

PRESS RELEASE

BMPS RECEIVES ECB'S DRAFT DECISION ON PLANNED DEMERGER

Siena, 27 August 2020 – Today the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. (hereinafter "the Bank" or "BMPS"), acknowledged receipt of the European Central Bank's Draft Decision regarding the project, which was deposited at the Bank's headquarters on 30 June 2020, for the non-proportional demerger, with asymmetric option, of a compendium consisting, inter alia, of non-performing exposures.

With respect to this communication, the Board of Directors of the Bank resolved to inform the ECB of the absence of comments on its part. The BCE's Final Decision is expected to be sent, in line with the tentative timeframe previously communicated to the Market.

The authorisation is subject to the following conditions:

- A. BMPS, prior to the Demerger Effective Date must, either (i) issue, at market conditions, at least EUR 250 million subordinated instruments, eligible for inclusion for their entire nominal amount into the Bank's Tier 2 capital according to Article 63 of Regulation (EU) No 575/2013 (hereinafter, the 'Tier2 Injection') or (ii) provide to the ECB adequate evidence of the firm commitment, by one or more investors of adequate standing (including, as appropriate, any public body or affiliated entity), to subscribe, by 31 December 2020, the Tier2 Injection;
- B. a law decree (*decreto legge*), a legislative decree (*decreto legislativo*) or an ordinary law (*legge ordinaria*) (i) being in force, as at the Demerger Effective Date (as defined below), (ii) setting aside the public funds needed to subscribe capital instruments issued at market conditions by any Italian State-owned company (it being understood that capital instruments shall include subordinated instruments eligible as Additional Tier 1 capital and Tier 2 capital and BMPS shall be eligible for recapitalisation under such law decree, legislative decree or ordinary law) and (iii) enabling the Italian Ministry of Economy and Finance (hereinafter, 'MEF') to subscribe, within the limits of the public funds set aside, up to 70% of the amount of capital instruments issued to restore BMPS' compliance with its applicable overall capital requirements, it being understood that at least 30% of the relevant amount shall be subscribed by private investors;
- C. BMPS must provide to the ECB, prior to Demerger Effective Date (as defined below), at least three comfort letters, issued by different investment banks no more than 20 calendar days before the execution date of the Demerger, confirming that, according to their analysis and estimates, BMPS would be reasonably able to have at least 30% of the amount of Additional Tier 1 instruments to be potentially issued by BMPS subscribed by private investors, it being understood that each investment bank shall determine such amount in

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good faith, according to the best professional standards and based on all information available to it.

- D. The approval by BMPS' extraordinary shareholders' meeting of the statutory amendments necessary for the effectiveness of the demerger.

This press release will be available at www.gruppomps.it

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