

FIFTH SUPPLEMENT DATED 13 JANUARY 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 fifth 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 and the fourth Supplement dated 27 November 2020 (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](http://www.bourse.lu).

### **Purpose of the Supplement**

The purpose of the submission of this Supplement is to update (i) the cover of the Base Prospectus; (ii) the “*Important Information*” section of the Base Prospectus; (iii) the “*Risk factors*” section of the Base Prospectus; (iv) the “*Documents incorporated by reference*” section of the Base Prospectus to incorporate by reference some press releases published by the Issuer on its website; (v) the “*General Description of the Programme*” section of the Base Prospectus; (vi) the “*Form of Final Terms*” section of the Base Prospectus; (vii) the “*Applicable Pricing Supplement*” section of the Base Prospectus; (viii) the “*Banca Monte dei Paschi di Siena S.p.A.*” section of the Base Prospectus; (ix) the “*Management of the Bank*” section of the Base Prospectus; (x) the “*Taxation*” section of the Base Prospectus and (xi) the “*Subscription and Sale*” section of the Base Prospectus.

## Cover of the Base Prospectus

- The paragraph below at page 1 of the Base Prospectus:

“This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The validity of this Base Prospectus ends upon expiration of 22 July 2021. For these purposes, reference(s) to the EEA include(s) the United Kingdom. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.”

is deleted and replaced by the following paragraph:

“This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The validity of this Base Prospectus ends upon expiration of 22 July 2021. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.”

- The paragraph below at page 2 of the Base Prospectus:

“The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation (and for these purposes, references to the EEA include the United Kingdom). References in this Base Prospectus to “Exempt Notes” are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes and with the Form of Pricing Supplement.”

is deleted and replaced by the following paragraph:

“The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Base Prospectus to “Exempt Notes” are to Notes for which no prospectus is required to be published under the Prospectus Regulation and the Financial Services and Markets Act 2000. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes and with the Form of Pricing Supplement.”

- The paragraph below at page 2 of the Base Prospectus:

“Amounts payable under the Floating Rate Notes and/or the Reset Notes may be calculated by reference to the euro interbank offered rate (“**EURIBOR**”) or the London interbank offered rate (“**LIBOR**”), as specified in the relevant Final Terms. As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of LIBOR) and the European Money Markets Institute (as administrator of EURIBOR) are included in the register of administrators maintained by the European Securities and Markets Authority (“**ESMA**”) under Article 36 of the Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”).”

is deleted and replaced by the following paragraph:

“Amounts payable under the Floating Rate Notes and/or the Reset Notes may be calculated by reference to the euro interbank offered rate (“**EURIBOR**”) or the London interbank offered rate (“**LIBOR**”), as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the register of administrators maintained by the European Securities and Markets Authority (“**ESMA**”) under Article 36 of the Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”). As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of LIBOR) is not included in the register of administrators maintained by ESMA under Article 36 of the EU Benchmarks Regulation. As far the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration (as administrator of LIBOR) is not currently required to obtain authorization/registration (or, if located outside the European Union, recognition, endorsement or equivalence).”

### **Important Information**

The “*Important Information*” section of the Base Prospectus is amended as follows:

- The following paragraph in the “*Important Information*” section on page 3 of the Base Prospectus:

**“This Base Prospectus constitutes a base prospectus for the issuance of Notes under the Programme by BMPS. This base prospectus constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.”**

is deleted and replaced by the following paragraph:

**“This Base Prospectus constitutes a base prospectus for the issuance of Notes under the Programme by BMPS. This base prospectus constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129 and UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA).”**

- The following paragraph in the “*Important Information*” section on page 4 of the Base Prospectus:

**“IMPORTANT – EEA AND UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.”

is deleted and replaced by the following paragraph:

**“IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.”

- The following paragraph shall be added in the “*Important Information*” section on page 4 of the Base Prospectus, after the paragraph “*Important – EEA and UK Retail Investors*”:

**“IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.”

- The following paragraph shall be added in the “*Important Information*” section on page 4 of the Base Prospectus, after the paragraph “*MiFID II product governance / target market*”:

**“UK MiFIR product governance / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such

Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.”

- The paragraph “*Important information relating to the use of this Base Prospectus and offers of Notes generally*” in the “*Important Information*” section on pages 4-5 of the Base Prospectus:

**“IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS  
AND OFFERS OF NOTES GENERALLY**

**This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including, for these purposes, the United Kingdom and the Republic of Italy (“Italy”)) and Japan, see “Subscription and Sale”.”**

is deleted and replaced by the following paragraph:

**“IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS  
AND OFFERS OF NOTES GENERALLY**

**This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including, for these purposes, the Republic of Italy (“Italy”)), Japan, and the United Kingdom, see “Subscription and Sale”.”**

## Risk Factors

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

- The following paragraph shall be added in the sub-paragraph “*Risks associated with capital adequacy*” of the paragraph titled “*Risks relating to the Issuer's financial position*” on pages 5-9 after the ninth paragraph:

“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.”

- The paragraphs from the twenty-seventh to the last of sub-paragraph “*Risks associated with capital adequacy*” of the paragraph titled “*Risks relating to the Issuer's financial position*” on pages 5-9 are deleted in their entirety and replaced as follows:

“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 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 Base Prospectus.

In connection with the above, on 17 December 2020 the Board of Directors of the 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 Base 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 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 Base Prospectus).

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, and paragraph “Strategy and Restructuring Plan” of BMPS Unaudited Consolidated Interim Financial Report as at 30 September 2020.”

- The eight paragraph of sub-paragraph “*Risks deriving from judicial and administrative proceedings*” of the paragraph titled “*Risks relating to the judicial and administrative proceedings and the inspections of the supervisory authorities*” on pages 15-17 is deleted in its entirety and replaced as follows:

“In relation to disputes in which the Bank is involved, it has to be specified that, as at the date of the Base Prospectus, it cannot be excluded that disputes against the Bank may increase in number, also in consideration of the criminal proceedings pending and/or concluded before the Courts of Milan as well as the extraordinary transactions put in place by the Bank, in particular in relation to the civil plaintiffs in the context of such proceedings and/or the filing of civil claims for damages following the conviction sentence of the Courts of Milan on 8 November 2019 (for more information, reference is made to the paragraph 11 “*Legal proceedings*” of section *Banca Monte dei Paschi di Siena S.p.A.* of this Base Prospectus). In this respect, it should be noted that following the judgment of the Court of Milan in the proceedings 955/16 on 16 October 2020, there is an increasing number of disputes relating to the 2014 and 2015 share capital increases of the Bank.”

- The sub-paragraph “*The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes or Reset Notes linked to or referencing such “benchmarks”*” of the paragraph titled “*Risks related to Notes generally*” on pages 38-40 is deleted in its entirety and replaced as follows:

*“The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes or Reset Notes linked to or referencing such “benchmarks”*

Interest rates and indices which are deemed to be “benchmarks”, (including LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark, such as Floating Rate Notes and Reset Notes. The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a rate or index deemed to be a benchmark, including any Floating Rate Notes linked to or referencing LIBOR and/or EURIBOR or any Reset Notes referencing the relevant swap rate for swap transactions in the Specified Currency (as specified in the relevant Final Terms with respect to the relevant Reset Notes), in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis is not guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (“**SONIA**”) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (“**€STR**”) as the new risk free rate. €STR has been published by the ECB since 2 October 2019. In addition, on 21 January 2019, the euro risk free-rate working group for the euro area published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles were reiterated and updated by the working group in light of market developments on 6 November 2019. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR or EURIBOR (together, the “**IBORS**”) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Reset Notes which reference such IBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the relevant IBOR rate is to be determined under the “*Terms and Conditions for the English Law Notes*” or under the “*Terms and Conditions for the Italian Law Notes*”, as the case may be, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the relevant IBOR rate which, depending on market



circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant IBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or Reset Notes which reference the relevant IBOR.

The “*Terms and Conditions of the English Law Notes*” and the “*Terms and Conditions of the Italian Law Notes*” provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the “*Terms and Conditions for the English Law Notes*” or the “*Terms and Conditions for the Italian Law Notes*”, as the case may be, the Agency Agreement for the English Law Notes and the Agency Agreement for the Italian Law Notes are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 3(d)(iv) (*Benchmark Amendments*) of the Terms and Conditions for the English Law Notes and Condition 3(d)(iv) (*Benchmark Amendments*) of the Terms and Conditions for the Italian Law Notes.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Reset Notes. Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Floating Rate Notes or Reset Notes linked to or referencing a benchmark.”

- The sub-paragraph “*Credit ratings assigned to BMPS or any Notes may not reflect all the risks associated with an investment in those Notes*” of the paragraph titled “*Risks related to the market generally*” on page 41 is deleted in its entirety and replaced as follows:

*“Credit ratings assigned to BMPS or any Notes may not reflect all the risks associated with an investment in those Notes.*

One or more independent credit rating agencies may assign credit ratings to BMPS or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been

withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.”

### **Documents incorporated by reference**

On 29 December 2020, the Issuer has published on the Issuer’s website the press release headed “*MPS Group: ECB notifies SREP Own Funds Requirements for 2021 – Minimum SREP Requirements reduced by 25 bps vs. 2020*” (the “**ECB SREP requirements for 2021 – Press Release**”) which is available at [https://www.gruppomps.it/static/upload/sre/srep-2021-eng\\_final.pdf](https://www.gruppomps.it/static/upload/sre/srep-2021-eng_final.pdf).

On 17 December 2020, the Issuer has published on the Issuer’s website the press release headed “*Banca Monte dei Paschi di Siena has approved the 2021-2025 Strategic Plan to be submitted to DG COMP*” (the “**2021-2025 Strategic Plan – Press Release**”) which is available at [https://www.gruppomps.it/static/upload/ex/\\_ex\\_copy\\_20201217\\_cda\\_eng.pdf](https://www.gruppomps.it/static/upload/ex/_ex_copy_20201217_cda_eng.pdf).

On 1 December 2020, the Issuer has published on the Issuer’s website the press release headed “*Partial non-proportional demerger with asymmetric option of Banca Monte dei Paschi di Siena S.p.A. in favor of AMCO S.p.A. - Results of the exercise of the asymmetric option and variation of the share capital*” (the “**Partial Non-Proportional Demerger Results – December 2020 Press Release**”) which is available at [https://www.gruppomps.it/static/upload/pr/\\_pr\\_eng\\_comunicato\\_risultati\\_opz\\_asimm\\_avviso\\_85bis\\_re\\_final.pdf](https://www.gruppomps.it/static/upload/pr/_pr_eng_comunicato_risultati_opz_asimm_avviso_85bis_re_final.pdf).

On 27 November 2020, the Issuer has published on the Issuer’s website the press release headed “*Enrollment of the deed of the partial non-proportional demerger with asymmetric option of Banca Monte dei Paschi DI Siena S.p.A. in favor of Amco S.p.A.*” (the “**Partial Non-Proportional Demerger Deed Enrollment –**

November 2020 Press Release”) which is available at [https://www.gruppomps.it/static/upload/pr\\_/pr\\_eng\\_comunicato-iscrizione-ed-efficacia-scissione-amco.pdf](https://www.gruppomps.it/static/upload/pr_/pr_eng_comunicato-iscrizione-ed-efficacia-scissione-amco.pdf).

A copy of each of the press releases listed above 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 hereby supplemented with the following:

<b>Document</b>	<b>Information Incorporated</b>	<b>Page Reference</b>
Press Release headed “ <i>MPS Group: ECB notifies SREP Own Funds Requirements for 2021 – Minimum SREP Requirements reduced by 25 bps vs. 2020</i> ” dated 29 December 2020	Entire document	All
Press Release headed “ <i>Banca Monte dei Paschi di Siena has approved the 2021-2025 Strategic Plan to be submitted to DG COMP</i> ” dated 17 December 2020	Entire document	All
Press Release headed “ <i>Partial non-proportional demerger with asymmetric option of Banca Monte dei Paschi di Siena S.p.A. In favor of AMCO S.p.A. - Results of the exercise of the asymmetric option and variation of the share capital</i> ” dated 1 December 2020	Entire document	All
Press Release headed “ <i>Enrollment of the deed of the partial non-proportional demerger with asymmetric option of Banca Monte dei Paschi DI Siena S.p.A. in favor of Amco S.p.A.</i> ” dated 27 November 2020	Entire document	All

## General Description of the Programme

Item “*Selling Restrictions*” in the “*General Description of the Programme*” section, on page 49 of the Base Prospectus, shall be replaced as follows:

“

**Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including, for these purposes, Italy), Japan, the United Kingdom and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

Non-Preferred Senior Notes shall be distributed to qualified investors only in accordance with Law No. 205 of 27 December 2017 on the budget of the Italian government for 2018.

”

## Form of Final Terms

The “*Form of Final Terms*” section of the Base Prospectus is amended as follows:

- The following paragraph in the “*Form of Final Terms*” section on page 52 of the Base Prospectus:

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.]<sup>1</sup>”

is deleted and replaced by the following paragraph:

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or

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<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restrictions should be specified to be “Applicable”.

otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>2</sup>”

- The following paragraph shall be added in the “*Form of Final Terms*” section on page 52 of the Base Prospectus, after the paragraph “*Important – EEA and UK Retail Investors*”:

“**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>3</sup>”

- The following paragraph shall be added in the “*Form of Final Terms*” section on page 52 of the Base Prospectus, after the paragraph “*MIFID II product governance / Professional investors and ECPs only target market*”:

“**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]<sup>4</sup>”

- In “*Part B – Other Information*”, the third paragraph in the item “(2) Ratings”, in the “*Form of Final Terms*” section, on page 52 of the Base Prospectus, shall be replaced as follows:

“Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”).]”

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<sup>2</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>3</sup> Legend to be included on the front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>4</sup> Legend to be included on front of the Final Terms if following the ICMA 1 “all bonds to all professionals” target market approach.

- In “Part B – Other Information”, item “(7)(vii) Prohibition of Sales to EEA and UK Retail Investors:”, in the “Form of Final Terms” section, on page 64 of the Base Prospectus, shall be replaced as follows:

“

- (vii) Prohibition of Sales to EEA [Applicable/Not Applicable]  
Retail Investors:

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

”

- In “Part B – Other Information”, the following item “(7)(viii) Prohibition of Sales to UK Retail Investors:”, in the “Form of Final Terms” section, on page 64 of the Base Prospectus, shall be added:

“

- (viii) Prohibition of Sales to UK Retail [Applicable/Not Applicable]  
Investors:

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

”

## Applicable Pricing Supplement

The “Applicable Pricing Supplement” section of the Base Prospectus is amended as follows:

- The following paragraph in the “Applicable Pricing Supplement” section on page 66 of the Base Prospectus:

“**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the

UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>5</sup>”

is deleted and replaced by the following paragraph:

“**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>6</sup>”

- The following paragraph shall be added in the “*Applicable Pricing Supplement*” section on page 66 of the Base Prospectus, after the paragraph “*Important – EEA and UK Retail Investors*”:

“**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>7</sup>”

- The following paragraph in the “*Applicable Pricing Supplement*” section on page 66 of the Base Prospectus:

“**MIFID II product governance / target market** – [*appropriate target market legend to be included*]”

is deleted and replaced by the following paragraph:

“**MIFID II/UK MIFIR product governance / target market** – [*appropriate target market legend to be included*]”

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<sup>5</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>6</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>7</sup> Legend to be included on the front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

- The following paragraph in the “*Applicable Pricing Supplement*” section on page 66 of the Base Prospectus:

“Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.”

is deleted and replaced by the following paragraph:

“Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.”

- In “*Part B – Other Information*” Item “*1. Listing*”, in the “*Applicable Pricing Supplement*” section, on page 75 of the Base Prospectus, shall be replaced as follows:

“

**1. LISTING**

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this must not be an EEA regulated market or the London Stock Exchange's main market] with effect from [ ].][Not Applicable]

”

- In “*Part B – Other Information*”, item “(5)(vii) *Prohibition of Sales to EEA and UK Retail Investors:*”, in the “*Applicable Pricing Supplement*” section, on page 76 of the Base Prospectus, shall be replaced as follows:

“

(viii) Prohibition of Sales to EEA [Applicable/Not Applicable]  
Retail Investors:

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

”

- In “*Part B – Other Information*”, the following item “(5)(viii) *Prohibition of Sales to UK Retail Investors:*”, in the “*Applicable Pricing Supplement*” section, on page 76 of the Base Prospectus, shall be added:



“

- (viii) Prohibition of Sales to UK Retail [Applicable/Not Applicable]  
Investors:

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

”

### **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 fourth paragraph of paragraph 1 “*General*” of section “*Banca Monte dei Paschi di Siena S.p.A.*” on page 150 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Pursuant to article 2497 and subsequent articles of the Italian Civil Code, the role of the parent company is carried out by BMPS which directs and coordinates the activities of its direct and indirect subsidiaries, including companies that, under current regulations, do not belong to the BMPS Group. BMPS has been a member of FTSE Italia Mid Cap since June 2018 with a share capital of Euro 9,195,012,196.85 as at 1 December 2020.”

- The sub-paragraph 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.*” on page 162 of the Base Prospectus is deleted in its entirety and replaced as follows:

“z) *Partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO*

On 29 June 2020, the Board of Directors of BMPS and the Board of Directors of AMCO approved the project related to the partial, non-proportional demerger with asymmetric option from BMPS in favor of AMCO (the “**Transaction**”) of a compendium consisting of NPEs, DTAs, other assets, financial debts, other liabilities and net equity, subject to certain conditions, first of all the positive scrutiny by the ECB. On 27 August 2020, the Bank's Board of Directors acknowledged receipt from the ECB of the draft decision regarding the Transaction and resolved to inform the ECB of the absence of comments on its part. The ECB draft decision set out the conditions to which the ECB's authorisation to carry out the Transaction is subject, as further detailed in the August 2020 Press Release. On 2 September 2020 BMPS received the ECB final decision confirming the draft decision received by the Bank on 27 August 2020. On 4 October 2020, the Extraordinary Shareholders' meeting of BMPS resolved to (i) approve the partial proportional demerger project of MPS Capital Services in favor of BMPS which consists in a partial proportional demerger of MPS Capital Services in favor of the Bank to be implemented through the assignment by MPS Capital Services to the Bank of a portion of its assets and liabilities (including a portfolio of non-performing exposures) and which will be subsequently transferred to AMCO as a result of the Transaction; (ii) approve the Transaction with the granting of an asymmetric option to the shareholders of BMPS, other than the MEF; and (iii) amend the Bank's by-laws (with respect to the Bank's share capital) following the approval of the Transaction. On 25 November 2020 the deed for the partial non-proportional demerger from BMPS in favor of AMCO with the granting of an asymmetric option to BMPS'

shareholders, other than the Ministry of Economy and Finance, has been executed following the assessment, by the Board of Directors of BMPS, on the fulfillment of the conditions precedent which such demerger is subject to, including – in particular – the enrollment with the Companies' Register of Arezzo-Siena of the deed for the partial demerger of MPS Capital Services in favor of the Bank which has been executed on 19 November 2020, enrolled with such Companies' Register on 20 November 2020 and effective as of 26 November 2020. The Transaction is effective (towards third parties) as of 1 December 2020. For more information in this respect, reference is made to the BMPS Press Release, the August 2020 Press Release, the September 2020 Press Release, the October 2020 Press Release, the November 2020 Press Release, Partial Non-Proportional Demerger Deed Enrollment – November 2020 Press Release and the Partial Non-Proportional Demerger Results – Press Release (all incorporated by reference to this Base 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 151-162 of the Base Prospectus

“ee) *BMPS issued a Euro 750 million senior preferred bond*

On 1 December 2020 BMPS issued a fixed-rate senior preferred unsecured bond, with a 5-year maturity, reserved to institutional investors, with a size of Euro 750 million. The issue had an order-book of around EUR 1.7 billion from more than 160 investors. Thanks to the strong demand the initial price guidance of about 2.25% - 2.30% was tightened towards the final yield, set at 1.963%. The bond, issued under BMPS Debt Issuance Programme, with ratings of Caa1 (Moody's) / B (Fitch) / B (high) (DBRS), is listed on the Luxembourg Stock Exchange.”

- 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 151-162 of the Base Prospectus

“ff) *BMPS approves the 2021-2025 Strategic Plan to be submitted to DG Comp*

On 17 December 2020 the Board of Directors of the 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 Prime Minister's Decree (DPCM) dated 16 October 2020 relating to the disposal of the investment held by the MEF in the share capital of BMPS. 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 will be transmitted to the Ministry of Economy and Finance, which will have to initiate – in compliance with the commitments undertaken – a discussion with DG Comp, pursuant to regulations in force.

BMPS is committed to preparing the New Capital Plan - to be submitted to the ECB by 31 January 2021 – which will contain 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 these 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 the 2021-2025 Strategic Plan – Press Release (incorporated by reference to this Base 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 151-162 of the Base Prospectus

“gg) *Appointment of Credit Suisse as strategic financial advisor along with Mediobanca*

The Board of Directors of MPS, held on 11 January 2021, announced that it has appointed Credit Suisse as financial advisor in order to assist Mediobanca in evaluating the strategic alternatives available to the Bank and to verify market interests by operators of primary standing.

The Bank also informed that the Board of Directors scheduled for 19 January 2021 has been postponed to 28 January 2021.”

- The following paragraph shall be deemed to be included in paragraph 3.2 “*SREP Decisions*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on pages 162 - 164 of the Base Prospectus

“*2020 SREP Decision*

On 29 December 2020 the Bank has announced that it has received the ECB’s final decision regarding own funds requirements to be met starting from 1 January 2021.

For more information in this respect, reference is made to the ECB SREP requirements for 2021 – Press Release (incorporated by reference to this Base Prospectus).”

- The paragraph 4 “*Ratings*” of section “*Banca Monte dei Paschi di Siena S.p.A*” on page 165 of the Base Prospectus is deleted in its entirety and replaced as follows:

**“4. Ratings**

During the months of March and April 2020, in view of the strong impact of the COVID-19 pandemic on the Italian economic and market environment, the main rating agencies revised the ratings for most Italian banks, including BMPS. These revisions mainly resulted in worsened outlooks.

In June and July DBRS and Fitch completed their annual review of the Bank’s credit profile, confirming all ratings (Fitch revising the “rating watch” from “negative” to “evolving”) and Moody’s placed the bank’s main ratings under review for upgrade on the derisking transaction with Asset Management Company S.p.A. (“**AMCO**”).

Between November and December 2020, the following rating actions were taken for BMPS :

- On 19 November 2020, DBRS revised the outlook on the Group’s long-term ratings to “stable” from “negative”. All BMPS ratings were confirmed, including the Long-Term Issuer Rating of “B (high)”, Long-Term Senior Debt of “B (high)” and Long-Term Deposits of “BB (low)”.
- On 16 December 2020, Moody’s extended its review for upgrade of the Bank’s “b3” standalone Baseline Credit Assessment and long-term ratings (including the “Caal” long-term senior unsecured rating and “B1” long-term bank deposits rating). The long-term outlook was confirmed “Rating under Review”.
- On 21 December 2020, Fitch revised its “rating watch” on BMPS long-term ratings from “evolving” (assigned in July following its annual review) to “negative”.

<b>Ratings Agencies</b>	<b>Long term rating</b>	<b>Outlook</b>	<b>Short term rating</b>	<b>Outlook</b>	<b>Last updated</b>
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Moody's	Caa1 <sup>8</sup> (RUR UP) <sup>9</sup>	Rating Under Review	(P)NP <sup>10</sup>	-	16 December 2020
Fitch	B	Rating Watch Negative	B <sup>11</sup>	-	21 December 2020
DBRS	B (High)	Stable	R-4 <sup>12</sup>	Stable	19 November 2020

”

## Management of the Bank

- Rows no. 2 and 3 of the table set out in paragraph "Board of Statutory Auditors" of section "Management of the Bank" on pages 211-214 of the Base Prospectus are deleted in its entirety and replaced as follows:

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2. Luigi Soprano	Auditor	Napoli, 22 February 1959	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 Scrl
			Auditor of Del Bo Impianti S.r.l.
			Auditor of Del Bo Roma S.r.l.
			Auditor 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

<sup>8</sup> Long Term Debt.

<sup>9</sup> RUR UP: Rating under review for upgrade

<sup>10</sup> Pursuant to the rating scale of Moody's Investor Service, "NP" rating refers to issuers rated "Not Prime", i.e. that do not fall within any of the "Prime" rating categories. The short-term rating is on the issuance programme and is therefore provisional (P).

<sup>11</sup> Pursuant to the rating scale of Fitch Ratings, "B" rating refers to minimal capacity for timely payment of financial commitments, plus heightened vulnerability to adverse changes in financial and economic conditions in the in short term.

<sup>12</sup> Pursuant to the rating scale of DBRS, "R-4" rating refers to a short-term security (or to a short-term securities portfolio) with a highly speculative grade whose short-term redemption capacity is uncertain.

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.

Sole Auditor of  
Fondazione Regina per le  
arti contemporanee

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Liquidator of Fiorino Sud  
S.r.l.

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Liquidator of Mairo S.r.l.

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3. Alessia Bastiani	Auditor	Firenze, 12 July 1968	Auditor of Savino del Bene S.p.A.
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Auditor of Aprile S.p.A.

Auditor of AGC Biologics  
S.p.A.

Auditor of Publicacqua  
S.p.A.

Auditor of Albatrans  
S.p.A.

Auditor of Leonardi & C.  
S.p.A.

Auditor of Commercial  
Department Container  
CDC S.p.A.

Auditor of CNA Servizi e  
Consulenze S.r.l.

Auditor of Arimar  
International S.p.A. a  
socio unico

Chairperson of the Board  
of Statutory Auditors of  
Azzurra Aeroporti S.p.A.

Auditor of Ambiente e  
impresa S.c.a.r.l.

Auditor of INFOBLU  
S.p.A.

Chairperson of the Board  
of Statutory Auditors of I  
Praticelli S.p.A.

Chairperson of the Board  
of Statutory Auditors of  
Paper Interconnector  
S.c.p.a.

Auditor of Interconnector  
Energy Italia S.c.p.a.

Chairperson of the Board  
of Statutory Auditors of  
Monita Interconnector  
S.r.l.

Chairperson of the Board  
of Statutory Auditors of  
Leonardo Energia S.c.r.l.

Auditor of Consorzio  
Energy Paper S.c.r.l.

Chairperson of the Board  
of Statutory Auditors of  
COMIECO Consorzio  
Nazionale Recupero e  
Riciclo degli imballaggi a  
base cellulosica

Auditor of Museo  
Nazionale Romano

Liquidator of G. Fanin

- The paragraph “*Main Shareholders as at the date of this Base Prospectus*” 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 8 December 2020**

The entities that, as at 8 December 2020, 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:

<b>Shareholders</b>	<b>% share capital on overall share capital</b>
Italian Ministry of Economy and Finance	<b>64.230%</b>
Assicurazioni Generali S.p.A.(*)	<b>4.319%</b>
Banca Monte dei Paschi di Siena S.p.A.(**)	<b>3.619%</b>

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

(\*\*) *Own shares held by BMPS, directly and indirectly through MPS Capital Services S.p.A., upon completion of the Transaction.*

**As at 8 December 2020, 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 Transaction.”**

**Taxation**

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

- The paragraph “*Italian resident Noteholders*” of section “*Taxation*” on pages 231-233 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under “*Capital gains tax*” below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent.. In the event that the

Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016 as further amended and applicable from time to time (the “**Finance Act 2017**”), in Article 1(210-215) of Law No. 145 of 30 December 2018 as further amended and applicable from time to time and as implemented by the Ministerial Decree of 30 April 2019 (the “**Finance Act 2019**”), and in Article 13-bis of Law Decree No. 124 of 26 October 2019 converted into law with amendments by Law No. 157 of 19 December 2019 as further amended and applicable from time to time (“**Decree 124**”). Pursuant to Article 1, paragraphs 219-225 of Law n. 178 of 30 December 2020 as further amended and applicable from time to time (“**Finance Act 2021**”), it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-bis, paragraph 2-bis of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realized in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (e.g. including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Noteholder, also to the regional tax on productive activities (“**IRAP**”)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (“**Decree 351**”), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorised intermediary made to Italian resident real estate investment funds and Italian real estate SICAFs established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994 (“**Real Estate Funds**”), are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a Real Estate Fund, but subsequent distributions made in favor of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital other than a real estate SICAFs) or a SICAV (an investment company with variable capital) established in Italy (the “**Fund**”) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favor of unitholders or shareholders (the “**Collective Investment Fund Tax**”).



Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) (the “**Pension Fund**”) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the “**Pension Fund Tax**”). Subject to certain conditions, Interest in respect of the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Finance Act 2017 if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Finance Act 2017, in Article 1, paragraphs 210 - 215 of Finance Act 2019 and, for the long-term individual savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, in Article 13-bis of Decree 124, as applicable from time to time.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“**SIMs**”), fiduciary companies, *società di gestione del risparmio* (“**SGRs**”), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an “**Intermediary**”) as subsequently amended and integrated.

An Intermediary must (i) (a) be resident in Italy or (b) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter). If interest, premium and other income on the Notes are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above will be required to include interest, premium and other income in their yearly income tax return and subject them to a final substitute tax at a rate of 26 per cent..”

- The paragraph “*Atypical securities*” of section “*Taxation*” on pages 233-234 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent.. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian withholding tax on proceeds received under Notes classifying as atypical securities, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, in Article 1(210-215) of Finance Act 2019 and in Article 13-bis of Decree 124. Pursuant to Article 1, paragraphs 219-225 of Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-bis, paragraph 2-bis of

Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realized in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (e.g. including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty.”

- The paragraph “*Capital gains tax*” of section “*Taxation*” on pages 234-236 of the Base Prospectus is deleted in its entirety and replaced as follows:

“Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent.. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, in Article 1(210-215) of Finance Act 2019 and in Article 13-bis of Decree 124. Pursuant to Article 1, paragraphs 219-225 of Finance Act 2021, it is further provided that Italian resident individuals investing in long-term individual savings account compliant with Article 13-bis, paragraph 2-bis of Decree 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realized in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (e.g. including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant

Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is an Italian Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund, but subsequent distributions made in favor of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent..

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favor of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is a Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, in Article 1(210-215) of Finance Act 2019 and in Article 13-bis of Decree 124.

Capital gains realised by non-Italian-resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is established in a country included in the White List, even if it does not possess the status of taxpayer in its own country of establishment, and a proper documentation is filed.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent., unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of the Notes.”

## Subscription and Sale

The “*Subscription and Sale*” section of the Base Prospectus is amended as follows:

- The paragraph “*Prohibition of Sales to EEA and UK Retail Investors*” in the “*Subscription and Sale*” section, on page 240-241 of the Base Prospectus, is deleted in its entirety and replaced as follows:

### “Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- (a) the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (b) the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129. ”

- The paragraph “*United Kingdom*” in the “*Subscription and Sale*” section, on page 241-242 of the Base Prospectus, is deleted in its entirety and replaced as follows:

#### “**Prohibition of sales to UK Retail Investors**”

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression “**an offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

#### ***Other regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.”

## 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](http://www.bourse.lu)).