

PRESS RELEASE

**BANCA MPS PLACES 5-YEAR COVERED BOND ISSUE
FOR EUR 1 BILLION**

Monte dei Paschi successfully returns to the international funding market

Demand in excess of EUR 2.2 billion, 2.08% interest rate (mid-swap + 190 basis points)

Siena, 23 January 2019 – Banca Monte Paschi di Siena returns to the international financial markets by launching a new 5-year Covered Bond issue (bonds backed by Italian residential mortgages) intended for institutional investors.

This is BMPS' first placement on this family of bonds since November 2015, marking the Bank's successful return to the international Covered Bond funding market.

The transaction was announced to the market as a benchmark-sized issue with an initial price guidance of mid-swap + low 200 basis points. The order book grew rapidly, surpassing EUR 2.2 billion and allowing the spread to be tightened to 190 basis points over mid-swap.

The bond, amounting to EUR 1 billion, is expected to be rated A1/A+/AAL (Moody's/Fitch/DBRS), matures in January 2024 and carries a 2% annual coupon. Given the below-par re-offer price of 99.61%, the yield at maturity is 2.08% per annum.

Settlement date is 29 January 2019.

Barclays, BNP Paribas, Crédit Suisse, MPS Capital Services, NatWest Markets and UniCredit acted as Joint Lead Managers and Bookrunners for the placement.

The issue was distributed to more than 130 institutional investors, particularly Fund Managers, Banks and Insurers, mainly resident in Italy, UK and Northern European countries, thus highlighting widespread national and international interest.

This press release is available on www.gruppomps.it

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