



PRESS RELEASE

BANCA MONTE DEI PASCHI DI SIENA: THE EXTRAORDINARY SHAREHOLDERS' MEETING APPROVES THE PROJECT OF THE DEMERGER IN FAVOUR OF AMCO

The Extraordinary Shareholders' Meeting approved the partial proportional demerger project of MPS Capital Services S.p.A. in favour of MPS and the partial non-proportional demerger project with asymmetric option of MPS in favour of AMCO - Asset Management Company S.p.A.

Siena, 4 October 2020 – The Extraordinary Shareholders' Meeting of Banca Monte dei Paschi di Siena S.p.A. (the "**Bank**", "**MPS**" or the "**Company**"), held today on a single call under the chairmanship of Patrizia Grieco, resolved to:

- approve the partial proportional demerger project of MPS Capital Services Banca per le Imprese S.p.A. ("**MPSCS**") in favour of MPS, with the relevant annexes (the "**MPSCS Project**");
- approve the partial non-proportional demerger project of MPS in favour of AMCO – Asset Management Company S.p.A. ("**AMCO**") with the granting of an asymmetric option to the shareholders of MPS, other than the Italian Ministry of Economy and Finance, with the relevant annexes (the "**AMCO Project**"); and
- amend paragraphs 1 and 2 of art. 6 of the Bank's By-Laws (relating to the Bank's share capital) following the approval of the AMCO Project.

More precisely, the Extraordinary Shareholders' Meeting of MPS resolved – with a percentage of votes in favour equal to 99.97% of the share capital represented at the Shareholders' Meeting – to approve the MPSCS Project and the AMCO Project, as already approved by the Bank's Board of Directors on 29 June 2020, together with certain amendments to the By-Laws that are necessary given that the AMCO Demerger (as defined below) will determine a reduction in the share capital of the Bank of Euro 1,133,606,063.29 and a consequent cancellation, taking into account the rounding off resulting from the application of the exchange ratio of the AMCO Demerger, of a maximum of 137,884,185 outstanding shares.

The Extraordinary Shareholders' Meeting of AMCO, which approved the AMCO Project was held today as well, while the Shareholders' Meeting of MPSCS, which approved the MPSCS Project, was held on 2 October 2020.

The Intra-Group Demerger

According to the MPSCS Project, the transaction consists of a partial proportional demerger of MPSCS in favour of the Bank (the “**Intra-Group Demerger**”), to which the “simplified procedure” under articles 2505 and 2506-*bis* of the Italian Civil Code applies, given that MPS holds the entire share capital of MPSCS. The Intra-Group Demerger will be implemented through the assignment by MPSCS to the Bank of a portion of its assets and liabilities (including a portfolio of non-performing exposures), which will be subsequently transferred to AMCO as a result of the AMCO Demerger. The Intra-Group Demerger will entail a reduction in MPSCS’s share capital, while it will not entail a capital increase of the Bank; moreover, no exchange ratio or allocation of shares to the shareholders is provided for (given that MPS is the sole shareholder of MPSCS).

The Intra-Group Demerger will be effective for statutory purposes (towards third parties) as from the latest of the following dates: (i) the date of the last of the required filings of the demerger deed with the competent Companies’ Register or (ii) 26 November 2020.

The AMCO Demerger

According to the AMCO Project, the transaction consists of a partial non-proportional demerger of MPS in favour of AMCO (the “**AMCO Demerger**”), which will be implemented through the assignment to AMCO of a compendium of assets (non-performing and unlikely-to-pay loans, deferred tax assets and other assets), liabilities (including, among others, a bridge loan of Euro 3,179,187,010) and net equity, owned by MPS (the “**Demerged Compendium**”), with the allocation to the Bank’s shareholders of AMCO class B shares (the “**AMCO Class B Shares**”) in exchange for the cancellation of MPS ordinary shares, applying the exchange ratio of the AMCO Demerger.

The AMCO Class B Shares that will be allocated to the MPS shareholders will have the same rights as those of the ordinary shares of AMCO already issued, with the exception of the voting rights at the ordinary and extraordinary shareholders’ meeting of AMCO, and are not, and will not be, traded on any regulated market or multilateral trading facility.

The newly issued AMCO Class B Shares will be allocated to the MPS shareholders and the corresponding MPS ordinary shares will be cancelled in a non-proportional measure (approximately 90% to the Ministry of Economy and Finance (“**MEF**”), the Bank’s majority shareholder, and approximately 10% to the other shareholders (the “**MPS Minority Shareholders**”). On the basis of the exchange ratio of the AMCO Demerger and the distribution ratios above:

- MEF will be allocated no. 0.0638 AMCO Class B Shares for each MPS share held and no. 0.1595 MPS shares for each MPS share held will be cancelled;
- each MPS Minority Shareholder will be allocated no. 0.0152 AMCO Class B Shares for

each MPS share held and no. 0.0380 MPS shares for each MPS share held will be cancelled.

MPS Minority Shareholders (including MPS as holder of treasury shares) may elect to not receive any AMCO Class B Shares, to not have any of their MPS shares cancelled and, therefore, to remain exclusively MPS shareholders, which would increase their MPS shareholding in percentage terms (the “**Asymmetric Option**”).

The allocation of AMCO Class B Shares to MPS shareholders (who have not exercised the Asymmetric Option) will take place, in dematerialised form and through authorised intermediaries, as from the Demerger Effective Date (as defined below), at a time and in a manner that will be notified in accordance with the current applicable law and regulations.

Right of Sale and Right of Withdrawal

MPS shareholders who did not elect to approve the AMCO Demerger are entitled to exercise the right of withdrawal pursuant to art. 2437, paragraph 1, lett. a) and g) of the Italian Civil Code, as well as art. 2437-*quinquies* of the Italian Civil Code (the “**Right of Withdrawal**”), or the right to have their MPS shares purchased in accordance with art. 2506-*bis*, paragraph 4 of the Italian Civil Code (the “**Right of Sale**”). The Right of Withdrawal and the Right of Sale may only be exercised for the entire shareholding held in MPS for a unitary liquidation value of the MPS share, determined pursuant to art. 2437-*ter*, paragraph 3 of the Italian Civil Code, equal to Euro 1.339 per share, within fifteen days from the date on which the resolution approving the AMCO Demerger is registered with the Companies’ Register of Arezzo - Siena. In accordance with the applicable law, should the Right of Withdrawal or the Right of Sale be exercised, the relevant shares will no longer be made available by the intermediary with whom they are deposited until the completion of the AMCO Demerger.

Therefore, subsequently to the exercise of such rights, the shares may not be transferred by the withdrawing or selling shareholder until the outcome of the settlement procedure.

The effectiveness of the Right of Withdrawal and the Right of Sale and, therefore, the related settlement procedure of the shares with the payment of the abovementioned liquidation value to the shareholders, are subject to the completion of the AMCO Demerger.

Details on terms and conditions for the exercise of the Right of Withdrawal and the Right of Sale shall be notified by MPS in the manner provided under the current applicable law and regulations.

The Asymmetric Option

MPS Minority Shareholders (including MPS in relation to its treasury shares) that have not exercised the Right of Sale or the Right of Withdrawal will have the right to exercise the Asymmetric Option.

MPS Minority Shareholders (including MPS) that have exercised the Asymmetric Option will not participate in the application of the exchange ratio of the AMCO Demerger and therefore: (i) their respective MPS ordinary shares will not be subject to partial cancellation and (ii) such shareholders will not receive any AMCO Class B Shares in exchange for MPS ordinary shares.

As a result of exercising the Asymmetric Option, therefore, the percentage of the shareholding in the share capital of the Company held by the MPS Minority Shareholders who have exercised the Asymmetric Option would be increased, remaining unchanged the number of MPS ordinary shares held by themselves.

The Asymmetric Option may be exercised by each MPS Minority Shareholder that has not exercised the Right of Withdrawal or the Right of Sale, and only with regard to its entire shareholding held in MPS (and not only part of it) at the date of the exercise of the Asymmetric Option, according to the terms and conditions that will be notified by MPS in accordance with the current applicable law and regulations. The MPS shares for which the Asymmetric Option is exercised will remain unavailable and may not be traded or otherwise transferred until the date on which the AMCO Demerger becomes effective.

Conditions Precedent

As specified in the press release of 29 June 2020, the effectiveness of the AMCO Demerger is subject to the fulfilment of the following conditions precedent (the “**Conditions Precedent**”) by 1 December 2020:

- a) the effectiveness of the Intra-Group Demerger;
- b) the provision of funding deriving from the MPS Financing, as well as the issuance of the letter of consent by the financing banks to the transfer of the MPS Financing to AMCO as a result of the AMCO Demerger and the delivery of irrevocable instructions to release the cash collateral pledged by MPS to guarantee the repayment of the MPS Financing, to be performed at the time in which the AMCO Demerger becomes effective;
- c) the circumstance that MPS’ maximum disbursement for the potential purchase of MPS shares, in relation to which the Right of Withdrawal or the Right of Sale has been exercised and which have not been placed to shareholders or third parties pursuant to the applicable law, does not exceed a total of Euro 150 million (the “**Maximum Expenditure Condition Precedent**”). This condition may be waived by the Bank at its sole discretion.

It should also be noted that in the measure issued on 2 September 2020 – as notified to the market on 27 August 2020 and 2 September 2020 – the European Central Bank authorised the AMCO Demerger but made this authorisation and, therefore, the completion of the transaction, subject to the occurrence of certain events. For further information on the contents of this

measure, please refer to the press release issued by the Bank on 27 August 2020, available on the Bank's website at www.gruppomps.it and on the authorised storage mechanism "eMarket Storage", available at www.emarketstorage.com.

The Bank shall give notice of the fulfilment or non-fulfilment (or, with regard to the Maximum Expenditure Condition Precedent, the waiver) of the Conditions Precedent within the term set forth by the AMCO Project.

Effective date of legal and accounting effects of the AMCO Demerger

Subject to the fulfilment of the Conditions Precedent, the AMCO Demerger will be effective for statutory purposes (towards third parties) as from the latest of the following dates: (i) the date of the last of the required registrations of the AMCO Demerger deed with the competent Companies' Register, and (ii) 1 December 2020 (the "**Demerger Effective Date**").

For the purposes of recording the transactions of the Bank in AMCO's financial statements, in accordance with the provisions of art. 2506-*quater* of the Italian Civil Code, as well as for tax and accounting purposes, the effects of the AMCO Demerger shall start as from the Demerger Effective Date.

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For further information on the AMCO Demerger and the Intra-Group Demerger, please refer to the explanatory reports prepared by the MPS Board of Directors and to the information document prepared by MPS pursuant to art. 70, paragraph 6 of the Regulation adopted with Consob resolution no. 11971 of 14 May 1999, available at the Company's registered office (in Siena, Piazza Salimbeni 3), on the Bank's website at www.gruppomps.it, and on the authorised storage mechanism "eMarket Storage" at www.emarketstorage.com.

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For further information:

Media Relations

Tel. +39 0577 296634

ufficio.stampa@mps.it

Investor Relations

Tel: +39 0577 299350

investor.relations@mps.it