MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BMPS COMPLETES THE LARGEST EUROPEAN BAD LOAN SECURITIZATION (C. EUR 24.1 BILLION)

AND OBTAINS INVESTMENT GRADE RATING ON ENTIRE SENIOR TRANCHE (EUR 2,918 MILLION)

Siena, 10 May 2018 - Monte dei Paschi di Siena Group ("BMPS") has completed the securitization transaction for the sale of a bad loan portfolio of c. EUR 24.1 billion and obtained investment grade ratings on the senior tranche.

This transaction highlights the steady achievement of goals set by the BMPS Restructuring Plan which was announced on 5 July 2017; the bad loan sale process is in fact proceeding according to the planned schedule.

The ex-law 130/99 securitization vehicle, which acquired BMPS' bad loan portfolio, issued the following notes (ABS, Asset-Backed Securities):

- Senior notes for EUR 2,918 million[1], which have been assigned an A3/BBB+/BBB rating by Moody's Investors Service, Scope Ratings GmbH and DBRS Ratings Limited, respectively. The notes, which will be assisted by GACS, will be initially retained by BMPS, which may subsequently consider their partial placement on the market. The senior notes' tranching exceeds Restructuring Plan expectations, which contemplated a class of Non-Investment Grade notes for approximately EUR 500 million that will therefore not be issued.
- Mezzanine notes for EUR 847.6 million, unrated, which were sold on 22 December 2017 to the Italian Recovery Fund managed by Quaestio Capital SGR.
- Junior notes for c. EUR 565 million, unrated, which will be sold to the Italian Recovery Fund managed by Quaestio Capital SGR after having obtained GACS on the senior notes.

GACS guarantees on senior notes are expected to be obtained over the coming weeks whereas the deconsolidation of the bad loan portfolio is expected by June 2018, following the transfer of the junior notes to the Italian Recovery Fund managed by Quaestio Capital SGR. The economic impacts of the securitization were fully incorporated into the Half-Year Report as at 30 June 2017.

[1] The notes had been initially issued in December 2017 for an higher amount, equal to EUR 3,095.6 million, then reduced following the first payment date of 30 April 2018.

Senior notes will yield a coupon of 3mE + 1.5%, incorporating in their structure the premium due to the Italian Ministry of Economy and Finance (MEF) for the guarantee provided on the notes.

The transaction was structured by MPS Capital Services, Deutsche Bank, Mediobanca Banca di Credito Finanziario and JP Morgan as Lead Arrangers and by HSBC and Crédit

Suisse as co-Arrangers. MPS Capital Services, Deutsche Bank, Mediobanca Banca di Credito Finanziario, JP Morgan, HSBC and Crédit Suisse will act as Placement Agents.

BMPS has appointed Credito Fondiario as Master Servicer of the securitized portfolio and Cerved/Juliet, Italfondiario, Prelios and Credito Fondiario as Special Servicers of the securitized portfolio, with the responsibility of recovering loans during the entire lifespan of the transaction.

The texts of the press releases announcing the ratings attributed by DBRS Ratings Limited, Moody's Investors Service and Scope Ratings GmbH are available on the rating agencies' websites.

This press release will be available on www.gruppomps.it

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