, Scenarios and Governance Committee of Saipem S.p.A. Director and member of the Related Party Committee of TIM S.p.A.
Roberta Casali (**)(***)	Director	25 January 1962	Director and member of Independent Directors and referent for Board of Directors on Audit, Compliance and <i>Risk Management</i> of Antirion SGR S.p.A.
Marco Giorgino (**)	Director	11 December 1969	Chair of the Board of Directors of Vedogreen S.r.l. Director of REAL STEP SICAF S.p.A. Statutory Auditor of RGI S.p.A. Director of Terna S.p.A.
Fiorella Kostoris (**)	Director	5 May 1945	//
Roberto Lancellotti (**)	Director	21 July 1964	Director of Datalogic S.p.A. Member of the Steering Committee of Fondazione Welfare Ambrosiano

Name	Position	Date of birth	Position held
Nicola Maione (**)	Director	9 December 1971	Chair of the Board of Directors of ENAV S.p.A. Director of Associazione Bancaria Italiana
Stefania Petruccioli (**)	Director	5 July 1967	Director of Dè Longhi S.p.A. Director of Interpump Group S.p.A. Director of RCS Media Group S.p.A. Director of F2A S.p.A. Director of Italian Banking Association
Salvatore Fernando Piazzolla (*)	Director	5 March 1953	//
Angelo Riccaboni (**)	Director	24 July 1959	Chair of Fundacion PRIMA Chair of Fondazione Sclavo Director of Fondazione Smith Kline Chair of the Steering Committee of Santa Chiara Lab Innovation Center of University of Siena Director of Università degli Studi di Milano – Bicocca
Michele Santoro (**)	Director	28 March 1955	//
Giorgio Valerio (**)	Director	13 July 1966	Director and Member of the Control and Risk Committee, the

Name	Position	Date of birth	Position held
			Nominating and Compensation Committee and the related party Committee of Massimo Zanetti Beverage Group S.p.A.
			Chair of the Board of Directors of Niuma S.r.l..

”

5.2 On pages 360-363 of the Base Prospectus, under the section titled "*Managers with Strategic Responsibilities*" the table with the details relating to managers with strategic responsibilities shall be deleted and replaced as follows:

“

Name	Position	Date of birth	Position held
Marco Morelli	General Manager and Chief Executive Officer	08 December 1961	Director and member of Executive Committee of the Italian Banking Association Vice President of the Board of Directors of Fondazione Onlus Gino Rigoldi
Giovanni Ametrano	Head of performing loan	06 April 1965	Director of MPS Leasing & Factoring S.p.A.
Maurizio Bai	Head of network division	23 July 1967	//
Leonardo Bellucci	Chief risk officer	21 February 1974	//
Giampiero Bergami	Chief commercial officer	27 February 1968	Director of Wise Dialog Bank – Widiba S.p.A. Director of Banca Monte Paschi Belgio S.A. Director of Bonfiglioli Riduttori S.p.A.
Vittorio Calvanico	Chief operating officer	08 February 1964	Director of Ausilia S.r.l. CEO of Consorzio Operativo Gruppo Montepaschi S.c.p.a.
Pierfrancesco Cocco	Chief audit executive	07 June 1954	//
Roberto Coita	Chief human capital officer	28 January 1972	//

Eleonora Cola	Head of retail	18 July 1965	Director of Consorzio Operativo Gruppo Montepaschi S.c.p.a. Director of AXA MPS Assicurazioni Vita S.p.A. Director of AXA MPS Assicurazioni Danni S.p.A. Director of Microcredito di Solidarietà S.p.A.
Fiorella Ferri	Chief safety officer	5 June 1962	//
Fabiano Fossali	Head of corporate	22 March 1968	Director of MPS Leasing & Factoring S.p.A. Director of MPS Capital Services Banca per le Imprese S.p.A.
Fabrizio Leandri	Chief lending officer	21 April 1966	//
Ettore Minnella	Head of operations	18 September 1960	//
Marco Palocci	Head of external and institutional relations	02 December 1960	Vice President of the Board of Directors of Fondazione Banca Agricola Mantovana Member of the Board of Directors of Fondazione Banca Antonveneta Vice president of Wise Dialog Bank – Widiba S.p.A. Director of MPS Capital Services Banca per le Imprese S.p.A. Director of Conciliatore bancario finanziario
Riccardo Quagliana	Head of group general counsel	04 February 1971	Director of Wise Dialog Bank – Widiba S.p.A. Director of AXA MPS Assicurazioni Danni S.p.A. Director of AXA MPS Assicurazioni Vita S.p.A. Director of Nuova Sorgenia Holding S.p.A.
Andrea Rovellini	Chief financial officer	15 February 1959	Director of MPS Capital Services Banca per le Imprese S.p.A. Director of Conciliatore bancario finanziario Director of Wise Dialog Bank – Widiba S.p.A. Director of AXA MPS Assicurazioni Danni S.p.A. Director of AXA MPS Assicurazioni Vita S.p.A. Director of Nuova Sorgenia Holding S.p.A.
Lucia Savarese	Head of non-performing loan	30 March 1964	Director of MPS Capital Services Banca per le Imprese S.p.A.

Federico Vitto	Head of wealth management	14 November 1968	Chair of MPS Fiduciaria S.p.A. Director of AXA MPS Assicurazioni Danni S.p.A. Director of AXA MPS Assicurazioni Vita S.p.A. Director of AXA MPS Financial Designated Activity Company (DAC) Director of AIPE - Italian Association Private Banking
Ettore Carneade	Head of compliance area	16 June 1961	//
Nicola Massimo Clarelli	Chief financial reporting officer	22 October 1971	//

”

5.3 On pages 363 and 364 of the Base Prospectus, under the section titled "*Board of Statutory Auditors*" the table with the details relating to board of statutory auditors shall be deleted and replaced as follows:

"

Name	Title	Position held
Elena Cenderelli	Chairperson	Chairperson of the board of statutory auditors of AXA MPS Assicurazioni Vita S.p.A. Chairperson of the board of statutory auditors of AXA MPS Assicurazioni Danni S.p.A.
Raffaella Fantini	Standing auditor	Standing auditor of SO.G.IM S.p.A. Standing auditor of ICCAB S.r.l. Standing auditor of Ecuador S.p.A. Standing auditor of Società Immobiliare Minerva S.r.l. Standing auditor of BP Real Estate S.p.A. Standing auditor of Sport e Salute S.p.A. Standing auditor of Istituto nazionale previdenza giornalisti italiani

Paolo Salvadori	Standing auditor	<p>Chairperson of the board of statutory auditors of SEVIAN S.r.l.</p> <p>Chairperson of the Board of Directors of AXA Italia Servizi S.c.p.a.</p> <p>Chair of the Board of statutory auditors of Immobiliare Due Ponti S.p.A.</p> <p>Chairperson of the Board of statutory auditors of MA Centro Inossidabili S.p.A.</p> <p>Standing auditor of ICM S.p.A.</p>
Daniele Federico Monarca	Alternate auditor	<p>Director of Blue Financial Communication S.p.A.</p> <p>Chief executive officer of Pigreco Corporate Finance S.r.l.</p> <p>Chairperson of the Board of statutory auditors of ADVALORA S.p.A.</p> <p>Standing auditor of Fiera Milano S.p.A.</p> <p>Standing auditor of ICM S.p.A.</p> <p>Director of Blue Financial Communication S.p.A.</p> <p>Director of Il cielo in una stanza S.r.l.</p> <p>Chairperson of the Board of directors Consaequo Partners S.r.l.</p> <p>Standing auditor of Fiere di Milano Fiera S.p.A.</p> <p>Director of Pigreco Corporate Finance S.r.l.</p>
Claudia Mezzabotta	Alternate auditor	<p>Chairperson of the Board of statutory auditors of Carrara S.p.A.</p> <p>Standing auditor of Sabre Italia S.r.l.</p> <p>Standing auditor of AVIO S.p.A.</p> <p>Single standing auditor of RES – Research for enterprise systems S.r.l.</p> <p>Chairperson of the Board of statutory auditors of Fultes S.p.A.</p> <p>Standing auditor of Quadrifoglio Piacenza S.p.A. in liquidazione</p>

Single standing auditor of GE
Lighting S.r.l.
Standing auditor of
Pentagramma Perugia S.p.A.
Standing auditor of Inalca S.p.A.
Standing auditor of Synopo
S.p.A.
Single standing auditor of
Winwin S.r.l.
Standin auditor of
Pentagramma Piemonte S.p.A.
in liquidazione
Standing uditor of Ente
Nazionale Previdenza e
assistenza degli psicologi

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6. GENERAL INFORMATION

- 6.1 On page 473 of the Base Prospectus, under section "General information", the paragraph headed "Trend information / No Significant Change" shall be deleted and replaced as follows (track changes show the amendments made):

"Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer and since 30 June 2019 there has been no significant change in the financial or trading position of the Issuer and of Montepaschi Group.

Since 31 December 2018 there has been no material adverse change in the prospects of the Guarantor and since 31 December 2018 there has been no significant change in the financial or trading position of the Guarantor."

- 6.2 On pages 473-474 the Base Prospectus, under section "General information", the item headed "Documents Available" shall be updated as follows (track changes show the amendments made):

"So long as Covered Bonds are capable of being issued under the Programme, copies of the following documents will, when published, be available (in English translation, where necessary) free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer:

- (a) the by-laws of the Issuer and the constitutive documents of the Guarantor;*
- (b) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2017 and 31 December 2018;*
- (c) the unaudited half-year consolidated financial report of the Issuer as at and for the period ended 30 June 2017, 30 June 2018 and 30 June 2019;*
- (d) the consolidated unaudited interim financial report of BMPS as at 30 September 2017 and 30 September 2018;*
- (e) the consolidated unaudited interim financial report of BMPS as at 31 March 2019;*
- (f) the audited financial statements of the Guarantor as at and for the years ended 31 December 2016, 31 December 2017 and 31 December 2018;*
- (g) the auditors' reports for the Issuer for the financial year ended 31 December 2017 and 31 December 2018;*
- (h) the auditors' reports for the Guarantor for the financial year ended 31 December 2016, 31 December 2017 and 31 December 2018;*
- (i) a copy of this Prospectus;*
- (j) any future offering circular, prospectuses, information memoranda and supplements to this Prospectus including Final Terms and any other documents incorporated herein or therein by reference;*
- (k) each of the following documents (as amended and restated from time to time, the "Programme Documents"), namely:*

· Guarantee;

- *Subordinated Loan Agreements;*
- *Master Assets Purchase Agreement;*
- *Cover Pool Management Agreement;*
- *Warranty and Indemnity Agreement;*
- *Master Servicing Agreement;*
- *Asset Monitor Agreement;*
- *Quotaholders' Agreement;*
- *Cash Allocation, Management and Payments Agreement;*
- *English Account Bank Agreement;*
- *Covered Bond Swap Agreements;*
- *Asset Swap Agreements;*
- *Mandate Agreement;*
- *Deed of Pledge;*
- *Deed of Charge*
- *Intercreditor Agreement;*
- *Guarantor Corporate Services Agreement;*
- *Programme Agreement; and*
- *Master Definitions Agreement"*