

PRESS RELEASE

BANCA MPS FINALISES THE SALE OF JUNIOR NOTES TO QUAESTIO SGR AND DECONSOLIDATES THE SECURITISED PORTFOLIO

Milan, 22 June 2018 – Banca MPS announces that the sale of 95%* of junior notes for nominal EUR 565 million, relating to the securitisation of MPS Group's bad loan portfolio, was finalised today with Quaestio Capital SGR S.p.A., on behalf of the Italian Recovery Fund (formerly Atlante II Fund).

This transaction follows the sale of 95%* of mezzanine notes for a nominal amount of EUR 847.6 million that took place on 9 January 2018 to the Italian Recovery Fund, thus marking the full achievement of the objectives set by the agreements signed on 26 June 2017 with Quaestio Capital SGR S.p.A., which called for the acquisition by the latter of the mezzanine and junior tranches of the MPS Group's securitised bad loan portfolio by 30 June 2018.

The whole transaction also represents the largest securitization ever done at European level and a significant step along the path, envisaged by the 2017-2021 Restructuring Plan which was approved on 4 July 2017 by the European Commission, towards the disposal of the majority of the MPS Group's bad loans. Indeed, the transfer of the junior notes, in addition to that of the mezzanine notes and the total outsourcing of portfolio recovery activities, entails the concurrent deconsolidation of the securitised portfolio, for a gross value of approximately EUR 24.1 billion (net value of EUR 4.3 billion).

The economic impacts of the securitisation were already accounted for in FY 2017.

* 5% of the junior and mezzanine notes were retained by the MPS Group in compliance with the retention rule.

Banca Monte dei Paschi di Siena, founded in 1472, is considered the oldest bank in the world and it is one of the leading Italian banking groups, with significant presence in all business areas. The Montepaschi Group is present all over Italy and in the major international financial centers, operating from traditional banking to private banking and corporate finance, with a particular focus for retail and small and medium-sized enterprises .

Quaestio Capital SGR S.p.A. is an Italian managed company with a global perspective whose aim is to invest for its clients by combining research and direct experience on the markets. The Company manages assets of approximately €10 billion (as of 31 December 2017). Quaestio's success is based on innovation, experience, solidity and its ability to attract talent. These values have always guided the Company's activities, enabling it to provide daily access to the best investment opportunities for its clients whether they be institutional or professional. Quaestio is the Italian leader in managing UCITS funds and alternatives for institutional clients with a focus on direct investment on real economy in Italy.

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