

**FIRST SUPPLEMENT DATED 5 JANUARY 2018 TO THE BASE PROSPECTUS  
DATED 22 DECEMBER 2017**



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

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

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

This first Supplement (the "**Supplement**") to the base prospectus dated 22 December 2017 (the "**Base Prospectus**") constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC (the "**Prospectus Directive**") and Article 13.1 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended (the "**Prospectus Act**") and is prepared in connection with the €20,000,000,000 covered bond programme (the "**Programme**") established by Banca Monte dei Paschi di Siena S.p.A. ("**BMPS**" or the "**Issuer**") and guaranteed by MPS Covered Bond S.r.l. (the "**Guarantor**").

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

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 (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") as a supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg.

Copies of this Supplement and the document incorporated by reference in this Supplement can be obtained free of charge from the registered office of the Issuer and are available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)). In case of any offering of securities under the Programme, the above documents with respect to the Issuer will also be available on the Issuer's website ([www.mps.it](http://www.mps.it)).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, 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 inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

## **Purpose of this Supplement**

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

- (a) the cover page of the Base Prospectus and the section named "*General Description of the Programme – The Covered Bonds – Issue Ratings*" amending the relevant rating assigned to the Covered Bonds respectively by Fitch Ratings Limited ("**Fitch**") and Moody's Investors Service Limited ("**Moody's**"); and
- (b) the section named "*Documents Incorporated by Reference*" of the Base Prospectus, incorporating by reference: (i) the Issuer's press release dated 22 December 2017 and entitled "*Marco Morelli confirmed as chief executive officer*"; and (ii) the Issuer's press release dated 22 December 2017 and entitled "*Quaestio Capital Agreement for the disposal of 95% of the mezzanine notes relating to the securitization of MPS Group's bad debts portfolio*".

## 1. COVER PAGE

The 10th paragraph of the cover page of the Base Prospectus, appearing on page 2, shall be entirely deleted and replaced as follows:

*"Each Series or Tranche of Covered Bonds issued under the Programme, if rated, is expected to be assigned, unless otherwise stated in the applicable Final Terms, the following credit ratings: A1 by Moody's Investors Service Limited ("Moody's"), A+ by Fitch Ratings Ltd. ("Fitch") and A (high) by DBRS Ratings Limited ("DBRS" and, together with Moody's and Fitch, the "Rating Agencies" and, each of them, a "Rating Agency"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Covered Bonds issued under the Programme may also not be assigned a rating. If the Covered Bonds issued under the Programme may be assigned a rating, the credit rating applied for in relation to the Covered Bonds will be issued by credit rating agencies established in the EEA and registered under Regulation (EU) No 1060/2009 (as amended from time to time, the "CRA Regulation"). Please refer to the ESMA webpage <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> in order to consult the updated list of registered credit rating agencies."*

## 2. GENERAL DESCRIPTION OF THE PROGRAMME

Sub-Section "*Issue Ratings*" of section "*General description of the Programme*" at page 191 of the Base Prospectus shall be entirely deleted and replaced as follows:

**Issue Ratings** Each Series or Tranche of Covered Bonds may or may not be assigned a rating by one or more Rating Agencies. Each Series or Tranche of Covered Bonds, if rated, is expected to be assigned the following ratings on the relevant Issue Date unless otherwise stated in the applicable Final Terms:

<b>Moody's</b>	<b>Fitch</b>	<b>DBRS</b>
A1	A+	A (high)

The issuance of any Series or Tranche of Covered Bonds (including any unrated Covered Bonds) shall be subject to prior notice to the Rating Agencies.

### 3. DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus entitled "*Documents incorporated by reference*" beginning on page 204 of the Base Prospectus.

By virtue of this Supplement, the following documents which have been published and filed with the CSSF shall be deemed to be incorporated by reference in, and form part of, the Base Prospectus:

- (i) the press release issued by BMPS on 22 December 2017 and entitled "*Marco Morelli confirmed as chief executive officer*"; and
- (ii) the press release issued by BMPS on 22 December 2017 and entitled "*Quaestio Capital Agreement for the disposal of 95% of the mezzanine notes relating to the securitization of MPS Group's bad debts portfolio*".

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The table below sets out the relevant page references with respect of the information incorporated by reference.

#### Cross-reference List

**Press release dated 22 December 2017 and entitled "*Marco Morelli confirmed as chief executive officer*"**

<b>Press Release</b>	<b>Page number</b>
Entire Document	All pages

**Press release dated 22 December 2017 and entitled "*Quaestio Capital Agreement for the disposal of 95% of the mezzanine notes relating to the securitization of MPS Group's bad debts portfolio*"**

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