

**PRESS RELEASE**

**BANCA MPS ISSUES A EUR 300 MILLION TIER 2 BOND**

*The issue fulfills one of the conditions set by the ECB in its Decision of 2 September 2020, relating to the authorization of the demerger transaction in favor of AMCO.*

Siena, 03 September 2020 – Banca Monte dei Paschi di Siena has today completed the placement of a fixed-rate Tier 2 subordinated bond, with a 10-year maturity (callable after 5 years from the issue date, at the issuer's discretion, subject to regulatory approval), reserved to institutional investors, with a size of EUR 300 million and an annual yield of 8.50%.

The issuance is instrumental to the non-proportional partial demerger with asymmetric option, of a compendium consisting, *inter alia*, of non-performing exposures, by BMPS in favour of AMCO – Asset Management Company S.p.A. The issue meets one of the conditions set by the ECB to authorize the transaction, as provided for in the Final Decision of 2 September.

The issue met an excellent response from the market, with final orders exceeding EUR 1 billion from over 120 investors. The strong demand allowed the Bank:

- to increase the size, compared to the EUR 250 million initially announced (minimum amount to be issued by 31/12/2020), and
- to reduce the yield, compared to the initial guidance of 9% area.

The bond, issued under BMPS' Debt Issuance Programme, with expected ratings of Caa1 (Moody's) / CCC+ (Fitch)/B (low) (DBRS), will be listed on the Luxembourg Stock Exchange.

The placement was managed by Morgan Stanley acting as Sole Active Bookrunner, together with Barclays and MPS Capital Services acting as Other Bookrunners.

*This press release will be available at [www.gruppomps.it](http://www.gruppomps.it)*

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