

FIFTH SUPPLEMENT DATED 3 MARCH 2021 TO THE PROSPECTUS DATED 22 JULY 2020



Banca Monte dei Paschi di Siena S.p.A.
(incorporated as a joint stock company in the Republic of Italy)

€20,000,000,000 Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments of interest and principal by

MPS Covered Bond S.r.l.
(incorporated as a limited liability company in the Republic of Italy)

BY APPROVING THIS SUPPLEMENT, THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* GIVES NO UNDERTAKING AS TO THE ECONOMIC OR FINANCIAL OPPORTUNENESS OF THE TRANSACTION OR THE QUALITY AND SOLVENCY OF THE ISSUER IN LINE WITH THE PROVISIONS OF ARTICLE 6 (4) OF THE LUXEMBOURG LAW DATED 16 JULY 2019 ON PROSPECTUSES FOR SECURITIES.

This fifth Supplement (the "**Supplement**") to the base prospectus dated 22 July 2020, as supplemented by the first supplement dated 8 September 2020, the second supplement dated 15 October 2020, the third supplement dated 3 December 2020 and the fourth supplement dated 25 January 2021 (the "**Prospectus**") constitutes a supplement for the purposes of Article 23(1) of Regulation EU 2017/1129 (the "**Prospectus Regulation**") and is prepared in connection with the €20,000,000,000 covered bond programme (the "**Programme**") established by Banca Monte dei Paschi di Siena S.p.A. ("**BMPS**" or the "**Issuer**") and guaranteed by MPS Covered Bond S.r.l. (the "**Guarantor**").

Capitalised terms used in this Supplement, and not otherwise defined herein, shall have the same meaning ascribed to them in the Prospectus.

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

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having 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 has been approved by the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), which is the Luxembourg competent authority for the purposes of the Prospectus Regulation and Luxembourg Prospectus Law, as a supplement issued in compliance with the Prospectus Regulation and relevant implementing measures in Luxembourg.

Copies of this Supplement and the documents incorporated by reference in this Supplement can be obtained free of charge from the registered office of the Issuer and are available on the Luxembourg Stock Exchange website (www.bourse.lu) and on the Issuer's website

<https://www.gruppomps.it/investor-relations/programmi-di-emissione-e-prospetti/emissioni-internazionali-obbligazioni-mps-2020-emtn-e-obg.html>).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the 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 inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme since the publication of the Prospectus.

Purpose of this Supplement

The purpose of the submission of this Supplement is to update the information contained in the Prospectus and, in particular:

1. the "*Risk factors*" section of the Prospectus;
2. the "*Documents incorporated by reference*" section of the Prospectus to incorporate by reference some press releases published by the Issuer on its website;
3. the "*Banca Monte dei Paschi di Siena S.p.A.*" section of the Prospectus;
4. the "*Management of the Bank*" section of the Prospectus; and
5. the "*General Information*" section of the Prospectus.

1. RISK FACTORS

The "Risk Factors" section of the Prospectus is amended as follows:

- The following paragraph in the sub-paragraph "*Risks associated with the failed realisation of the Restructuring Plan*" of the paragraph titled "*Risks relating to the Issuer's financial position*" on pages 36-38 of the Prospectus:

"In addition, it should be noted that on 17 December 2020 the Board of Directors of BMPS approved the Strategic Plan which has 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 Prospectus, to paragraph "*Risks associated with capital adequacy*" above and to paragraph "*BMPS approves the 2021-2025 Strategic Plan to be submitted to DG Comp*" of paragraph 3.1 "*Recent developments*" of section "*Banca Monte dei Paschi di Siena S.p.A.*" of this Prospectus."

is deleted and replaced by the following:

"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 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 Prospectus."

- The following paragraphs in the sub-paragraph "*Risks associated with capital adequacy*" of the paragraph titled "*Risks relating to the Issuer's financial position*" on pages 38-42 of the Prospectus:

"[...]"

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. In particular, the introduction of the new definition of default (expected 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**") could imply a major revision of all Probability of Default ("**PD**") and LGD, with a consequent possible 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.

[...]"

Regarding the assessment of capital adequacy, following i) the significant provisions on legal risks made in the third quarter of 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. 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 Prospectus.

In connection with the above, on 17 December 2020 the Board of Directors of BMPS, approved the 2021-2025 strategic plan to be submitted to DG COMP (the "**Strategic Plan**"). The Strategic Plan provides for, *inter alia*, certain measures which aims at allowing the Bank to restore its regulatory capital ratios, with a phased-in CET1 ratio constantly above 12 per cent., and to bear restructuring costs related to a sustainable reduction of its cost base. In addition, BMPS will submit to the ECB by 31 January 2021 a new capital plan (the "**New Capital Plan**") setting out an assessment of capital needs (over the medium term and not limited to CET1), quantified between EUR 2.0 billion and EUR 2.5 billion, and an indication of how such capital needs will be met. The assumed capital strengthening is adequate to solve the regulatory capital shortfall scenario, 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 in this respect, reference is made to letter FF) "*BMPS approves the 2021-2025 Strategic Plan to be submitted to DG Comp*" of paragraph 3.1 "*Recent developments*" of section "*Banca Monte dei Paschi di Siena S.p.A.*" of this Prospectus and the Strategic Plan incorporated by reference to this Prospectus.

Furthermore, with reference to the provisions of Article 2446 of the Italian Civil Code, in which respect the Bank has declared – in the Consolidated Half-yearly report as at 30 June 2020 and in the BMPS Unaudited Consolidated Interim Financial Report as at 30 September 2020 – that a net equity decrease of more than one third of its share capital has occurred, it should be noted that the board of directors of the Bank will submit to the shareholders' meeting called to approve the financial statements for the year 2020 a proposal for capital measures that adequately take into account i) the final effects of the partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO, and ii) the resolutions that will be adopted in relation to the necessary capital strengthening measures that will be detailed in the context of the New Capital Plan. For further information in this respect, reference is made to the 2021-2025 Strategic Plan – Press Release (incorporated by reference to this Prospectus)."

are deleted and replaced by the following paragraphs:

"[...]"

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 purposes, 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.

[...]

Regarding the assessment of capital adequacy, following i) the significant provisions on legal risks made in the third quarter of 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.

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 Prospectus.

In connection with the above, the Board of Directors of BMPS approved on 17 December 2020 the 2021-2025 strategic plan (the "**Strategic Plan**") and on 28 January 2021 a new capital plan (the "**New Capital Plan**"), which were submitted to DG COMP and the ECB for their respective assessments.

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.

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. 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. The assumed capital strengthening is adequate to solve the regulatory capital shortfall scenario, 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. 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.

On the basis of preliminary interactions with DG Comp, BMPS is requested to submit compensation measures for the breach of certain Commitments and, therefore, the Bank will be required to amend the Restructuring Plan. It should be noted that the approval of the amendments to the Restructuring Plan by DG COMP is a pre-requisite for the implementation of any capital strengthening, which will also be subject to approval by the ECB.

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.

Furthermore, with reference to the provisions of Article 2446 of the Italian Civil Code, in which respect the Bank has declared – in the Consolidated Half-yearly report as at 30 June 2020 and in the BMPS Unaudited Consolidated Interim Financial Report as at 30 September 2020 – that a net equity decrease of more than one third of its share capital has occurred, it should be noted that the board of directors of the Bank will submit to the shareholders' meeting called to approve the financial statements for the year 2020 a proposal for capital measures that adequately take into account i) the final effects of the partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO, and ii) the resolutions that will be adopted in relation to the necessary capital strengthening measures that have been detailed in the context of the New Capital Plan. For more information in this respect, 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 Prospectus and the Strategic Plan incorporated by reference to this Prospectus."

- The following paragraphs in the sub-paragraph "*Risks associated with the general economic/financial scenario*" of the paragraph titled "*Risks relating to the Issuer's financial position*" on pages 33-36 of the Prospectus:

"On the credit supply side, the Italian government's measures will continue to drive business credit growth in the short term; volumes of loans to households will contract in 2020 to rise again as the recessionary phase is overcome and the availability of the European funds will allow a recovery of investments and consumption. Credit supply policies should remain relaxed because of the monetary measures adopted, which will guarantee ample liquidity and a low cost of funding, helping to keep interest rates on loans stable. Despite the higher credit volumes expected in 2020, the margin of traditional credit and savings intermediation will still be penalized by the banking spread which remains compressed, in the presence of negative money market rates for a long time to come. The overall interest margin between 2020 and 2021, in any case, will be supported by the ECB's measures, thanks to the exceptional conditions of the TLTRO. With respect to the other revenues, a context of high uncertainty about the evolution of the health crisis, will keep the preference for liquidity and low-risk forms of investment high, confirming a limited profitability of asset management in 2020. Other commissions will be negatively affected by the slowing down of commercial activity and the lower propensity to consume (fewer transactions on payment systems, reduction in consumer credit flows). After the acute phase of the crisis, in 2021 still very low interest rates will support the demand for managed savings, with investors looking for more attractive returns.

The COVID-19 pandemic may have significant effects on the Group's liquidity situation in 2020. In order to address potential impacts on commercial liquidity position, and a limited access to the institutional funding market during 2020, the Bank has benefitted from the significant amount made available by the ECB through the targeted

longer-term refinancing operations ("TLTROs"), that will be a key instrument to pursue liquidity objectives, maintaining adequate levels for both the Liquidity Coverage Ratio ("LCR") and the Net Stable Funding Ratio ("NSFR"). In this respect, please also see the paragraph "*Liquidity risk*" below.

In addition, 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."

are deleted and replaced by the following paragraphs:

"On the credit supply side, the Italian government's measures will continue to drive business credit growth in the short term; volumes of loans to households will contract in 2020 to rise again as the recessionary phase is overcome and the availability of the European funds will allow a recovery of investments and consumption. Credit supply policies should remain relaxed because of the monetary measures adopted, which will guarantee ample liquidity and a low cost of funding, helping to keep interest rates on loans stable. Despite the higher credit volumes expected in 2020, the margin of traditional credit and savings intermediation will still be penalized by the banking spread which remains compressed, in the presence of negative money market rates for a long time to come. The overall interest margin between 2020 and 2021, in any case, has been and will be supported by the ECB's measures, thanks to the exceptional conditions of the targeted longer-term refinancing operations ("TLTROs"). With respect to the other revenues, a context of high uncertainty about the evolution of the health crisis, will keep the preference for liquidity and low-risk forms of investment high, confirming a limited profitability of asset management in 2020. Other commissions will be negatively affected by the slowing down of commercial activity and the lower propensity to consume (fewer transactions on payment systems, reduction in consumer credit flows). After the acute phase of the crisis, in 2021 still very low interest rates will support the demand for managed savings, with investors looking for more attractive returns.

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."

- The following sub-paragraphs of the paragraph "*Mortgage Borrower Protection*" in the paragraph titled "*Risks related to Covered Bonds generally*" on pages 38-40 shall be amended as follows (underlined and strikethrough show the changes made):

"[...]

the right to (i) suspend payments (principal instalments only) for a period of up to 12 months; or (ii) to extend the duration up to 100% of the residual term of the loan, in each case subject to the possible increase of the rate of interest and request of additional

security interests or guarantees by the lender ("*Accordo per il Credito 2019*" entered into between ABI and the major associations representing the Italian SMEs on 15 November 2018). As a consequence of the COVID outbreak, the aforesaid measures have now been extended to loans outstanding as at 31 January 2020 and disbursed in favour of micro, small and medium-sized enterprises damaged by the epidemic (ABI Addendum to the *Accordo per il Credito 2019* of 6 March 2020, as supplemented by ABI "*Addendum to the Accordo per il Credito 2019*" of 22 May 2020 and ABI "*Addendum to the Accordo per il Credito 2019*" of 17 December 2020);

[...]

large-scale moratoria for the purposes of supporting micro-enterprises and small medium-sized enterprises, which grant (i) the freezing of the lenders' right to revoke credit facilities; and (ii) the suspension by operation of law of financings repaid by way of instalments, in each case until ~~30 September 2020~~ 30 June 2021 (Covid Law, as defined above, as subsequently amended by Law Decree No. 104 of 14 August 2020 and Law No. 178 of 30 December 2020). It should be noted that the amortisation plan relating to the suspended instalments (together with any accessory rights relating thereto) is consistently extended without further formalities in a manner which ensures that no higher charges are borne by the lender or the borrower;

[...]

the right to suspend principal instalment payments under mortgage loans or other loans subject to an amortisation plan by way of instalments for a maximum aggregate period of ~~42~~ 29 months, granted in favour of certain categories of borrowers that cannot benefit from the Suspension, upon occurrence of specific events (e.g. termination of employment relationships, borrower's death or recognition of disability or civil invalidity, suspension from work or reduction of working hours for a period of at least 30 days even where the issuance of measures of income support is pending) (ABI convention of ~~21 April~~ 16 December 2020, entered into between ABI and the major associations representing consumers). "

- The following paragraph in the sub-paragraph "*Liquidity risk*" of the paragraph titled "*Risks relating to the Issuer's financial position*" on pages 45-46 of the Prospectus:

"Finally, it must be noted that the COVID-19 pandemic and the consequential economic downturn may have a significant impact on the liquidity position of the Issuer. The Issuer, as well as all Italian banks, will have to support the liquidity needs of its customers (businesses and families) stemming from the crisis, notwithstanding the relief measures put in place by the Italian government. Furthermore, the Bank will probably face a prolonged period of difficult access to institutional funding markets, that could hamper the execution of its funding plan."

is deleted and replaced by the following paragraph:

"Finally, it must be noted that the COVID-19 pandemic and the consequential economic downturn may have a significant impact on the liquidity position of the Issuer. The Issuer, as well as all Italian banks, will have to support the liquidity needs of its

customers (businesses and families) stemming from the crisis, notwithstanding the relief measures put in place by the Italian government. Furthermore, it cannot be excluded that the Bank will face difficult access to institutional funding markets, that could hamper the execution of its funding plan."

- The fourth paragraph of sub-paragraph "*Risk management*" of the paragraph titled "*Risks relating to the Issuer's financial position*" on page 57 of the Prospectus is deleted and replaced by the following:

"In the period 2016-2019, the Issuer has undertaken the mitigation actions required by the ECB and the Bank of Italy after both a thematic in-depth analysis, "*Thematic Review on Risk Governance and Appetite*", and an ordinary investigation activity on the Bank's governance and the Risk management system. In this respect, it should be noted that the SREP Decisions pointed out, *inter alia*, the need to generate further improvements connected to the internal risk governance and the risk management system."

- The following paragraph shall be added after the fourth paragraph of sub-paragraph "*Risks associated with the uncertainty of future outcomes of stress tests or asset quality review exercises*" of the paragraph titled "*Risks relating to the Issuer's financial position*" on pages 64-65 of the Prospectus:

"The EBA has started a EU-wide stress testing for 2021 (following the postponement of the 2020 exercise, due to the COVID-19 pandemic) which aims at assessing the resilience of the European banking sector, including BMPS Group. The results are expected to be published at the end of July 2021."

2. DOCUMENTS INCORPORATED BY REFERENCE

On 10 February 2021, the Issuer has published on the Issuer's website the press release headed "*Banca MPS: Board approves preliminary results as of 31 December 2020*" (the "**BoD Approval of 2020 Preliminary Results - Press Release**") which is available at <https://www.gruppomps.it/static/upload/cs-/cs-results-fy-2020.pdf>.

On 28 January 2021, the Issuer has published on the Issuer's website the press release headed "*BMPS: Approved Capital Plan to be presented to ECB*" (the "**Approved Capital Plan – Press Release**") which is available at https://www.gruppomps.it/static/upload/pr /pr 28 01 21 capitalplan_eng.pdf.

On 25 February 2021, the Issuer has published on the Issuer's website the press release headed "*MPS, Board approves 2020 draft financial statements*" (the "**BoD Approval of 2020 Draft Financial Statements – Press Release**") which is available at https://www.gruppomps.it/static/upload/202/20210225_cs_progbil_eng.pdf.

The Issuer confirms that the profit estimates contained in the BoD Approval of 2020 Preliminary Results – Press Release incorporated by reference herein are consistent with the corresponding figures that will be contained in the Issuer's consolidated financial statements as at and for the year ended 31 December 2020 (the "**2020 Annual Report**") and therefore have been compiled and prepared on a basis which is both comparable with historical financial information of the Issuer and consistent with the Issuer's accounting policies.

Audit procedures by the statutory auditors on the 2020 Annual Report are currently in progress and the 2020 Annual Report will be available to investors following its publication.

A copy of (i) the BoD Approval of 2020 Preliminary Results – Press Release, (ii) the Approved Capital Plan – Press Release and (iii) the BoD Approval of 2020 Draft 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 Prospectus.

The "*Documents Incorporated by Reference*" section on pages 95-97 of the Prospectus is hereby supplemented with the following:

* * *

Document	Information Incorporated	Page Reference
BoD Approval of 2020 Preliminary Results - Press Release	Cover page	p 1
	FY 2020 Results	p 2
	Fourth Quarter 2020 Results	pp 2-3
	Group profit and loss results as at 31 December 2020	pp 3-7

Group balance sheet aggregates as at 31 December 2020	pp 7-11
Income statement and balance sheet reclassification principles	pp 12-15
Reclassified balance sheet	pp 15-17
Income Statement and Balance Sheet Figures	p 18
Alternative Performance Measures	p 19
Regulatory Measures	p 20
Reclassified Consolidated Income Statement	p 21
Quarterly trend in reclassified consolidated income statement	p 22
Reclassified Balance Sheet	p 23
Reclassified Balance Sheet – Quarterly Trend	p 24
Approved Capital Plan – Press Release	Entire document All
BoD Approval of 2020 Draft Financial Statements – Press Release	Entire document All

For the purposes of Article 19(1) of Regulation (EU) 2017/1129, the information incorporated by reference that is not included in the cross-reference list above is either deemed not relevant for an investor or is otherwise covered elsewhere in this Supplement and, for the avoidance of doubt, unless specifically incorporated by reference into the Prospectus, information contained on the website does not form part of the Prospectus.

3. **BANCA MONTE DEI PASCHI DI SIENA S.P.A.**

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

- The last paragraph of the sub-paragraph J) "*Disposals of non-performing loans for a total amount of Euro 3.5 billion*" of paragraph 3.1 "*Recent developments*" of section "*Banca Monte dei Paschi di Siena S.p.A.*" on pages 214-215 of the Prospectus is deleted in its entirety and replaced as follows:

"*Progetto Morgana*" was completed in 2020 for the decreased total amount of Euro 772 million. With respect to the residual portfolio of Euro 167 million, in relation to which the purchase option was not exercised by Bain Capital Credit within the deadline set for 15 January 2021, the receivables comprised therein have been already reported - given the low probability of being sold - under current assets in the interim financial statements of MPS Leasing & Factoring S.p.A as at 30 June 2020."

- The sub-paragraph FF) "*BMPS approves the 2021-2025 Strategic Plan to be submitted to DG Comp*" of paragraph 3.1 "*Recent developments*" of section "*Banca Monte dei Paschi di Siena S.p.A.*" on pages 205-219 of the Prospectus is deleted in its entirety and replaced as follows:

"*FF) BMPS approved the 2021-2025 Strategic Plan and the New Capital Plan*

On 17 December 2020 the Board of Directors of BMPS approved 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 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. In particular, the Strategic Plan has been designed assuming strategic initiatives that can be implemented while substantially retaining the Bank's current operating model and technological infrastructure, so as not to place constraints on consolidation scenarios. From a capital perspective, the Strategic Plan implies a strengthening that will allow the Bank to restore its regulatory capital ratios, with a phased-in CET1 ratio constantly above 12 per cent, and to bear restructuring costs related to a sustainable reduction of its cost base. The impacts of the new MREL framework are fully incorporated in the Strategic Plan. The Strategic Plan has been transmitted to the Italian Ministry of Economy and Finance, which started – in compliance with the Commitments – a discussion with DG Comp, pursuant to regulations in force. On 15 January 2021, BMPS has made available, upon request of CONSOB, the Strategic Plan on the Bank's website. For more information in this respect, reference is made to the 2021-2025 Strategic Plan – Press Release (incorporated by reference to this Prospectus).

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, DG Comp, according to current legislation, should assess the State's intervention on the basis of the Bank's stand-alone viability. This assessment, which is still in progress, presents, in principle, significant uncertainties regarding the Bank's capital strengthening process and the capital increase at market conditions. On the basis of preliminary interactions with DG Comp, BMPS is requested to submit compensation measures for the breach of certain Commitments and, therefore, the Bank will be required to amend the Restructuring Plan. It should be noted that the approval of the amendments to the Restructuring Plan by DG Comp is a pre-requisite for the implementation of any capital strengthening, which will also be subject to approval by the ECB. For more information in this respect, reference is made to the Approved Capital Plan – Press Release and the BoD Approval of 2020 Draft Financial Statements – Press Release (incorporated by reference to this Prospectus)."

- The following paragraph shall be deemed to be included in paragraph 3.1 "*Recent developments*" of section "*Banca Monte dei Paschi di Siena S.p.A.*" on pages 205-219 of the Prospectus:

"HH) BMPS's Board of Directors approved the preliminary 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 Prospectus.

The draft 2020 annual report has been approved by the Board of Directors on 25 February 2021 and will be submitted to the approval of the shareholders at the shareholders' meeting scheduled for 6 April 2021."

- The paragraphs from the third to the last of the sub-paragraph "*Verification activity on banking transparency*" of 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 231-232 of the Prospectus is deleted in its entirety and replaced as follows:

"On 7 October 2019 the Bank of Italy started a new inspection with the aim of verifying compliance with the transparency regulations and the fairness of the Bank's relationship with its customers. The audit ended on 21 January 2020. Meanwhile, based on the findings of the verification, the Bank launched an action plan, including refunds to customers, of which the Bank of Italy was informed.

On 12 June 2020, the Bank of Italy presented its findings with an evaluation "predominantly non-compliant" and notified a formal challenge of the sanctioning procedure for violations subject to administrative sanctions under article 145 of the Consolidated Banking Act. At the same time, with a note signed by the governor of the Bank of Italy, it was requested to supplement the remedial plan already started and which shall be completed within 31 December 2020. The Bank was granted a deadline of 30 days to propose its counter-arguments, with respect to which a request for an extension of further 30 days was made.

On 11 August 2020, the Bank transmitted to the Bank of Italy its observations with regard to the audit report and its response to the decision to initiate the sanctioning procedure. At the same time a new remedial action plan was activated and completed by 31 December 2020. As a result of the remedial actions, the Bank refunded customers for a total amount of approximately Euro 40 million, of which approximately Euro 4,6 million referring to sums made available by means of a notice published in the Official Gazette of the Republic of Italy and in two national newspapers.

As of the date hereof, the Bank is waiting to receive the results of the sanctioning procedure."

- The last paragraph of the sub-paragraph "*Bank of Italy inspection on transparency in relation to Banca Widiba S.p.A.*" of 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 232 of the Prospectus is deleted in its entirety and replaced as follows:

"The new inspection activity started on 7 October 2019 and ended on 21 January 2020 regarding the transparency matter mentioned above was conducted also in respect Banca Widiba S.p.A.. Two of the Bank of Italy's findings concerned Banca Widiba that, as the Bank did, launched and completed its own remedial action plan by 31 December 2020."

- The last paragraph of the sub-paragraph "*Inspection activity on anti-money laundering*" of 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 232-234 of the 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 has not yet been closed, 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 31 December 2020. Progress is periodically monitored by the Board of Directors."

- The sub-paragraph "*Inspection activity in relation to the IT Risk (OSI 3832)*" of 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 235 of the Prospectus is deleted in its entirety and replaced as follows:

"During the period between 26 March 2018 and 26 June 2018, the ECB carried out an on-site inspection relating to the Information Technology risk (IT Risk) of the Group. The inspection report was issued on 20 November 2018 and on 8 July 2019, the Bank received a draft version of the follow-up letter by the ECB from the supervisory authority, highlighting 15 findings and the relevant remedial action. The Bank replied to the letter with a request to postpone certain deadlines. On 22 August 2019, the Bank received the final version of the letter, confirming the contents of the draft version, in which there were reported 15 findings relating to IT security procedures, project management and the effectiveness of control systems. On 31 March 2020, the Bank

finalized the implementation of all the remedial actions connected to the findings within the required time by the authority. The Bank is currently implementing activities to improve the IT security profile and the data governance processes."

- The sub-paragraph "*Inspection activity on liquidity allocation and internal funds' transfer pricing (OSI 4356)*" of 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 237 of the Prospectus is deleted in its entirety and replaced as follows:

"During the period between 18 October 2019 and 23 January 2020, the ECB conducted an on-site inspection on the liquidity allocation and internal funds' transfer pricing. On 16 September 2020, the ECB sent the inspection report setting out 10 findings, basically referred to the liquidity risk measurement, the data quality checks on the liquidity risk measurement and the funds transfer pricing (FTP) framework. The Bank is waiting for the draft follow up letter."

- The sub-paragraph "*Inspection activity relating to the new definition of default "DoD" (Internal Model Investigation IMI 4857)*" of 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 238 of the 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. The Bank is waiting for the draft report."

- The following paragraph shall be deemed to be included in 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 238 of the Prospectus:

"10.23 Targeted Review of accomodation and food service sector

On 11 January 2021, the ECB started a targeted review to better understand the Bank's credit risk management approach for the sector "Accomodation and Food Services" and to carry out relevant peer bechmarking."

- The last paragraph of the sub-paragraph (c) "*Privacy*" of paragraph 11 "*Legal Proceedings*" of section "*Banca Monte dei Paschi di Siena S.p.A.*" on pages 264-265 of the Prospectus is deleted in its entirety and replaced as follows:

"The tax authority, lieutenant unit of Molfetta, in May 2015 served on the Bank a formal written notice for the alleged violation of articles 33 and 162, subsection 2-bis of the DPC. The administrative offence element of the proceedings provides for a maximum sanction of Euro 240,000. The notice was served on the Bank as joint obligor as a result of an employee processing customer personal data without complying with the security measures provided for by article 33 of the DPC. On 4 June 2015, the Bank sent the data protection authority a defensive brief in which it requested the dismissal of the claim due to it being unrelated to the events.

The data protection authority dismissed both investigations without penalties for the Bank."

4. MANAGEMENT OF THE BANK

- The table set out in paragraph "Board of Statutory Auditors" of section "*Management of the Bank*" on pages 271-277 of the Prospectus is deleted in its entirety and replaced as follows:

"

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

Sole auditor of Aedifica S.r.l.

Auditor of La. Me.s. S.p.A.

Chairperson of the Board of Statutory Auditors of Tufano 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

3	Piera Vitali(*)	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.
4	Lorenzo Chiappa (**)	Alternate Auditor	-	-

(*) *Piera Vitali was appointed as effective auditor replacing Alessia Bastiani, who resigned with effect from 26 January 2021.*

(**) *Lorenzo Chiappa has resigned from the office of alternate auditor with effect from 11 September 2020.*

The Board of Statutory Auditors of the Bank will be integrated by the ordinary and extraordinary Shareholders' meeting of the Bank convened on 6 April 2021."

5. GENERAL INFORMATION

The paragraph titled "*Trend Information / No Significant Change*" on pages 403-404 of the Prospectus is deleted in its entirety and replaced as follows:

"Trend Information / No Significant Change

Save as disclosed (i) 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*", (ii) in the section "*Banca Monte dei Paschi di Siena S.p.A.*", under paragraphs "*3.1 Recent developments – Z) Partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO*" and "*3.1 Recent developments – FF) 'BMPS approved the 2021-2025 Strategic Plan and the New Capital Plan'*" of the Prospectus, and (iii) the section "*Group profit and loss results as at 31 December 2021*" on pages 3-7 of the BoD Approval of 2020 Preliminary Results - Press Release, since 30 September 2020 there has been no significant change in the financial performance or position of the Issuer and/or the Group and since 31 December 2019 there has been no material adverse change in the prospects of the Issuer and/or the Group.

Since 31 December 2019 there has been no material adverse change in the prospects of the Guarantor and since 31 December 2019 there has been no significant change in the financial position of the Guarantor."