



JOINT PRESS RELEASE

Banca Monte dei Paschi di Siena has signed a binding agreement with Quaestio and Cerved for the sale of its non-performing loans platform

Milan, 2 August 2017 – Banca Monte dei Paschi di Siena S.p.A. informs that it has reached a binding agreement with Cerved Group S.p.A. (“Cerved”) and Quaestio Holding S.A. (“Quaestio”) for the sale of its non-performing loans platform.

The transaction involves the sale of BMPS’ non-performing loans platform to a newly incorporated company held by Cerved and Quaestio and the signing of a long-term servicing contract for the management, out an outsourced basis, of the non-performing loans that will be generated by all the Italian banks of MPS Group. The servicing contract does not include loans classified as bad loans to be sold for EUR 28.6 billion as at 31 December 2016.

The sale of the non-performing loans platform is one of the actions planned in the recently approved BMPS Restructuring Plan and is aimed at improving credit recovery performance through a partnership with an important player specialised in the recovery of bad loans, that will grant high quality standards in the recovery activities, in line with best practices.

The sale price amounts to EUR 52.5 million, in addition to a potential earn-out of up to EUR 33.8 million, based on the achievement of economic results by 2025. The closing of the transaction, expected in the first quarter of 2018, is subject to approval by the supervisory authority as well as the successful completion of the precautionary recapitalisation process envisaged in the Restructuring Plan and the securitisation of the Bank’s non-performing loans, with subscription of the mezzanine notes by funds managed by Quaestio.

The Bank was assisted by Mediobanca as financial advisor, Bain & Company as strategic advisor and the law firm Bonelli Errede as legal advisor. Cerved and Quaestio were assisted by KPMG Corporate Finance as financial advisor, and by Latham & Watkins and Chiomenti Studio Legale as legal advisors.

Banca Monte dei Paschi di Siena, founded in 1472, is considered the oldest bank in the world. It is one of the leading Italian banking groups, with significant presence in all business areas. The Montepaschi Group is present all over Italy and in the major international financial centers, operating from traditional banking to private banking and corporate finance, with a particular focus for retail and small and medium-sized enterprises .

Quaestio operates in asset management with regulated activities in Italy and Luxembourg, focused on institutional clients, with approximately 10 billion euros of assets under management. The company shareholders are leading Italian institutions including Cariplo Foundation, the Italian Pension and Assistance funds of Geometers, and a significant stake held by senior management. The group operates with a global perspective, identifying and managing the best investment opportunities on the major markets in the world. Quaestio owns 100% of Quaestio Capital Management SGR SpA ("Quaestio SGR"), which has developed significant asset management know-how in liquid and illiquid markets through the direct and indirect management by means of a multi-asset and multi-manager innovative platform with UCITS funds and FIA, which make use of a pool of 35 delegated managers selected among the best international operators. In the illiquid investments sector, SGR has developed a leading position in Italy in structuring and investing in NPL, UTP and leasing securitisations.

Cerved Group is a leading credit risk information provider in Italy and one of the major credit rating agencies in Europe. It offers the most comprehensive range of products and services used by more than 30 thousand companies and financial institutions to assess the solvency and creditworthiness of its stakeholders, manage credit risk in all its phases, and accurately define marketing strategies. Furthermore, through Cerved Credit Management, Cerved is a leading independent player in offering solutions for the evaluation and management of credit exposures.

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Fine Comunicato n.1597-56

Numero di Pagine: 4