



Banca Monte dei Paschi di Siena S.p.A. (the "Issuer")
Euro Denominated Fixed Rate Registered Covered Bond due 2030
(Gedekte Namensschuldverschreibung)
guaranteed by MPS Covered Bond S.r.l. (the "Guarantor") under article 7-bis of Italian law n.
130 of 30 May 1999 (the "Law 130")

The Terms and Conditions set out herein are indicative only. The legally binding terms and conditions will be set out in the conditions of issue (the "Conditions of Issue") and the guarantee issued, on 18 June 2010, by the Guarantor (the "Guarantee") for the Registered Covered Bond (the "Covered Bond"). The Covered Bond will be issued under the EUR 10,000,000,000 covered bond Programme of the Issuer (the "Programme") and are subject to the provisions of the Programme documentation including, *inter alia*, the Master Assets Purchase Agreement, Warranty and Indemnity Agreement, Master Servicing Agreement, Subordinated Loan Agreement, Programme Agreement, Cover Pool Management Agreement, the Intercreditor Agreement, Cash Allocation Management and Payments Agreement (the "Programme Documents"). All relevant documents shall be made available upon request by Deutsche Bank Aktiengesellschaft. For the Term sheet, the definitions set out in the Conditions of issue shall apply.

Issuer	Banca Monte dei Paschi di Siena S.p.A.
Guarantor	MPS Covered Bond S.r.l.
Expected Rating	Moody's: Aaa / Fitch: AAA
Form of the instrument	Registered Covered Bond (Gedekte Namensschuldverschreibung)
Status of the Covered Bond	Direct, unconditional, unsecured and unsubordinated obligations with full recourse on the Issuer
Status and asset cover of the Guarantee	Limited recourse, unconditional and irrevocable first demand guarantee by the Guarantor covered with assets in accordance with the Law 130, MEF Decree 310/2006 and applicable Bank of Italy supervisory instructions of 24 March 2010
Principal Amount	EUR 75,000,000
Trade Date	28 April 2011
Issue Date	13 May 2011
Maturity Date	13 May 2030
Extended Maturity Date	Following an Issuer Event of Default and if the Guarantor does not hold sufficient money, 13 May 2031.
Pricing Reference	19 year Mid-Swap rate + 1.91%
19 year Mid-Swap rate	3.953%
All in Cost yield	5.863%
Interest Provisions	5.50% p.a. Actual/Actual (ICMA) Day Count Fraction, payable annually on each 13 May in arrear, Unadjusted Following Business Day Convention, payable until the actual redemption,
Purchase Price	95.906% of the Principal Amount / Net Proceeds EUR 71,929,500
Final Redemption Amount	100% of the Principal Amount.
Business Days	TARGET
Assignment Amounts	EUR 1,000,000 and increments thereafter of EUR 500,000
Taxation	No withholding or deduction unless required by law. Tax gross-up for future withholding taxes imposed by the Republic of Italy or early redemption at the option of the Issuer at par together with any accrued interest, as set out in the Conditions of Issue
Negative Pledge of the Issuer	None
Segregation Event	Breach of the Mandatory Tests and/ or the Asset Coverage Test which is not remedied within the applicable Test Grace Period.



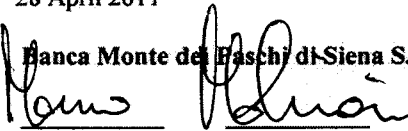
Effect of a Segregation Event	The Representative of the Bondholders will serve on the Issuer, the Guarantor and the Rating Agencies a Breach of Test Notice which results, <i>inter alia</i> , in no further issue of Series of Covered Bonds, in no further payments to the Subordinated Lender and in limitations on the means to acquire Eligible Assets and Top-Up Assets. Payments due under the Covered Bond will continue to be made by the Issuer until an Issuer Default Notice has been delivered. Yet, such breach may be cured within the Test Remedy Period and the Breach of Test Notice revoked.
Issuer Event of Default	Non-payment, breach of cover pool test, breach of material obligations, payment suspension, insolvency of the Issuer, and cessation of business of the Issuer (as set out in details in the Conditions of Issue)
Effect of an Issuer Event of Default relating to the Issuer:	The Representative of the Bondholders may serve an Issuer Default Notice on the Issuer and the Guarantor which results, <i>inter alia</i> , in the recovery against the Issuer of all payable amounts under the Covered Bond by the Guarantor. Thereafter, all payments falling due under the Covered Bond will be payable by the Guarantor at the time and in the manner provided by the Conditions of Issue (subject to the Guarantee and the relevant Priority of Payments). An Issuer Event of Default will not result in an acceleration of the Covered Bond and, if necessary in order to effect timely payments under the Covered Bond, the Guarantor shall sell the Eligible Assets and Top-Up Assets included in the Cover Pool in accordance with the Cover Pool Management Agreement.
Guarantor Events of Default	Only following an Issuer Event of Default, non-payment, breach of the Amortisation Tests, insolvency of the Guarantor, and breach of material obligations under the Programme Documents which is not remedied within 30 days after the Representative of the Bondholders has given written notice of such breach to the Issuer (as set out in the Conditions of Issue)
Effects of a Guarantor Event of Default	The Representative of the Bondholders shall serve a Guarantor Default Notice on the Guarantor, unless the Representative of the Bondholders, having exercised its discretion, resolves otherwise. As a result, the Covered Bonds shall become immediately due and payable by the Guarantor at par plus accrued interest. Any amounts will be applied in accordance with the relevant Priority of Payments.
Disposal of assets following a Guarantor Event of Default	Following the delivery of a Guarantor Default Notice, the Guarantor shall immediately sell the Eligible Assets and Top-Up Assets included in the Cover Pool (subject to any right of pre-emption enjoyed by the Issuer pursuant to the Cover Pool Management Agreement and the Master Assets Purchase Agreement). The proceeds of any such sale shall be applied in accordance with the relevant Priority of Payments.
Cross-Acceleration	If a Guarantor Event of Default occurs and the Representative of the Bondholders serves a Guarantor Default Notice upon the Guarantor, such Guarantor Default Notice will accelerate each Series or Tranche of outstanding Covered Bonds issued under the Programme and the Covered Bond will rank <i>pari passu</i> amongst themselves.
Priority of Payments	Payments made by the Guarantor under the Guarantee will be made subject to, and in accordance with the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the Bondholders as more fully described into the Intercreditor Agreement (which will be made available as set out above).
Listing/Quotation	None
Governing Law of the Bond	German Law (except the provisions regarding the status of the Covered Bond, the Guarantee, limited recourse, non petition and segregation, and taxation)
Governing Law of the Guarantee and the Rules of Organisation of the Bondholders	Italian Law
Programme documents	Issued under the EURO 10,000,000 covered bond Programme of the Issuer which, <i>inter alia</i> , sets out the relevant provisions under the Securitization and CB

Italian Law for the Cover Pool and under which the asset cover of the Guarantee is provided.

Representative of the Bondholders	BNY Corporate Trustee Services Limited, United Kingdom
Status of the Representation of the Bondholders	Under the Conditions of Issue, the holders of the Covered Bond recognise the Representative of the Bondholders as its legal representative in order to exercise the relevant rights under the Conditions of Issue and under the Programme
Notices	Notices to the holders of the Covered Bond will be given to the Paying Agent and the Registrar for submission to the Bondholders, as specified under the Conditions of Issue
Arranger	Deutsche Bank Aktiengesellschaft, Frankfurt, Germany.
Paying Agent	The Bank of New York Mellon (Luxembourg) S.A., Italian Branch
German Paying Agent and Registrar	Deutsche Bank Aktiengesellschaft, Frankfurt, Germany.
Italian Note Custodian	Deutsche Bank S.p.A., Milan, Italy.
Principal Servicer of the assets included in the Cover Pool	Banca Monte dei Paschi di Siena S.p.A.
Asset Monitor	Deloitte & Touche S.p.A.
Settlement	Payment against delivery, payment via SWIFT / the Issuer will pay to the Principal Paying Agent and the Principal Paying Agent then will pay to the German Paying Agent provided that any payments to the Bondholders will be released by the German Principal Agent only following determination from the Custodian that tax exemption is satisfied.
Other Provisions	<p>The Issuer shall not during the Clear Market Period offer, sell or mandate any person to offer or sell any Relevant Instruments in the European Economic Area.</p> <p>“Clear Market Period” means the period from and including the Issue Date of the Registered Covered Bonds to but excluding the day that falls 5 weeks after the date of this termsheet.</p> <p>“Relevant Instruments” means any covered bonds (Obbligazioni Bancarie Garantite) in registered form (excluding, for the avoidance of doubt, any covered bonds in dematerialized form).</p>

28 April 2011

Banca Monte dei Paschi di Siena S.p.A.



Deutsche Bank Aktiengesellschaft

