

FIRST SUPPLEMENT DATED 8 NOVEMBER 2016 TO THE PROSPECTUS DATED 13 OCTOBER 2016



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

€10,000,000,000 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 13 October 2016 (the "**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 €10,000,000,000 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 Prospectus.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus.

The purpose of the submission of this Supplement is to update the information contained in the Prospectus and, in particular, the sections named "*Documents Incorporated by Reference*" and "*General Information – Documents Available*" of the Prospectus, incorporating by reference (i) the Issuer's press release dated 25 October 2016 and entitled "Banca Monte dei Paschi di Siena S.p.A. moves forward its project to build a de-risked and well-capitalized Bank", (ii) the Issuer's press release dated 25 October 2016 and entitled "BMPS presents the new business plan 2016/2019", and (iii) the Issuer's press release dated 25 October 2016 and entitled "Board approves results as at September 30, 2016".

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 Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the 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 Prospectus since the publication of the Prospectus.

In accordance with Article 13.2 of Chapter 1 of Part II of the Prospectus Act, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within two working days after the publication of this Supplement (being 10 November 2016), to withdraw their acceptances.

DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Prospectus entitled "Documents incorporated by reference" beginning on page 134 of the Prospectus.

1. The press release issued by BMPS on 25 October 2016 and entitled "Banca Monte dei Paschi di Siena S.p.A. moves forward its project to build a de-risked and well-capitalized Bank" (the "**BMPS Transaction Structure Press Release**"), 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 Prospectus.

For ease of reference, the table below sets out page references for specific items of information contained in the BMPS Transaction Structure Press Release.

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2. The press release issued by BMPS on 25 October 2016 and entitled "BMPS presents the new business plan 2016/2019" (the "**Business Plan Press Release**"), 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 Prospectus.

For ease of reference, the table below sets out page references for specific items of information contained in the Business Plan Press Release.

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3. The press release issued by BMPS on 25 October 2016 and entitled "Board approves results as at September 30, 2016" (the "**Interim Financial Results Press Release**"), 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 Prospectus.

For ease of reference, the table below sets out page references for specific items of information contained in the Interim Financial Results Press Release.

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The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of Regulation (EC) 809/2004 (as amended).

Forward-looking statements: the Prospectus, as supplemented by this Supplement, may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's and the Group's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

GENERAL INFORMATION

The following information supplements the section of the Prospectus named "*General Information*" - "*Documents Available*" on pages 405-406 of the Prospectus as set out below:

The following paragraphs shall be added at the bottom of the subsection entitled "Documents Available":

- "(J) the Issuer's press release dated 25 October 2016 and entitled "Banca Monte dei Paschi di Siena S.p.A. moves forward its project to build a de-risked and well-capitalized Bank";
- (K) the Issuer's press release dated 25 October 2016 and entitled "BMPS presents the new business plan 2016/2019"; and
- (L) the Issuer's press release dated 25 October 2016 and entitled "Board approves results as at September 30, 2016"."