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PRESS RELEASE

CAPITAL INCREASE OF EURO 5 BILLION ON AN INDIVISIBLE BASIS TO BE SUBSCRIBED FOR BY 31 DECEMBER 2016

- **Maximum price confirmed at Euro 24.9 per share**
- **35% of the BMPS Share Capital Increase reserved for a general public offer in Italy, out of which at least 30% is subject to pre-emption rights for the Bank’s Shareholders**
- **65% of the BMPS Share Capital Increase reserved for an institutional offer to qualified investors in Italy and foreign institutional investors**
- **In order to also facilitate the shareholders’ pre-emption rights, the technical minimum price will be Euro1.00 per share**

INTERNATIONAL LME OFFER EXTENDED TO “FRESH 2008” SECURITIES

Siena, 15 December 2016 – The Board of Directors of Monte dei Paschi di Siena S.p.A. (the “**Bank**”) in the context of the capital increase mandated to the Board of Directors by the Extraordinary Shareholders’ Meeting on 24 November 2016, as announced in the press release dated 25 November 2016, on 14 December 2016 resolved:

- to confirm the resolutions adopted on 24 November 2016 in relation to (i) the indivisibility of the Capital Increase of Euro 5 billion between capital and premium, except the rounding necessary to allow for the issue of whole shares, to be completed by 31 December 2016, and (ii) the maximum subscription price of the shares to be issued at Euro 24.9 per share;
- to amend the resolutions adopted on 24 November 2016 limited to the determination of the maximum amount of the LME Capital Increase, fixing such amount at Euro 4,511,181,573.71 including any premium (instead of a maximum of Euro 4,289,544,540.04, including any premium), to take into account the inclusion of the “FRESH 2008” securities in the LME Offers confirming, where necessary, the divisibility of the LME Capital Increase;
- to postpone the fixing of the exact price of the LME Capital Increase to the next meeting once the LME Offers have been received;
- as another partial exercise of the mandate granted by the Extraordinary Shareholders’ Meeting, to increase share capital, excluding the option right pursuant to article 2441, paragraph 5 of the Italian Civil Code, for a minimum amount of Euro 488,818,426.29 including any premium (the “**BMPS Capital Increase**”) in relation to the Global Offer, to make funds available, by way of issuing ordinary shares with no nominal value, with

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ordinary rights, in the number that the Board of Directors will fix by way of a subsequent resolution pursuant to the ratio between: (i) the value of the subscriptions received in the context of the BMPS Capital Increase, and (ii) the subscription price of the new shares issued;

- to postpone the fixing of the exact price for the BMPS Capital Increase to a next meeting once the LME Offers have been received, it being understood that such amount will be determined on the basis of the amount of the Capital Increase that remains following the previous determination and which will be equal to the difference between Euro 5 billion and the amount of the LME Capital Increase;
- to establish that the determination of the issue price of the new shares from the BMPS Capital Increase, including any premium, will be fixed by the Board of Directors, by way of a resolution based on the criteria indicated in the Illustrative Report of the Board of Directors to the Extraordinary Shareholders' Meeting on 2 November 2016, from the mandate resolution pursuant to article 2443 of the Italian Civil Code adopted by the Extraordinary Shareholders' meeting on 24 November 2016 and by the resolution of the Board on 24 November 2016;
- to establish that the newly-issued shares from the BMPS Capital Increase will be offered for subscription in the context of the Institutional Placement including to cornerstone investors and/or institutional investors and/or qualified investors and in the context of the retail offer to the general public, including the offer with pre-emption rights to shareholders;
- to establish that at least 35% of the BMPS Capital Increase is reserved to a public offer in Italy, with at least 30% of the BMPS Capital Increase reserved to natural and legal persons who hold BMPS ordinary shares on their account as at a date to be determined, without prejudice to the Board of Directors' right to increase the tranche reserved to shareholders in the event demand exceeds the above amounts;
- also with a view to allow for an offer with shareholder pre-emption rights pursuant to the administrative requirements of the systems of the placement banks, to fix a technical minimum issue price for shares to be subscribed in the Capital Increase of Euro 1.00 per share (taking into account the reverse stock split of 28 November 2016);
- to establish that at least 65% of the BMPS Capital Increase is reserved to an institutional placement to qualified investors in Italy and institutional investors outside Italy pursuant to Regulation S of the United States Securities Act of 1933, as amended, and in the United States limited to "Qualified Institutional Buyers" pursuant to Rule 144A of the United States Securities Act of 1933, as amended, excluding other jurisdictions where the offer of securities is not permitted without authorization of the competent authorities, subject to any exemptions provided for by applicable law;
- to establish that any amount of the LME Capital Increase that is not subscribed, can be transferred to the BMPS Capital Increase and that any part of this not subscribed in the pre-emptive offer and/or the retail offer and/or the institutional offer and/or by cornerstone investors and/or anchor investors can be transferred to other tranches or parts of the Capital Increase where there is excess demand (so-called claw back); and, finally,
- to confirm that the Capital Increase should be subscribed by no later than 31 December 2016.

Should the Euro 5 billion capital increase on an indivisible basis not be completed, the capital increase relating to the Liability Management Exercise will also not be settled.

The launch of the retail offer in relation to the Capital Increase, and the extension of the offer period for the Liability Management Exercise remain subject to authorization by CONSOB.

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Furthermore, the Board of Directors, including pursuant to what was determined on 11 December 2016, confirmed the extension of the LME Institutional Offer to include the FRESH 2008 securities, on the basis that the necessary technical analysis, to which the press release ex article 102 of the TUF published on 14 November 2016 referred, had been carried out. Such press release is available on the website of the Bank at www.mps.it.

Press release will be available on www.mps.it

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