

NINTH SUPPLEMENT DATED 12 APRIL 2021 TO THE
BASE PROSPECTUS DATED 22 JULY 2020

Banca Monte dei Paschi di Siena S.p.A.
(Incorporated with limited liability in the Republic of Italy)



€50,000,000,000

Debt Issuance Programme

This ninth supplement (the “**Supplement**”) to the Base Prospectus dated 22 July 2020, as supplemented by the first supplement dated 20 August 2020, the second supplement dated 1 September 2020, the third supplement dated 8 October 2020, the fourth Supplement dated 27 November 2020, the fifth supplement dated 13 January 2021, the sixth supplement dated 20 January 2021, the seventh supplement dated 17 February 2021 and the eighth supplement dated 2 March 2021 (the “**Base Prospectus**”), constitutes a supplement for the purposes of article 23 (1) of the Prospectus Regulation and is prepared in connection with the €50,000,000,000 Debt Issuance Programme (the “**Programme**”) established by Banca Monte dei Paschi di Siena S.p.A. (“**BMPS**” or the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement will be published on the website of the Luxembourg Stock Exchange website www.bourse.lu.

Purpose of the Supplement

The purpose of the submission of this Supplement is to update (i) the “*Risk Factors*” section of the Base Prospectus, (ii) the “*Documents incorporated by reference*” section of the Base Prospectus to incorporate by reference the consolidated audited annual financial statements of BMPS for the financial year ended 31 December 2020, the separate audited annual financial statements of the Bank for the financial year ended 31 December 2020 and a press release published by the Issuer on its website, (iii) the “*Banca Monte dei Paschi di Siena S.p.A.*” section of the Base Prospectus, (iv) the “*Management of the Bank*” section of the Base Prospectus and (v) the “*General Information*” section of the Base Prospectus.

Risk Factors

The “*Risk Factors*” section of the Base Prospectus is amended as follows:

- The sub-paragraph “*Risks associated with the general economic/financial scenario*” (such sub-paragraph being lastly amended by the seventh supplement to the Base Prospectus dated 17 February

2021) of the paragraph titled “*Risks relating to the Issuer's financial position*” on pages 1-3 of the Base Prospectus is deleted in its entirety and replaced as follows:

“The results of the Issuer and the companies belonging to the Group are significantly affected by general economic conditions and financial markets dynamics and, in particular, by the performance of the economy of the Republic of Italy (determined, *inter alia*, by factors such as the soundness perceived by investors, expected growth perspectives of the economy and credit reliability). In particular, since the Republic of Italy is the country in which the Bank operates on an almost exclusive basis and in which respect the Group has a relevant credit exposure, the Bank's business is particularly sensitive to investor perception of the country's reliability and solidity of its financial condition as well as prospects of its economic growth.

The economic recovery that has taken place since the summer is offset by an end of 2020 characterized by a second wave of the COVID-19 epidemic, which is proving particularly severe in Europe and America, and by the start of the vaccination campaign against the virus. The increase in infections forced the advanced economies to reintroduce containment measures that, affecting a lower number of sectors than the generalized spring lockdowns, depressed the economy to a lesser extent than what was recorded during the first pandemic wave. On the contrary, China has returned to near economic normality, helping to support international trade. Certain economies, such as the US and the UK, made significant progress in the vaccination campaign and see a return to a new normality. On the contrary, some European countries still struggle to contain the epidemic.

The 2020 pandemic crisis also marked a change in EU policy: in response to the crisis, the European Authorities have provided unprecedented support to area economies, including through debt sharing instruments, by making available a total of Euro 1,190 billion in resources, broken down into three large programmes: Support to mitigate Unemployment Risks in an Emergency (SURE), the European Stability Mechanism (ESM) and NGEU (Next Generation EU) provides support totalling Euro 750 billion, including subsidies of Euro 390 billion and loans for Euro 360 billion. The participating countries are preparing with varying degrees of speed, the National Recovery and Resilience Plans which must be sent to the European Commission for assessment by the end of April 2021 to obtain the first tranches of aid.

With the end of the spring lockdown, Italy also experienced a rebound in growth: the unprecedented trend decline in the first half of the year was followed by a markeded downsizing in the third quarter that did not prevent GDP from falling by 8,9% on average for the year. On a cyclical basis, the recovery in the third quarter was among the most significant in Europe, thanks to the good recovery of the manufacturing and construction industries against the decline in services, particularly affected by the pandemic. But the rapid growth of infections in the autumn months put health systems under stress, requiring new and extensive measures of social distancing and the division of Italy into separate areas, with negative impacts on the economic recovery. On 27 December 2020, the vaccination campaign was also launched in Italy. Also the current Government keeps to support the economy in continuity with the previous Government.

The prospects of the Italian banking system seem to be afflicted by the effects of the recession.

The Italian banking system has responded to the liquidity crisis that affected Italian companies following the pandemic by significantly increasing financing in the productive sector. The risk that, once the emergency is over, the worsening of the scenario is negatively reflected in bank assets makes a correct management of the credit risk as required by the supervisory authorities crucial. Once the extraordinary expenses linked to the pandemic have been absorbed, the process of cost containment will continue, also through a new organisation of work, the resources destined to the optimisation of investments in technology and human capital necessary for the rapid progress of remodulation of the business model will increase, in a context that does not allow a significant improvement on the profitability of traditional activities.

Interventions in support of liquidity continue to favour new loans to the private sector. With the health crisis still ongoing, some measures have been delayed, such as the extension of the moratoria to SMEs, independent professionals and VAT registered self-employed workers and of the guidelines on moratoria by the EBA. The ECB has also strengthened monetary policy instruments. With the recovery of the economic cycle, the next two years could be characterised by a marked increase in loans to households, up to now supported by moratoria, with an increase in the demand for mortgages and the recovery of consumer credit; loans to business will continue at a lower level, being impacted by the end of the measures in support of liquidity (guarantees/moratoria) from mid-2021 and the displacement effect produced by the wide availability of liquidity deposited in banks which could be used for financing production activities and investments. Credit supply policies will remain relaxed, favoured by the monetary policies adopted, which will maintain a wide availability of liquidity in banks, while stable interest rates will make it possible to contain the cost of funding and the burden of debts, contributing to limit the risk of insolvency in the counterparties.

In the next few months funding will continue to increase, driven by deposits: the economic crisis and the high level of uncertainty push companies and households to increase their liquidity respectively for precautionary reasons due to a greater propensity to save in liquid and low risk investments. Subsequently, the improvement in the economic situation could lead to a reduction in deposits in current accounts, both to finance the investment cycle and due to a greater propensity to consumption and also later followed by a lower aversion to risk for households, who will move towards more profitable investment forms (e.g. assets under management). In the medium term an increase is estimated in bond issues and more sustained flows of term deposits in connection with the end of TLTRO III and the start of the first repayments.

The ECB has introduced further accommodating measures in December 2020 and no significant changes in the deposit rate with the monetary authority are expected in the next three years; this tone in the monetary policy should lead to an essentially stable dynamic in the rates on loans (for households and businesses) and a very slight increase in the average rate for long-term deposits; the rate on bonds should increase at a quicker pace in line with the slight rise in Italian government bonds in the long term.

Greater volumes of loans in 2020 will not be sufficient to support the recovery of the traditional brokerage margin, still penalised by the reduction in the banking spread. The margin from customers may return to slight growth only in the next few months. The overall interest rate margin will continue to be supported by the benefit linked to the ECB funds, thanks to the more favourable conditions on foreign TLTRO III, extended to June 2022 and the additional auctions to be conducted in 2021. The contribution of the interest rate margin from the return on securities portfolios will be lower, given the revision of government yields. Management revenues and banking mediation on savings are expected to recover: from 2021 there will be a greater contribution to profitability from indirect funding revenues which will be in any case conditional on the capacity of intermediaries to intercept the accumulation of liquidity created in household financial portfolios. Pressure on liquidity and payment management revenues will also experience greater pressures. Consumer payment habits, acquired especially during lockdown, and the regulatory interventions to limit tax evasion, even though they favour the reduction of costs for banks, could erode some revenue items given the lower commissions from electronic instruments compared to more traditional means.

In spite of the fact that extraordinary measures introduced to support the solvency of households and businesses have allowed in 2020 to limit the increase in default rates, an increase in credit risk is probable in 2021, due to the progressively lower impact of the extraordinary measures and to the delay in the formation of non-performing loans. The impact on income statements will be influenced also by the extraordinary adjustments linked to transfers of NPL which are expected to follow. The strong attention of the supervisory authority to timely identification of credit risk, EBA's request to introduce new documentation assessing the potential exposures of UTPs and the improvement of the economic

situation should allow the process of the formation of new nonperforming loans and the continuation of the de-risking process.

The COVID-19 pandemic and the relevant consequences on the global and domestic economic environment and public debt may have an impact on the volatility of the government securities market even if the action of the ECB should ensure the easing of excessive market pressures. For further details on the effects of the volatility of government securities on the Bank and/or the Group please see paragraph “*Risks associated with the Group’s exposure to sovereign debt*” below.

On the capital adequacy side, the above mentioned effects on income could lead to a reduction in own funds while the increase in capital absorption could be counterbalanced by the provision of state guarantees introduced by the Italian government. As at the date of the Base Prospectus, it emerges a shortfall scenario with respect to the SREP capital requirements. For further information in respect to the above and the capital strengthening initiatives, please see paragraph “*Risks associated with capital adequacy*” above.

For further details on the impact of the COVID-19 pandemic on the Bank, please also see paragraph “*Operational Risk*” below and refer to the 2020 Consolidated Financial Statements, incorporated by reference in this Base Prospectus.”

- The following paragraphs in the sub-paragraph “*Risks associated with the failed realisation of the Restructuring Plan*” (such sub-paragraph being lastly amended by the seventh supplement to the Base Prospectus dated 17 February 2021) of the paragraph titled “*Risks relating to the Issuer’s financial position*” on pages 3-5 of the Base Prospectus:

“The failure to achieve any of the Commitments, as has already happened¹, might imply for the Issuer adverse effects of any orders adopted by the European Commission *vis-à-vis* the Italian State, including material adverse effects on the Issuer’s and/or Group’s assets, liabilities and financial situation.

[...]

In addition, it should be noted that (i) on 17 December 2020 the Board of Directors of BMPS approved the Strategic Plan and (ii) on 28 January 2021 the Board of Directors of BMPS approved the New Capital Plan. Both the Strategic Plan and the New Capital Plan have been prepared taking into account, *inter alia*, the Commitments assumed by the Italian Government pursuant to the Restructuring Plan. For more information on the Strategic Plan, reference is made to the Strategic Plan incorporated by reference into this Base Prospectus, to paragraph “*Risks associated with capital adequacy*” above and to paragraph “*BMPS approved the 2021-2025 Strategic Plan and the New Capital Plan*” of paragraph 3.1 “*Recent developments*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” of this Base Prospectus.

1. Commitment no.24 in December 2018 and Commitment no. 9 in December 2019.”

are deleted and replaced by the following paragraphs:

“The failure to achieve any of the Commitments, as has already happened¹, might imply for the Issuer adverse effects of any orders adopted by the European Commission *vis-à-vis* the Italian State, including material adverse effects on the Issuer’s and/or Group’s assets, liabilities and financial situation.

[...]

In addition, it should be noted that (i) on 17 December 2020 the Board of Directors of BMPS approved the Strategic Plan and (ii) on 28 January 2021 the Board of Directors of BMPS approved the New Capital Plan. Both the Strategic Plan and the New Capital Plan have been prepared taking into account, *inter alia*, the Commitments assumed by the Italian Government pursuant to the Restructuring Plan and

were submitted to DG COMP and the ECB for their respective assessments. For more information on the Strategic Plan, reference is made to the Strategic Plan incorporated by reference into this Base Prospectus, to paragraph “*Risks associated with capital adequacy*” above and to paragraph “*BMPS approved the 2021-2025 Strategic Plan and the New Capital Plan*” of paragraph 3.1 “*Recent developments*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” of this Base Prospectus.

1. Commitment no. 24 in December 2018 and Commitment no. 9 in December 2019 (as at 30 September 2020, date of the last monitor report available).”

- The sub-paragraph “*Risks associated with capital adequacy*” (such sub-paragraph being lastly amended by the seventh supplement to the Base Prospectus dated 17 February 2021) of the paragraph titled “*Risks relating to the Issuer's financial position*” on pages 5-9 of the Base Prospectus is deleted in its entirety and replaced as follows:

“The capital adequacy evaluation under a regulatory perspective is based on the constant monitoring of own funds, RWA as well as on the comparison with the minimum regulatory requirements, including the additional excess requirements to be met over time as communicated to the Group after the SREP, and the additional capital buffers provided for by the applicable legislative provisions.

For a description of the capital adequacy requirements applicable to BMPS please refer to sub-paragraph “*Basel III and the CRD IV Package*” of paragraph 2 “*Regulations and Supervision of the ECB, Bank Of Italy, CONSOB and IVASS*” of section *Regulatory Aspects* of this Base Prospectus.

As at the date of this Base Prospectus, the banks must meet the own funds requirements provided by article 92 of (EU) Regulation 575/2013 of the European Parliament and European Council of 26 June 2013 concerning prudential requirements for credit institutions and investment firms (the “**CRR**”): (i) the Common Equity Tier 1 Ratio must be equal to at least 4.5 per cent. of the total risk exposure amount of the Bank; (ii) the Tier 1 Ratio must be equal to at least 6 per cent. of the total risk exposure amount of the Bank; and (iii) the Total Capital Ratio must be equal to at least 8 per cent. of the total risk exposure amount of the Bank.

Further to the minimum regulatory requirements, banks must meet the combined buffer requirement provided by EU Directive 2013/36 of the European Parliament and European Council in relation to credit institutions’ activities, credit institutions’ prudential supervision and investment undertakings (the “**CRD IV**”) (the “**Combined Buffer Requirement**”) ².

Banks that do not satisfy the combined capital requirement, or even just the capital conservation buffer, are subject to the capital conservation measures provided for by Circular No. 285 (as defined below). The capital conservation measures impose restrictions on, *inter alia*, distributions of dividends, with greater restrictions being imposed as the breach becomes more significant. It further provides for banks to adopt a capital conservation plan which shall set out the measures (among which further capital increases cannot be excluded) the Bank intends to adopt to restore, within an appropriate timeframe, the necessary capital level to maintain capital reserves in line with the requirements. Should these conditions not be satisfied (i.e., failed compliance with the combined capital requirement, or even just the capital conservation buffer), and/or changes to the methodologies and parameters to estimate impaired loans (as defined in Circular No. 272 issued by the Bank of Italy on 30 July 2008 and amendments thereto, the **Impaired Loans**”) adjustments or amendments to the internal models to calculate RWAs occur, the need may then arise for further capital enhancements of the Issuer, such as calling in investors to participate in further capital increase transactions.

² For information on the Combined Buffer Requirement please refer to sub-paragraph “*Basel III and the CRD IV Package*” of paragraph 2 “*Regulations and Supervision of the ECB, Bank Of Italy, CONSOB and IVASS*” of section *Regulatory Aspects* of this Base Prospectus.

As a result of the conclusion of the SREP conducted with reference to the figures as at 31 December 2018 and taking into account the information received after such date, the ECB issued on 10 December 2019 the 2019 SREP Decision asking BMPS to maintain from 1 January 2020 a consolidated total SREP capital requirement (“**TSCR**”) level of 11%, which includes 8% as a minimum capital requirement pursuant to article 92 of the CRR and 3% Pillar II capital requirement (“**Pillar II**”), fully comprised of CET1.

In light of the potential impacts linked to the COVID-19 pandemic on significant banks, on 8 April 2020 the ECB notified to BMPS the amendment, applicable retroactively from 12 March 2020, of the 2019 SREP Decision, with reference to the composition of the additional Pillar II capital requirement. In particular, the additional Pillar II capital requirement to be held in the form of CET1 must be met by at least 56.25% CET1 and at least 75% by Tier 1.

Accordingly, the Group shall meet the following requirements at the consolidated level as at 30 September 2020:

- CET1 Ratio of 8.82%;
- Tier 1 Ratio of 10.88%; and
- Total Capital Ratio of 13.63%.

These ratios include, in addition to the Pillar II capital requirement, 2.5% for the capital conservation buffer, 0.13% for the O-SII Buffer, and 0.001% for the countercyclical capital buffer³.

The Bank has received the ECB’s final decision regarding own funds requirements to be met starting from 1 January 2021. In particular, the minimum SREP requirements have been reduced by 25 basis points compared to the requirements set for the 2020. For more information in this respect, reference is made to paragraph 3.2.4 “*2020 SREP Decision*” of this Base Prospectus.

Furthermore, the ECB notified the Issuer of the expectation for the Group to comply with an additional 1.3 per cent. threshold (“**Pillar II capital guidance**”) to be fully satisfied with Common Equity Tier 1, in addition to the Overall Capital Requirement (OCR).

In relation to the above, it should be noted that failure to comply with such capital guidance would not constitute a failure to comply with capital requirements; however, in the event of capital dropping below the level including the Pillar II capital guidance, the supervisory authority, which shall be promptly informed in detail by the Issuer on the reasons for the failed compliance with the aforementioned level, will take into consideration, on a case-by-case basis, possible appropriate and proportional measures (including the possibility of implementing a plan aimed at restoring compliance with the capital requirements – inclusive of capital enhancement requests – in accordance with article 16, paragraph 2 of the Council Regulation (EU) 1024/2013, as amended from time to time (hereinafter the “**SSM Regulation**”).

It should also be noted that in March 2020 the ECB announced a series of supervisory measures that include a greater flexibility in supervisory burdens in order to mitigate the impact of COVID-19 on the European banking system. In particular, the ECB announced that it will allow banks to temporarily operate below the capital level defined by Pillar II capital guidance, the capital conservation buffer and the LCR. These temporary measures are in addition to the decrease in countercyclical buffer rates applied by some national authorities.

With particular reference to the SREP, it should also be noted that it is conducted by the ECB at least on a yearly basis (without prejudice in any case to the ECB supervisory powers and prerogatives which can

³ Calculated considering the exposure as at 30 September 2020 in the various countries in which BMPS Group operates and the requirements established by the competent national authorities.

be exercised on an on-going basis during the course of the year) and, accordingly, it cannot be excluded that, following future SREPs, the supervisory authority may prescribe to the Issuer, *inter alia*, the maintenance of capital adequacy standards higher than the ones currently applicable. Furthermore, the ECB, following future SREPs, may impose on the Issuer specific corrective measures, among which, *inter alia*: (i) requesting that the Issuer holds capital resources greater than the regulatory level specified for credit, counterparty, market and operational risks; (ii) interventions aimed at enhancing systems, procedures and processes referring to risk management, control mechanisms and capital adequacy evaluation; (iii) imposing limits on the distribution of profits or other asset items, as well as, in relation to financial instruments eligible as own funds, the prohibition to pay interest; and (iv) prohibitions to carry out certain transactions, also of a corporate nature, for the purpose of limiting the level of risks.

For more information on the SREP, please see paragraph 3.2 “*SREP Decisions*” of section *Banca Monte dei Paschi di Siena S.p.A.* of this Base Prospectus.

Depending on the outcomes of the legislative process underway in Europe, the Issuer might be compelled to adapt to changes in the regulations (including, for example, the treatment of deferred tax assets) and in their construction and/or implementation procedures adopted by the supervisory authorities, with potential adverse effects on the Issuer's assets, liabilities and financial situation.

Furthermore, among the main risk factors which could lead to a change in capital requirements, there is the differential yield between Italian and German government bonds (BTP-Bund spread), the increase of which leads to a reduction in capital reserves (FVTOCI Reserve, as defined below) with a consequent decrease in regulatory capital. As of 31 March 2020, the sensitivity to the credit spread of such reserve, calculated gross of tax, was Euro -1.36 million (rounded) for each basis point of change in the BTP-Bund spread.

In 2019, the Group, like the other major European banks subject to the Single Supervisory Mechanism (“SSM”), completed its work on Targeted Review of Internal Models (“TRIM”) the final outcome of which, as a result of feedback from the ECB, will result in further methodological changes to the current internal models with significant impacts on RWA. The introduction of the new definition of default (implemented, for accounting purpose, by 1 January 2021) and the introduction of specific standards for calculating Loss Given Default (“LGD”) on Defaulted Assets and Expected Loss Best Estimate (“ELBE”) imply a major revision of all Probability of Default (“PD”) and LGD, with a consequent change in capital requirements. In this case, it cannot be excluded that the Issuer may have to resort to capital strengthening measures and that it may not be able to establish and/or maintain the capital requirements determined, from time to time, by the supervisory authority.

In light of the above, investors should consider that supervisory authorities may impose further requirements and/or parameters for the purpose of calculating capital adequacy requirements or may adopt interpretation approaches of the legislation governing prudential fund requirements unfavourable to the Issuer, with consequent inability of the Bank to comply with the requirements imposed and with a potential negative impact, even material, on the business and capital, economic and financial conditions of the Issuer and the Group, which may give rise to the need to adopt further capital enhancement measures.

Furthermore, the evaluation of the capital adequacy level is affected by various variables, among which the need to deal with the impacts deriving from the new and more demanding requirements under a regulatory standpoint announced by the EU regulator, the need to support functional plans for a swifter reduction of the stock of Impaired Loans – even in addition to the assignment of the NPL Portfolio as described in “*Risks associated with the Group's exposure to Impaired Loans*” and/or the assessment of market scenarios which promise to be particularly challenging and which will require the availability of adequate capital resources to support the level of assets and investments of the Group. It should also be noted that the current level of capital ratios has been achieved through precautionary recapitalisation, which has an exceptional nature.

As at the date of this Base Prospectus, the BMPS Group is also active in France through the subsidiary Monte Paschi Banque S.A. (“**MP Banque**”) and, accordingly, the Group results are also affected by the results and operations of such company belonging to the Group. Any deterioration of the profitability conditions and variables affecting the capital adequacy level of MP Banque, also related to specific requests made by the competent authority, may require the Group to support functional plans for the restoration of capital resources and to support the level of assets and investments of the subsidiary and may also have negative impacts on the economic, capital and/or financial condition of the Group.

In this respect, it should be noted that as regards the relevance of MP Banque within the Group, as at 30 September 2020 MP Banque’s contribution to the Group RWA was equal to 0.87 per cent. However, it should be further noted that MP Banque has no additional requirements imposed as from 1 January 2020 in accordance with the relevant 2019 SREP Decision.

Finally, it is specified that the assignment of foreign subsidiaries (in particular, following the assignment of Banca Monte dei Paschi Belgio S.A. to funds managed by Warburg Pincus on 14 June 2019, the assignment of MP Banque) constitutes one of the Restructuring Plan’s Commitments, and, therefore, in the event of the failed realisation of the sale of MP Banque, the Issuer will have to adopt alternative measures, such as a severely restricting the business of the subsidiary with consequent negative impact on the economic, capital and/or financial condition, also due to the significant restructuring costs and any reduction in deposit collection.

In particular, with respect to MP Banque, the Issuer has already resolved to start an orderly winding-down process by setting up a plan in compliance with the provisions set out in Commitment no.14 “Disposal of Participations and business”. Should the Issuer be unable to achieve this Commitment, in whole or in part, it might suffer the adverse effects of any orders adopted by the European Commission *vis-à-vis* the Italian State as a consequence of the failure to comply with the Commitments undertaken as part of the Restructuring Plan, with potential adverse effects, including material adverse effects, on the Issuer’s and/or Group’s assets, liabilities and financial situation.

For more information on risks associated with the failed compliance with the Restructuring Plan’s Commitments, reference is made to paragraph “*Risks associated with the failed realisation of the Restructuring Plan*” above.

Investors should also consider that it cannot be excluded that in the future the Issuer may be required, also in light of external factors and unforeseeable events outside its control and/or after further requests by the supervisory authority, to look for capital enhancement interventions; also, it cannot be excluded that the Issuer or the Group may not be able to achieve in the prescribed times and/or maintain (both at individual and consolidated level) the minimum capital requirements provided for by the legislation in force from time to time or established from time to time by the supervisory authority, with potential material negative impact on the business and capital, economic and financial condition of the Issuer and/or the Group.

In this circumstance, it cannot be excluded that the Issuer and/or the Group may be subject to extraordinary actions and/or measures by competent authorities, which may include, *inter alia*, the application of the resolution tools as per Legislative Decree No. 180 of 16 November 2015, as amended from time to time (“**Decree 180**”), implementing Directive 2014/59/EU for the recovery and resolution of credit institutions (“**BRRD**”) in Italy.

With respect to the impact of the partial, non-proportional demerger with asymmetric option from BMPS in favor of Asset Management Company S.p.A. (“**AMCO**”) on Bank’s capital position, please refer to letter y) “*Partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO*” of paragraph 3.1 “*Recent developments*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” of this Base Prospectus and the BMPS Press Release, the August 2020 Press Release, the September 2020 Press Release, the October 2020 Press Release, the November 2020 Press Release, the Partial Non-Proportional Demerger Deed Enrollment – November 2020 Press Release and the Partial Non-

Proportional Demerger Results – December 2020 Press Release (all incorporated by reference to this Base Prospectus).

Regarding the assessment of capital adequacy, following i) the significant provisions on legal risks made during 2020, ii) the effects of the partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO, iii) the negative impact of the COVID-19 pandemic on the macroeconomic scenario and iv) regulatory headwinds, a capital shortfall is expected with respect to SREP capital requirements (quantified in more than EUR 0.3 billion as of 31 March 2021 and in about EUR 1.5 billion as of 1 January 2022).

For more information on risk deriving from judicial and administrative proceedings and the relevant provisions on legal risks made in the third quarter of 2020 please refer to paragraph “*Risks deriving from judicial and administrative proceedings*” of this Base Prospectus.

The Bank could find itself below the combined buffer requirements, affecting the Capital Conservation Buffer (“**CCB**”), starting from 31 March 2021 and up to the date of completion of the capital strengthening, expected for the third quarter of 2021. The Bank is currently working on potential transactions to minimize the effects of the expected breach of the CCB. In any case, the shortfall is expected to be, in terms of size, within the flexibility in terms of operating below the CCB announced by the ECB as part of the temporary capital relief.

In addition, the Bank falls within the provisions of Article 2446 of the Italian Civil Code due to the loss equal to Euro 1.9 billion as of 31 December 2020.

In connection with the above, the Board of Directors of BMPS approved:

- (i) on 17 December 2020 the 2021-2025 strategic plan (the “**Strategic Plan**”).

The Strategic Plan has been prepared taking into account, *inter alia*, the Commitments assumed by the Italian Government pursuant to the Restructuring Plan and the Prime Minister’s Decree (DPCM) dated 16 October 2020 (the “**October DPCM**”) relating to the disposal of the investment held by the MEF in the share capital of BMPS to be carried out through the market and also through operations aimed at consolidating the banking system; and

- (ii) on 28 January 2021 the new capital plan (the “**New Capital Plan**”).

The New Capital Plan has been submitted to the ECB as requested in the 2020 SREP Decision (as defined below) and is based on ongoing focus on a potential structural solution for the Bank, including the merger with a partner of “primary standing” consistently with the Commitments and the October DPCM (the “**Structural Solution**”). Should the Structural Solution not be found in the short/medium term, the New Capital Plan foresees a capital strengthening of Euro 2.5 billion which, if implemented (subject to shareholders’ approval), will be executed at market terms and with proportional subscription by the Italian state (which has already confirmed its full support) (the “**Capital Strengthening**”). Such Capital Strengthening is subject to uncertainties as it requires the completion of the assessment and approval process already started by the DG COMP and the ECB.

Both the Strategic Plan and the New Capital Plan were submitted to DG COMP and the ECB for their respective assessments.

For more information with respect to the Strategic Plan and the New Capital Plan, reference is made to letter ff) “*BMPS approved the 2021-2025 Strategic Plan and the New Capital Plan*” of paragraph 3.1 “*Recent developments*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” of this Base Prospectus, the Strategic Plan incorporated by reference to this Base Prospectus and paragraph “*2021-2025 Group*”

Strategic Plan” of the section *"Consolidated Report on Operations"* of the 2020 Consolidated Financial Statements.

The requirements to strengthen the capital position of the Bank are significant and therefore determined a potential uncertainty on the use of the going concern assumption in preparing the 2020 Consolidated Financial Statements. This uncertainty was mitigated by the possible Structural Solution and by the full support of the MEF, as controlling shareholder of the Bank.

In particular, the first mitigating factor (i.e. the Structural Solution) has not yet materialised, but it represents a potential scenario also in light of the significant incentives contained in the Italian 2021 budget law (Law 30 December 2020, No. 178) and in the ECB guide.

With respect to the second mitigating factor, the MEF (i) reiterated its intention to carry out the Commitments undertaken by the Italian Republic towards the European Union and to carry out a market transaction that identifies an anchor investor and/or a banking partner of adequate standing through the Structural Solution, in order to restore and ensure the competitiveness of the Bank, and (ii) has guaranteed the necessary financial support to ensure compliance with the minimum capital requirements of the Bank. In particular, in the event that the implementation of the Structural Solution does not take place in the short/medium term, the Capital Strengthening will be executed with proportional subscription by the Italian state.

The DG Comp, according to current legislation, should assess the Italian State's intervention on the basis of the Bank's stand-alone viability. This assessment, which is still ongoing, raises relevant uncertainties on the Bank's capital strengthening process and on the Capital Strengthening. In this regard, it should be noted that the Bank has drafted the 2021-2025 business plan, which was sent to DG Comp. On the basis of the initial discussions with DG Comp, the Bank has also proposed additional compensatory measures with respect to those already included in the 2021-2025 business plan.

The Directors of BMPS, having considered the significant uncertainty with regard to the execution of the recapitalization of the Bank, which may give rise to significant doubts on the ability of the Group to continue to operate as a going concern, deemed that, taking into account the state of actions taken, the above mentioned assessments support the reasonable expectation that the Bank will continue to operate as a going concern in the foreseeable future. Therefore, the 2020 Consolidated Financial Statements has been prepared under the going concern assumption. In this respect, investors should note that the auditors' report included in the 2020 Consolidated Financial Statements contains reference to the existence of a significant uncertainty regarding going concern of the Bank. For more information with respect to the use of the going concern assumption, please refer to paragraph *"Use of the going concern assumption"* of the section *"Notes to the consolidated financial statements - Use of estimates and assumptions when preparing financial statements"* and to the section *"Independent Auditors' report on the financial statements"* of the 2020 Consolidated Financial Statements.

For further information on the risks associated with the capital adequacy, please also refer to paragraph *"Strategy and Restructuring Plan"* of the Consolidated Half-yearly report as at 30 June 2020, paragraph *"Strategy and Restructuring Plan"* of BMPS Unaudited Consolidated Interim Financial Report as at 30 September 2020, and paragraphs *"2017-2021 Restructuring Plan"* of the section *"Consolidated Report on Operations"* of the 2020 Consolidated Financial Statements.”

- The following paragraphs in the sub-paragraph *"Risks associated with possible aggregations"* of the paragraph titled *"Risks relating to the Issuer's business activity and industry"* on pages 20-21 of the Base Prospectus

“In this respect, it should be noted that as at the date of this Base Prospectus, following the execution of the capital enhancement and precautionary recapitalisation measures, the MEF holds 68.247 per cent. of the Bank's share capital, and, accordingly, it holds by law control over it. The precautionary recapitalisation reserved to MEF constituted pursuant to art. 18 of Decree 180, a measure adopted on a

precautionary and temporary basis. In this respect, the Commitments required by DG Comp provide, *inter alia*, for the MEF to dispose of its stake held in the Bank by the end of the Restructuring Plan.

At the end of 2019, the MEF communicated that it had agreed with the European Commission to postpone at the beginning of 2020, the presentation of the plan to dispose of its equity investment in the Bank's capital, initially expected by December 2019, in light of the ongoing dialogue on the derisking strategy on the NPE exposure of the Bank (in which respect please refer to letter y) "*Partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO*" of paragraph 3.1 "*Recent developments*" of section *Banca Monte dei Paschi di Siena S.p.A.* of this Base Prospectus).

In case of disposal, in whole or in part, of the stake held by the MEF in the Bank, a consequent variation in the ownership structure and, if the case, even in control over the Bank would take place."

are deleted and replaced by the following paragraphs:

"In this respect, it should be noted that as at the date of this Base Prospectus, following the execution of the capital enhancement and precautionary recapitalisation measures, the MEF held 68.247 per cent. of the Bank's share capital, and, accordingly, it holds by law control over it. The precautionary recapitalisation reserved to MEF constituted pursuant to art. 18 of Decree 180, a measure adopted on a precautionary and temporary basis. In this respect, the Commitments required by DG Comp provide, *inter alia*, for the MEF to dispose of its stake held in the Bank by the end of the Restructuring Plan.

At the end of 2019, the MEF communicated that it had agreed with the European Commission to postpone at the beginning of 2020, the presentation of the plan to dispose of its equity investment in the Bank's capital, initially expected by December 2019, in light of the ongoing dialogue on the derisking strategy on the NPE exposure of the Bank (in which respect please refer to letter z) "*Partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO*" of paragraph 3.1 "*Recent developments*" of section *Banca Monte dei Paschi di Siena S.p.A.* of this Base Prospectus).

The October DPCM has authorised the disposal of the stake held by the MEF in BMPS: this may be carried out in one or more stages, with sale procedures and techniques used in the markets, through individual or joint recourse to a public offer to investors in Italy, including personnel of the Group, and/or Italian and international investors, through direct negotiations to be carried out with transparent and non-discriminatory competitive procedures and through one or more extraordinary transactions, including a merger.

For more information with respect to possible aggregations, reference is made to the Approved Capital Plan – Press Release and paragraph "*Use of the going concern assumption*" of the section "*Notes to the consolidated financial statements - Use of estimates and assumptions when preparing financial statements*" of the 2020 Consolidated Financial Statements.

In case of disposal, in whole or in part, of the stake held by the MEF in the Bank, a consequent variation in the ownership structure and, if the case, even in control over the Bank would take place. For information relating to the stake held by the MEF in the Bank, please refer to "*Main shareholders as at 30 March 2021*" of section "*Management of the Bank*" of this Base Prospectus."

Documents incorporated by reference

On 1 April 2021, the Issuer has published on the Issuer's website the consolidated audited annual financial statements of BMPS for the financial year ended 31 December 2020 ("**2020 Consolidated Financial Statements**"), contained in the 2020 audited consolidated annual report (which is available at [consolidated-financial-statement_gmps_2020.pdf \(gruppomps.it\)](#)).

On 1 April 2021, the Issuer has published on the Issuer's website the separate audited annual financial statements of the Bank for the financial year ended 31 December 2020 ("**2020 Separate Financial**

Statements”), contained in the 2020 audited separate annual report (which is available at [separate-financial-statement-bmps_2020.pdf \(gruppomps.it\)](#)).

On 6 April 2021, the Issuer has published on the Issuer’s website the press release headed “*Shareholders’ meeting of Banca Monte Dei Paschi di Siena: 2020 Financial Statements Approved - Board Of Statutory Auditors integrated*” (the “**Shareholder's Approval of the 2020 Consolidated Financial Statements - Press Release**”) which is available at https://www.gruppomps.it/static/upload/eng/eng_cs_assemblea-bilancio-e-sindaci.pdf.

A copy of the 2020 Consolidated Financial Statements, the 2020 Separate Financial Statements and the Shareholder's Approval of the 2020 Consolidated Financial Statements - Press Release has been filed with the CSSF and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

The “*Documents Incorporated by Reference*” section on pages 42-43 of the Base Prospectus is amended as follows

- The table set out under paragraph “*Cross-reference table*” is hereby supplemented with the following:

Document	Information Incorporated	Page Reference
2020 Consolidated Financial Statements	Control Bodies and Independent Auditors	pp 4
	Consolidated Report on Operations	pp 5-154
	Consolidated balance sheet	pp 157-158
	Consolidated income statement	pp 159
	Consolidated statement of comprehensive income	pp 160
	Consolidated Statement of Changes in Equity – 2020	pp 161-162
	Consolidated Statement of Changes in Equity – 2019	pp 163-164
	Consolidated cash flow statement: indirect method	pp 165-166
	Notes to the Consolidated Financial Statements	pp 167-538
	Certification of the consolidated financial statements pursuant to art. 81-ter of Consob regulation no. 11971 of 14 may 1999, as subsequently amended and supplemented	pp 542
	Independent Auditor’s Report	pp 543 - 555
2020 Separate Financial	Report of the Board of Statutory Auditors –	pp 389-399

Shareholder's Approval of the Entire Document	All
2020 Consolidated Financial Statements - Press Release	

- The following paragraph of the paragraph “*Cross-reference table*”:

“The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant Annexes of Commission Delegated Regulation (EU) No 2019/980 (the “**Delegated Regulation**”).”

is deleted and replaced by the following paragraph:

“Those parts of the documents incorporated by reference in this Base Prospectus which are not specifically mentioned in the cross-reference list above shall not be deemed to be incorporated by reference in this Base Prospectus and are either not relevant for investors or covered elsewhere in the Prospectus.”

Banca Monte dei Paschi di Siena S.p.A.

The “*Banca Monte dei Paschi di Siena S.p.A.*” section of the Base Prospectus is amended as follows:

- The second paragraph of the sub-paragraph *ff*) “*BMPS approved the 2021-2025 Strategic Plan and the New Capital Plan*” (such sub-paragraph being included in the Base Prospectus with the fifth supplement to the Base Prospectus dated 13 January 2021 and lastly amended by the eight supplement to the Base Prospectus dated 2 March 2021) of the paragraph 3.1 “*Recent developments*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” on pages 151-162 of the Base Prospectus is deleted in its entirety and replaced as follows:

“On 28 January 2021, the Board of Directors of BMPS approved the New Capital Plan, submitted to the ECB in accordance with the 2020 SREP Decision (as defined below). The New Capital Plan is based on ongoing focus on a potential structural solution for the Bank, including the merger with a partner of “primary standing”, as specified under “*Appointment of Credit Suisse as strategic financial advisor along with Mediobanca*” below, consistently with the Commitments and the October DPCM. Should a structural solution not be found in the short/medium term, the New Capital Plan foresees a capital strengthening of Euro 2.5 billion which, if implemented (subject to shareholders’ approval), will be executed at market terms and with proportional subscription by the Italian state. In this context, the DG Comp, according to current legislation, should assess the Italian State’s intervention on the basis of the Bank’s stand-alone viability. This assessment, which is still ongoing, raises relevant uncertainties on the Bank’s capital strengthening process and on the Capital Strengthening. In this regard, it should be noted that the Bank has drafted the 2021-2025 business plan, which was sent to DG Comp. On the basis of the initial discussions with DG Comp, the Bank has also proposed additional compensatory measures with respect to those already included in the 2021-2025 business plan. For more information in this respect, reference is made to the Approved Capital Plan – Press Release, the BoD Approval of 2020 Draft Financial Statements – Press Release and paragraph “*2021-2025 Group Strategic Plan*” of the section “*Consolidated Report on Operations*” of the 2020 Consolidated Financial Statements (incorporated by reference to this Base Prospectus).”

- The sub-paragraph *hh*) “*BMPS’s Board of Directors approved the preliminary results as of 31 December 2020*” (such sub-paragraph being included in the Base Prospectus with the seventh supplement to the Base Prospectus dated 17 February 2021) of the paragraph 3.1 “*Recent developments*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” on pages 151-162 of the Base Prospectus is deleted in its entirety and replaced as follows:

“hh) *BMPS’s Board of Directors approved the results as of 31 December 2020*

On 10 February 2021, BMPS’ Board of Directors approved the preliminary results as of 31 December 2020. For further information, please refer to the BoD Approval of 2020 Preliminary Results – Press Release, incorporated by reference to this Base prospectus.

The 2020 Consolidated Financial Statements have been approved by the Board of Directors on 25 February 2021 and by the shareholders at the shareholders’ meeting of the Bank held on 6 April 2021.

Furthermore, the shareholders' meeting of the Bank held on 6 April 2021 resolved (i) to postpone the decisions pursuant to Article 2446 of the Italian Civil Code - regarding the reduction of the share capital - to the shareholders’ meeting that will be convened to resolve upon the capital strengthening measures and (ii) to reject the corporate liability actions brought by the shareholder Bluebell Partners Ltd. For more information in this respect reference is made to the Shareholder's Approval of the 2020 Consolidated Financial Statements - Press Release incorporated by reference to this Base Prospectus.”

- The following sub-paragraph shall be deemed to be included under paragraph 3.1 "*Recent developments*" of section "*Banca Monte dei Paschi di Siena S.p.A*" on pages 151-162 of the Base Prospectus:

“ii) *BMPS’s press release of 26 March 2021*

On 26 March 2021, BMPS published on its website a press release to inform that the reports of the independent auditors, included in the 2020 Consolidated Financial Statements and the 2020 Separate Financial Statements contain reference to the disclosure on the existence of a significant uncertainty regarding going concern of the Bank.”

- The third paragraph of the paragraph 9 "*Competition*" of section "*Banca Monte dei Paschi di Siena S.p.A*" on pages 171 of the Base Prospectus is deleted in its entirety and replaced as follows:

“In attracting retail deposits and financing retail customers, the Bank primarily competes at the local level with medium-sized local banks, and to a lesser extent, with super-regional banks. The Bank’s major competitors in other areas of the Italian banking market are Italian national and super-regional banks, such as UniCredit group, Intesa SanPaolo, Banco Popolare and BPER group.”

- The last paragraph of the sub-paragraph "*Verification activity on banking transparency*" (such sub-paragraph being lastly amended by the seventh supplement to the Base Prospectus dated 17 February 2021) of the paragraph 10 "*ECB/Bank of Italy inspections concluded during the period 2015-2020*" of section "*Banca Monte dei Paschi di Siena S.p.A*" on page 173 of the Base Prospectus is deleted in its entirety and replaced as follows:

“As of the date hereof, the sanctioning procedure is still in progress.”

- The last paragraph of the sub-paragraph "*Inspection activity on anti-money laundering*" (such sub-paragraph being lastly amended by the seventh supplement to the Base Prospectus dated 17 February 2021) of the paragraph 10 "*ECB/Bank of Italy inspections concluded during the period 2015-2020*" of section "*Banca Monte dei Paschi di Siena S.p.A*" on pages 174-175 of the Base Prospectus is deleted in its entirety and replaced as follows:

“By way of a letter dated 7 February 2020, the Bank of Italy has requested the Bank to increase its efforts to complete the remedial action plan initiated, asking to provide updates within 31 March 2020. A response was approved by the Board of Directors on 31 March 2020 and sent within the required deadline. The remedial action plan continued throughout 2020, periodically monitored by the Board of Directors, limited to the recovery of missing or outdated customer information and the identification of beneficial owners. The COVID-19 emergency has in fact significantly slowed down the activities in

contact with customers and made it necessary to extend the completion date to February 2021. After that date, on the basis of the objectives achieved, the remedial action plan requested by the Bank of Italy was considered completed.”

- The sub-paragraph “*Inspection activity on the revisions of internal model on credit risk (TRIM 3917)*” of the paragraph 10 “*ECB/Bank of Italy inspections concluded during the period 2015-2020*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on page 177 of the Base Prospectus is deleted in its entirety and replaced as follows:

“On 27 November 2018, in the context of the revision process of the internal models (TRIM – Targeted Review of Internal Models), the Bank was notified by the ECB of an on-site inspection, starting 21 January 2019, relating to the internal model on credit risk for the Bank and the Group, with respect to the PD, LGD and credit conversion factor parameters on corporate credit exposures and others. The inspections were carried out from 21 January 2019 to 29 March 2019. On 15 March 2021, the Bank received from the ECB the draft decision authorising the Bank to continue using its internal models to calculate capital requirements for the portfolios in scope of the inspection. The draft decision reports 10 findings and the related recommendations and obligations, within established deadlines. On 26 March 2021, the Bank replied to the draft decision with a request to modify the effective application date.”

- The sub-paragraph “*Inspection activity relating to the revisions of the internal models on credit risk (Internal Model Investigation IMI 4357, IMI 5258)*” of the paragraph 10 “*ECB/Bank of Italy inspections concluded during the period 2015-2020*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on page 178 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Inspection activities relating to the revision of the internal models on credit risk (Internal Model Investigation IMI 4357 IMI 5258)

During the months of August and October 2019 the ECB started in conjunction two inspections, one off site (IMI 5258) and the other on site (IMI 4357), for approving the application submitted by the Bank on material model changes to its approach for the calculation of own funds requirements. The inspections ended in December 2019.

On 15 March 2021, the Bank received from the ECB the draft decision in respect to both IMI 4357 and IMI 5258 granting permission to implement the material changes previously applied for. The draft decision reports 26 findings and the related recommendations and obligations, within established deadlines. Until the completion of the such obligations, the Bank is required to apply appropriate limitations.

On 26 March 2021, the Bank replied to the draft decision with a request to modify the effective application date.”

- The sub-paragraph “*Inspection activity relating to the new definition of default “DoD” (Internal Model Investigation IMI 4857)*” (such sub-paragraph being included in the Base Prospectus with the fourth supplement to the Base Prospectus dated 27 November 2020 and lastly amended by the seventh supplement to the Base Prospectus dated 17 February 2021) of the paragraph 10 “*ECB/Bank of Italy inspections concluded during the period 2015-2020*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on pages 172-179 of the Base Prospectus is deleted in its entirety and replaced as follows:

“During the period November 2020 – January 2021, the ECB conducted an internal model investigation (IMI) focused on new DoD application package submitted by the Bank. On 30 March 2021 the Bank received the inspection’s report with a list of 18 findings.”

- The sub-paragraph (J) “*Complaint to the Board of Statutory Auditors pursuant to article 2408 of the Italian Civil Code*” (such sub-paragraph being lastly amended by the fourth supplement to the Base Prospectus dated 27 November 2020) of the paragraph 11 “*Legal Proceedings*” of section “*Banca*

Monte dei Paschi di Siena S.p.A” on pages 197 of the Base Prospectus is deleted in its entirety and replaced as follows:

“As at 31 March 2021, the Board of Statutory Auditors has received several complaints pursuant to article 2408 of the Italian Civil Code filed by minority shareholders.

Although the amount of the shares held by the complaining shareholders in the Bank’s share capital did not reach the percentage required by article 2408, paragraph 2 of the Italian Civil Code, the Board of Statutory Auditors has taken action and investigated each of the complaints without delay.

With regard to the complaints received, the statutory auditors carried out the necessary investigations and verifications activities in relation to which reference should be made to the paragraph 5.3 “*Complaints and petitions – Report of the Board of Statutory Auditors*” set out under the 2020 Separate Financial Statements drawn up pursuant to articles 2429, paragraph 2, of the Italian Civil Code and article 153, paragraph 1, of the Consolidated Financial Act.

As at 31 March 2021, two further complaints which were not included in the report mentioned above were received pursuant to article 2408 of the Italian Civil Code. Whilst the first complaint has been deemed groundless, the second complaint is currently under evaluation by the Board of Statutory Auditors.”

- The sub-paragraph (K) “*Anti-money laundering*” (such sub-paragraph being lastly amended by the fourth supplement to the Base Prospectus dated 27 November 2020) of the paragraph 11 “*Legal Proceedings*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on pages 197 of the Base Prospectus is deleted in its entirety and replaced as follows:

“As at 31 March 2021, 27 judicial proceedings are pending before the ordinary judicial authority in opposition to sanctioning decrees issued by the MEF in the past years against some employees of BMPS and the Bank (as a jointly liable party for the payment) for infringements of reporting obligations on suspicious transactions pursuant to Legislative Decree No. 231/2007. The overall amount of the opposed monetary sanctions is equal to Euro 5.9 million (rounded), of which Euro 2.9 (rounded) has already been paid.

The Bank’s defence in the context of such proceedings aims, in particular, at illustrating the impossibility to detect, at the time of events, the suspicious elements of the transactions/subject matter of the allegations, usually emerging only after an in-depth analysis carried out by the tax authority and/or other competent authority. The upholding of the Bank’s position may entail the avoidance by the judicial authority of the sanctioning measure imposed by the MEF and, in case the payment of the sanction has already been executed, the recovery of the related amount.

For the sake of completeness, it is worth noting that, as at 31 March 2021, 61 administrative proceedings are pending in addition to the abovementioned proceedings in respect of which the opposition proceeding are in progress and are instituted by the competent authorities for the alleged violation of the anti-money laundering regime. The overall amount of the *petitum* (the maximum amount of the applicable penalties) related to the abovementioned administrative proceedings is equal to Euro 1.75 million (rounded).

In March 2021 the Bank, after having requested a legal opinion, proceeded to close n. 19 administrative proceedings notified to the Bank between September 2011 and March 2018, to be considered extinct in accordance with article 69 paragraph 2 of Legislative Decree 231/07 and the clarifications provided by the MEF.”

- The paragraphs from the second to the sixth of the sub-paragraph (I) “*CONSOB and Bank of Italy*” of the paragraph 11 “*Legal Proceedings*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on pages 199-201 of the Base Prospectus are deleted in their entirety and replaced as follows:

“With regard to the sanctioning procedures falling within the competence of the Bank of Italy, during 2020 the Bank of Italy started a sanctioning proceeding against the Bank with respect to the alleged breach of banking transparency provisions. On 11 August 2020, BMPS sent to the Bank of Italy its counter-arguments. On 22 March 2021, the Bank received the proposed sanction which is under evaluation of the executive board of the Bank of Italy for the final decision.

For further information in relation to sanctioning proceedings deriving from the inspection activities carried out by the supervisory authorities, reference is made to paragraph “Audits” of the section “Consolidated Report on Operations” of the 2020 Consolidated Financial Statements.”

- The following paragraph shall be deemed to be included after the last paragraph of sub-paragraph (II) “Competition and Market Authority (“AGCM”) – Proceedings PS 10678 of the AGCM – violations of the Consumer Code in the sale of investment diamonds” of the paragraph 11 “Legal Proceedings” of section “Banca Monte dei Paschi di Siena S.p.A” on pages 201-202 of the Base Prospectus:

“On 2 December 2020, AGCM acknowledged the report received by the Bank, without requesting further updates.”

Management of the Bank

- Rows no. 1 and 13 of the table set out in paragraph “Board of Directors” of section “Management of the Bank” on pages 208-210 of the Base Prospectus is deleted in its entirety and replaced as follows:

“

1	Guido Bastianini	Chief Executive Officer, General Manager and Head of Communication Division (<i>ad interim</i>)	Gavorrano (GR), 10 April 1958	
13	Marco Giorgino (**)	Director	Bari, 11 December 1969	Director, Member of Control and Risk, Corporate Governance and Sustainability Committee and Chairperson of Related Party Committee of Terna S.p.A. Director of RealStep SICAF Chairperson of V-Finance S.r.l. Auditor of RGI S.p.A. Auditor of Luce Capital S.p.A.

”

- Rows no. 1, 13, 15 and 16 of the table set out in paragraph “*Managers with strategic responsibilities*” of section “*Management of the Bank*” on pages 210-211 of the Base Prospectus are deleted in their entirety and replaced as follows:

“

1	Guido Bastianini	Chief Executive Officer, General Manager and Head of Communication Division (<i>ad interim</i>)	Gavorrano (GR), 10 April 1958	
13	Pasquale Marchese	Chief Commercial Officer	Pescara, 2 June 1961	Deputy Chairperson of Widiba S.p.A. Director of AXA MPS Assicurazioni Danni S.p.A. Director of AXA MPS Assicurazioni Vita S.p.A. Director of Bancomat S.p.A.
15	Marco Palocci	Head of Institutional Relations and Sustainability Division	Roma, 2 December 1960	Deputy Chairperson of the Board of Directors of Fondazione Banca Agricola Mantovana Member of the Board of Directors of Fondazione Banca Antonveneta
16	Riccardo Quagliana	Group General Counsel	Milano, 4 February 1971	Deputy Chairperson of MPS Capital Services Banca per le Imprese S.p.A.

”

- The table set out in paragraph “*Board of Statutory Auditors*” of section “*Management of the Bank*” on pages 211-214 of the Base Prospectus is deleted in its entirety and replaced as follows:

“

Name	Position	Place and date of birth	Main activities outside the Bank, deemed significant
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1.	Enrico Ciai	Chairperson	Roma, 16 January 1957	
2.	Luigi Soprano	Auditor	Napoli, 22 February 1959	<p>Director of Mecar S.p.A.</p> <p>Sole Director of Unico di H & B Immobiliare S.r.l.</p> <p>Director of Interservice S.p.A.</p> <p>Auditor of Del Bo Società Consortile Stabile A</p> <p>Chairperson of the Board of Statutory Auditors of Del Bo Impianti S.r.l.</p> <p>Chairperson of the Board of Statutory Auditors of Del Bo Roma S.r.l.</p> <p>Chairperson of the Board of Statutory Auditors of Del Bo S.p.A.</p> <p>Chairperson of the Board of Statutory Auditors of Del Bo Servizi S.p.A.</p> <p>Auditor of SIA S.p.A.</p> <p>Liquidator of Italgrani S.r.l. in liquidazione</p> <p>Liquidator of Italsilos S.r.l.</p> <p>Sole auditor of Aedifica S.r.l.</p> <p>Auditor of La. Me.s. S.p.A.</p> <p>Chairperson of the Board of Statutory Auditors of Tufano</p>

Holding S.p.A.

Auditor of A.R.I.N.
Azienda Speciale

Auditor of Consorzio
Meditech

Administrator of
Fallimento IAP S.r.l.

Auditor of Fondazione
Donnaregina per le arti
contemporanee

Liquidator of Consorzio
RIMIC S.c.a r.l.

3.	Luisa Cevasco*	Auditor	Genova, 20 May 1961	Director of Arrigoni S.p.A.
4.	Francesco Fallacara*	Alternate Auditor	Bari, 14 June 1964	Chairperson of the Board of Statutory Auditors of Maire Tecnimont S.p.A. Chairperson of the Board of Statutory Auditors of Pirelli &C. S.p.A. Statutory auditor and auditor of Ro.Co. Edil Romana Costruzioni Edilizie S.r.l. Statutory auditor of Hirafilm S.r.l. Chairperson of the Board of Statutory Auditors of Fondazione Link Campus University Chairperson of the monitoring committee of Apaform – Associazione Professional ASFOR di formatori di Mangement

Chairperson of the monitoring committee of Asfor – Associazione Italiana per la formazione manageriale

Member of the board of statutory auditors of Collegio Provinciale dei Geometri di Roma

Statutory auditor of Eni Progetto S.p.A.

Director of ArgoGlobal Assicurazioni S.p.A.

Sole auditor of GB Trucks Socio Unico S.r.l.

Statutory auditor of Nextchem S.r.l.

Auditor of SIBI Segheria Industriale Boschiva Immobiliare S.r.l.

Sole auditor of I Casali del Pino S.r.l.

Sole auditor of Fondazione Maire Tecnimont

5.	Piera Vitali	Alternate Auditor	Mede (PV), 8 June 1949	Chairperson of the Board of Statutory Auditors of Piaggio & C. S.p.A. Chairperson of the Board of Statutory Auditors of Value Retail Milan S.r.l.
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(*) Member of the Board of Statutory Auditors appointed by the Shareholders' Meeting of the Bank held on 6 April 2021."

- The following paragraphs of the paragraph “*Conflict of Interest*” of section “*Management of the Bank*” on pages 214-215 of the Base Prospectus:

“In this regulatory framework and in line with the principles defined in section 12 of the EBA guidelines on internal governance (EBA-GL-2017-11) and the EBA-ESMA guidelines on the assessment of the suitability of the members of the management body and staff which plays key roles (EBA-GL-2017-12), the Bank's Board of Directors has over time approved specific internal Directives and policies, most recently the Group Directive on personnel conflicts of interest, in order to evaluate, manage and mitigate or prevent actual or potential conflicts of interest between the interests of the Issuer and the private interests of staff (including members of the administrative, management and supervisory bodies). The company legislation defines principles, responsibilities, procedures and decision-making and information skills, safeguards for the related risks, in particular with regard to subjects close to the Bank's decision-making centers. On the Issuer's website (www.gruppomps.it), in particular, the Group Directive is available which defines the principles and responsibilities for the management of the prescriptive obligations regarding related parties, connected parties and obligations of bank representatives.

[...]

The main transactions concluded with related parties are described in the 2019 Consolidated Financial Statements, published and available on the Bank's website www.gruppomps.it.”

are deleted in their entirety and replaced as follows:

“In this regulatory framework and in line with the principles defined in section 12 of the EBA guidelines on internal governance (EBA-GL-2017-11) and the EBA-ESMA guidelines on the assessment of the suitability of the members of the management body and staff which plays key roles (EBA-GL-2017-12), the Bank's Board of Directors has over time approved specific internal Directives and policies, most recently the Group Directive on personnel conflicts of interest, in order to evaluate, manage and mitigate or prevent actual or potential conflicts of interest between the interests of the Issuer and the private interests of staff (including members of the administrative, management and supervisory bodies). The company legislation defines principles, responsibilities, procedures and decision-making and information skills, safeguards for the related risks, in particular with regard to subjects close to the Bank's decision-making centers. On the Issuer's website (www.gruppomps.it), in particular, the Policy is available which defines the principles and responsibilities for the management of the prescriptive obligations regarding related parties, connected parties and obligations of bank representatives.

[...]

The main transactions concluded with related parties are described in the 2020 Consolidated Financial Statements, published and available on the Bank's website www.gruppomps.it.”

- The paragraph “*Main Shareholders as at 8 December 2020*” of section “*Management of the Bank*” on pages 215-216 of the Base Prospectus is deleted in its entirety and replaced as follows:

“**Main Shareholders as at 30 March 2021**”

The entities that, as at 30 March 2021, directly and/or indirectly hold ordinary shares for more than 3 per cent. of the Issuer's share capital and that do not fall under any of the exemptions provided for by article 119-*bis* of the CONSOB Regulation No. 11971 of 14 May 1999, are as follows:

Shareholders	% share capital on overall share capital
--------------	--

Italian Ministry of Economy and Finance (MEF) **64.230%**

Assicurazioni Generali S.p.A.(*)) **4.319%**

(*)) *Shares held through its subsidiaries, based on the communications received, pursuant to applicable legislation, as at 28 November 2017.*

As at 30 March 2021, pursuant to article 93 of the Consolidated Finance Act, the Issuer is controlled by the MEF, following the subscription of the share capital increase reserved to the MEF pursuant to the Decree of 23 December 2016, no. 237 and its related ministerial Decree adopted on 27 July 2017 and upon completion of the partial non-proportional demerger plan pursuant to art. 2501-ter and 2506-bis of the Italian Civil Code of Banca Monte dei Paschi di Siena S.p.A. in favor of AMCO - Asset Management Company S.p.A. (in which respect please refer to letter z) “Partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO” of paragraph 3.1 “Recent developments” of section Banca Monte dei Paschi di Siena S.p.A. of this Base Prospectus).”

General Information

The paragraph titled “*Significant Change or Material Adverse Change*” on page 246 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Save as disclosed in the section “*Risk Factors – Risk Factors relating to the Issuer and the Group*”, under paragraphs “*Risks associated with the general economic/financial scenario*” with respect to the impact of COVID-19, “*Risks associated with capital adequacy*”, and “*Risks deriving from judicial and administrative proceedings*”, since 31 December 2020 there has been no significant change in the financial performance or position of the Issuer and/or the Group and there has been no material adverse change in the prospects of the Issuer and/or the Group.”

General

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or any other document incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with article 21 of the Prospectus Regulation, copies of this Supplement and all documents incorporated by reference in the Base Prospectus can be obtained free of charge from the Issuer’s website (<https://www.gruppomps.it/en/>) and from the office of the Issuer and, in case of Notes admitted to the Official List and to trading on the Luxembourg Stock Exchange’s regulated market, from the principal office in Luxembourg of *Banque Internationale à Luxembourg, société anonyme*, being at 69 Route d’Esch, L-2953 Luxembourg. Copies of this Supplement and all documents incorporated by reference in the Base Prospectus will also be published on the Luxembourg Stock Exchange’s website (www.bourse.lu).