

**THIRD SUPPLEMENT DATED 11 SEPTEMBER 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 third Supplement (the "**Supplement**") to the base prospectus dated 22 December 2017 (the "**Base Prospectus**") as supplemented by (i) the first supplement dated 5 January 2018 and (ii) the second supplement dated 17 July 2018 (the "**Second Supplement**") 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). 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).

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:

1. update the section named "*Documents Incorporated by Reference*" of the Base Prospectus, incorporating by reference the consolidated half-year report of BMPS as at 30 June 2018;
2. update certain information contained in the section named "*Banca Monte dei Paschi di Siena S.p.A.*"; and
3. update the section named "*General Information*" to align it to the newly incorporated by reference consolidated half-year report of BMPS as at 30 June 2018.

1. DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus entitled "*Documents incorporated by reference*" beginning on page 198 of the Base Prospectus.

The consolidated half-year report of BMPS as at 30 June 2018 including the relevant auditors' review report (the "**Half-year Report as at 30 June 2018**"), having previously been published and filed with the CSSF, is incorporated by reference in and forms part of this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference in, and form part of, the Base Prospectus.

* * *

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

Cross-reference List

Half-year Report as at 30 June 2018	2018
Half-year report on operations	Pages 3 - 17
Condensed Consolidated half-year financial statements	Pages 18 - 28
Explanatory notes	Pages 29 - 143
Certification of the condensed consolidated half-year financial statements pursuant to article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented	Page 144
Independent auditors' report	Pages 145 - 146

2. BANCA MONTE DEI PASCHI DI SIENA S.P.A.

- 2.1 After paragraph entitled "*Resignation of a board member*", as introduced and referred to in the Second Supplement on page 248 and 249 of the Second Supplement, the following paragraph shall be added:

"Cooptation of a board member

On 12 July 2018, the Board of Directors coopted Roberta Casali, in place of the board member Giuseppina Capaldo, who resigned on 4 May 2018. Roberta Casali will remain in office until the next Shareholders' Meeting as independent and non-executive director."

- 2.2 On page 412 of the Base Prospectus, the paragraph headed "*Management of the Bank*", as already amended by the Second Supplement, shall be deleted and replaced as follows:

"Management of the Bank

The Bank is managed by a board of directors tasked with the strategic supervision. The board of directors in office consists of 14 members. Each member of the board of directors meets the requirements prescribed by the BMPS's by-laws.

The chief executive officer is appointed by the board of directors.

Under the Italian civil code, the Bank is required to have a board of statutory auditors."

- 2.3 On page 413 of the Base Prospectus, under paragraph headed "*Board of Directors*", the table that shows the members of the board of directors starting after "*The board of directors is currently made up as follows*.", as already amended by the Second Supplement, shall be deleted and replaced as follows:

Name	Position	Date of birth
Stefania Bariatti	chair	28 October 1956
Antonino Turicchi	deputy chair	13 March 1965
Marco Morelli	chief executive officer	08 December 1961
Maria Elena Cappello (**)	director	24 July 1968
Marco Giorgino (**)	director	11 December 1969
Fiorella Kostoris (**)	director	5 May 1945

Roberto Lancellotti (**)	director	21 July 1964
Nicola Maione(**)	director	9 December 1971
Stefania Petruccioli (**)	director	5 July 1967
Salvatore Fernando Piazzolla (*)	director	5 March 1953
Angelo Riccaboni (**)	director	24 July 1959
Michele Santoro (**)	director	28 March 1955
Giorgio Valerio (**)	director	13 July 1966
Roberta Casali (**)(***)	director	25 January 1962

Notes:

(*) Independent director pursuant to the Consolidated Finance Act.

(**) Independent director pursuant to the Consolidated Finance Act and the Corporate Governance Code of Listed Companies (the "Corporate Governance Code").

(***) coopted on 12 July 2018 by the Board of Directors, in place of the board member Giuseppina Capaldo, who resigned on 4 May 2018. Roberta Casali will remain in office until the next Shareholders' Meeting."

- 2.4 On pages 414 to 419 of the Base Prospectus, under paragraph headed "*Board of Directors*", the table that sets out the positions of members of administrative, management and supervisory bodies held by the current members of the Bank's board of directors, as already amended by the Second Supplement, shall be deleted and replaced as follows:

Name	Position held	Status of position
Stefania Bariatti	chair of the board of directors of SIAS S.p.A.	Current
	director of ASTM S.p.A.	Current
	sole director of Canova Guerrazzi S.S.	Current

Antonino Turicchi	director of Centro Nazionale di Prevenzione e Difesa Sociale CNPDS	Past	
	director of SIT S.p.A.	Current	
	deputy chair of Associazione Bancaria Italiana	Current	
	director of Autostrade per l'Italia S.p.A.	Current	
	director of Leonardo S.p.A.	Current	
	chair of STMicroelectronics Holding N.V.	Current	
	manager of Direzione VII - Finanze e privatizzazioni of MEF	Current	
	chair of the board of directors of Alstom S.p.A.	Past	
	director of CAI (Compagnia Aerea Italiana) S.p.A.	Past	
	chair of the board of directors of Alstom Power Italia S.p.A.	Past	
	chair of the board of directors of Alstom Grid S.p.A.	Past	
	director of Alstom Ferroviaria S.p.A.	Past	
	director of Alitalia S.p.A.	Past	
	director of Atlantia S.p.A.	Past	
Marco Morelli	director of Associazione Bancaria Italiana	Current	
	deputy chair of the executive committee of Onlus Foundation Gino Rigoldi	Current	
	director of AXA MPS Assicurazioni Vita S.p.A.	Past	
	director of AXA MPS Assicurazioni Danni S.p.A.	Past	
	chair of Widiba S.p.A	Past	
	Vice chair of Bank of America Merrill Lynch for Europe, Middle-East and Africa	Past	
	chief executive officer of Bank of America Merrill Lynch Italy	Past	
	deputy general manager and deputy chief executive officer of Gruppo Intesa Sanpaolo	Past	
	Maria Elena Cappello	director and member of the internal control and risk committee of Prysmian S.p.A.	Current
		director and chair of the Remuneration and Designation Committee of Saipem S.p.A.	Current

	director of FEEM Fondazione Eni Enrico Mattei	Current
	director of TIM S.p.A.	Current
	director and member of the internal control committee of Italia Online S.p.A.	Past
	director of A2A S.p.A.	Past
	director and chair of the remuneration and nomination committee of SACE S.p.A.	Past
	member of supervisory board of A2A S.p.A.	Past
	chief executive officer and deputy chair of Nokia Siemens Networks Italia S.p.A. (today Nokia)	Past
	chief executive officer and deputy chair of Nokia Siemens Networks S.p.A. (today Nokia)	Past
Roberta Casali	director of Antirion SGR S.p.A.	Current
	sole director of Moltiplica S.r.l. semplificata	Past
	director of Centro Factoring S.p.A.	Past
	director of Centro Leasing S.p.A.	Past
	director of IMI Investimenti S.p.A.	Past
Marco Giorgino	chair of Vedogreen S.r.l.	Current
	statutory auditor of Corsair Linda IV (Italy) S.p.A.	Current
	statutory auditor of RGI S.p.A.	Current
	director of Luxottica S.p.A.	Current
	director and chair of the control and risks committee of GE Capital Interbanca S.p.A.	Past
	chair of Opera SGR S.p.A.	Past
	director of Greenitaly1 S.p.A.	Past
	director of Prisma SGR S.p.A.	Past
	director of SSBT S.p.A.	Past
	director and chair of the Control and risks committee of Enoi S.p.A.	Past
	director of Duemme Servizi Fiduciari	Past
	statutory auditor of Banca Popolare di Vicenza	Past
	statutory auditor of GE Capital Interbanca	Past

	statutory auditor of GE Capital Finance	Past
	statutory auditor of GE Capital Servizi Finanziari	Past
Fiorella Kostoris	-	
Roberto Lancellotti	director of Datalogic S.p.A.	Current
	Senior partner McKinsey & Company inc. Italy	Past
Nicola Maione	director and chair of control, risk and related party committee of ENAV S.p.A.	Current
	director of Associazione Bancaria Italiana	Current
Salvatore Fernando Piazzolla	director of Prelios Credit Servicing S.p.A.	Past
	director of AXA Assicurazioni S.p.A.	Past
	chair of the board of directors of AXA Italia Servizi	Past
Stefania Petruccioli	deputy chair of AXA Equitable	Past
	director of Dé Longhi S.p.A.	Current
	director of Interpump Group S.p.A.	Current
	director of RCSMediaGroup S.p.A.	Current
	director of Comecer S.p.A.	Current
	director of Newton S.r.l.	Current
	director of F2A S.p.A.	Current
	director of Associazione Bancaria Italiana	Current
Angelo Riccaboni	director of Best Union Company	Past
	chair of Fundacion PRIMA	Current
	director of Fondazione Smith Kline	Current
	chair of Fondazione Sclavo	Current
	chair of the Steering Committee of Santa Chiara Lab, Innovation Center of University of Siena	Current
	member of the board of auditors of Bank of Italy	Past
Michele Santoro	-	
Giorgio Valerio		

member of the investment committee of Enovia S.p.A.	Current
director and member of the control and risk committee, the nominating and compensation committee and the Related Party committee of Massimo Zanetti Beverage Group S.p.A.	Current
director of Niuma s.r.l.	Current
director of ALP.I S.p.A.	Current
director and member of the control and risk committee of Telecom Italia SpA	Past
director of Gruppo Argenta S.p.A.	Past
director of Prelios S.p.A.	Past
director of Primi sui Motori S.p.A.	Past
director of Lastminute.com Group N.V.	Past
director of MyBeauty S.p.A.	Past
"	

- 2.5 On page 420 of the Base Prospectus, paragraph headed "*Managers with strategic responsibilities*", as already amended by the Second Supplement, shall be deleted and replaced as follows:

"The table below sets forth the names of the current management of the Bank with strategic responsibilities, together with their positions.

Name	Position	Date of birth
Marco Morelli	general manager and Executive Officer	Chief 08 December 1961
Giovanni Ametrano	head of performing loan	06 April 1965
Maurizio Bai	head of network division	23 July 1967
Giampiero Bergami	chief commercial officer	27 February 1968
Vittorio Calvanico	chief operating officer head of organization and operations (<i>ad interim</i>)	08 February 1964
Pierfrancesco Cocco	chief audit executive	07 June 1954
Eleonora Cola	head of retail	18 July 1965

Ilaria Dalla Riva	chief human capital officer	20 November 1970
Fabiano Fossali	head of corporate	22 March 1968
Fabrizio Leandri	chief lending officer	21 April 1966
Andrea Rovellini	chief financial officer	15 February 1959
Marco Palocci	head of external relations	02 December 1960
Riccardo Quagliana	head of group general counsel	04 April 1971
Leonardo Bellucci	chief risk officer	21 February 1974
Lucia Savarese	head of non-performing loan	30 March 1964
Federico Vitto	head of wealth management	14 November 1968

The address of the managers with strategic responsibilities of the Bank for the duties they discharge is: Piazza Salimbeni 3, Siena, Italy."

2.6 On page 421 of the Base Prospectus, under paragraph headed "*Board of Statutory Auditors*", as already amended by the Second Supplement, the table which sets out the members of the board of statutory auditors shall be deleted and replaced as follows:

"		
Name	Title	Position held
Elena Cenderelli	chair	chair of the board of statutory auditors of AXA MPS Assicurazioni Vita S.p.A.
Raffaella Fantini	auditor	chair of the board of statutory auditors of AXA MPS Assicurazioni Danni S.p.A. auditor of SO.G.IM S.p.A. auditor of ICCAB S.r.l. auditor of Ecuador S.p.A. auditor of Minerva Immobiliare S.r.l. auditor of BP Real Estate S.p.A. auditor of Istituto Nazionale Previdenza Giornalisti Italiani auditor of Coni Servizi S.p.A.

Paolo Salvadori	auditor	auditor of Fiesole Musei – Azienda per la gestione e promozione del patrimonio culturale Auditor of L.P. S.r.l.
Daniele Federico Monarca	alternate auditor	<p>chair of the board of statutory auditors of Sevia S.r.l.</p> <p>auditor of AXA Italia Servizi S.c.p.a.</p> <p>chair of the board of statutory auditors of Immobiliare Due Ponti S.p.A.</p> <p>chair of the board of statutory auditors of MA Centro Inossidabili S.p.A.</p> <p>auditor of ICM Industrie Costruzioni Maltauro S.p.A.</p> <p>director of BFC Blue Financial Communication S.p.A.</p> <p>chief executive officer of Pigreco Corporate Finance S.r.l.</p> <p>chair of the board of statutory auditors of Advalora S.p.A.</p> <p>auditor of Fiera Milano S.p.A.</p>
"		

3. GENERAL INFORMATION

- 3.1 On page 525 of the Base Prospectus the paragraph headed "*Trend Information / No Significant Change*" shall be deleted and replaced as follows:

"Trend Information / No Significant Change

Since 30 June 2018 there has been no significant change in the financial or trading position of the Issuer and of Montepaschi Group and, save as set out in the paragraph "Risks Associated with the Montepaschi Group exposure to sovereign debt", since 31 December 2017 there has been no material adverse change in the prospects of the Issuer and/or the Montepaschi Group.

Since 31 December 2017 there has been no material adverse change in the prospects of the Guarantor and since 31 December 2017 there has been no significant change in the financial position of the Guarantor."

- 3.2 On pages 526 and 527 of the Base Prospectus, under section headed "*Documents Available*", the following letter (l) shall be added:

"(l) the Half-year Report as at 30 June 2018"