

## FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Final Terms dated 25 January 2019

**Banca Monte dei Paschi di Siena S.p.A. (the "Issuer")**

**Issue of €1,000,000,000 2.00 per cent. Fixed Rate Covered Bonds (Obbligazioni Bancarie Garantite) due 29 January 2024**

**Guaranteed by**

**MPS Covered Bond S.r.l. (the "Guarantor")  
under the € 20,000,000,000 Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the prospectus dated 22 January 2019 which constitutes a base prospectus (the "Prospectus") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended from time to time, the "Prospectus Directive"). This document constitutes the Final Terms of the Covered Bonds (Obbligazioni Bancarie Garantite) described herein for the purposes of article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Covered Bonds and must be read in conjunction with the Prospectus. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds (Obbligazioni Bancarie Garantite) described herein is only available on the basis of the combination of these Final Terms, the Conditions and the Prospectus. The

Prospectus is available for viewing at the Issuer's website (<http://www.mps.it>) and during normal business hours at the registered office of the Issuer at Piazza Salimbeni 3, 53100 Siena, Italy.

1. (i) Series Number: 26
- (ii) Tranche Number: 1
2. **Specified Currency or Currencies:** Euro ("€")
3. **Aggregate Nominal Amount**
  - (i) Series Number: €1,000,000,000
  - (ii) Tranche Number: €1,000,000,000
  - (iii) Aggregate Nominal Amount: €1,000,000,000
4. **Issue Price:** 99.610 per cent. of the Aggregate Nominal Amount
5. (i) Specified Denominations: €100,000 plus integral multiples of €1,000 in addition to the said sum of €100,000
- (ii) Calculation Amount: €1,000
- (iii) Rounding: The provisions of Condition 19 apply
6. (i) Issue Date: 29 January 2019
- (ii) Interest Commencement Date: Issue Date
7. **Maturity Date:** 29 January 2024
8. **Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Guarantee:** 29 January 2062
9. **Interest Basis:** For the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date, a 2.00 per cent. Fixed Rate per annum.

If payment of the Final Redemption Amount on the Maturity Date is deferred in whole or in part pursuant to Condition 9(b) (*Extension of maturity*), for the period from (and including) the Maturity Date to (but excluding) the Extended Maturity Date or,

if earlier, the date on which the Covered Bonds are redeemed in full or cancelled (the "Extended Maturity Period") a Floating Rate, as specified in paragraph 17 below.

Further particulars specified below

10. **Redemption/Payment Basis:** Redemption at par
11. **Change of Interest or Redemption/Payment Basis:** As specified in paragraph 17 below
12. **Hedging through covered bond swaps:** Not applicable
13. **Put/Call Options:** Not applicable
14. **Date Board approval for issuance of Covered Bonds and Guarantee respectively obtained:** Issuer: 1 March 2018 resolution of the Board of Directors and 23 January 2019 resolution of the Finance Treasury and Capital Management.  
Guarantor: 19 July 2018 resolution of the Board of Directors.
15. **Method of distribution:** Syndicated

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Provisions** The provisions of Conditions 5 apply
- (i) **Rate of Interest:** 2.00 per cent. per annum payable annually in arrear
- (ii) **Interest Payment Date(s):** 29 January in each year up to (and including) the Maturity Date, adjusted in accordance with the Business Day Convention, provided that the first Interest Payment Date falls on 29 January 2020
- (iii) **Fixed Coupon Amount:** € 20 per Calculation Amount
- (iv) **Broken Amount(s):** Not applicable
- (v) **Day Count Fraction:** Actual/Actual (ICMA), unadjusted
- (vi) **Determination Date:** Not applicable
17. **Floating Rate Provisions** Applicable in respect of Extended Maturity Period

- (i) Interest Period(s): Interest will be payable quarterly in arrear on each Interest Payment Date from (and including) the Maturity Date up to (but excluding) the Extended Maturity Date
- (ii) Specified Period: Not applicable
- (iii) Interest Payment Dates: Each Guarantor Payment Date from (but excluding) the Maturity Date to (and including) the Extended Maturity Date
- (iv) First Interest Payment Date: The first Guarantor Payment Date falling after the Maturity Date
- (v) Business Day Convention: Following Business Day Convention
- (vi) Additional Business Centre(s): Not applicable
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): Not applicable
- (ix) Screen Rate Determination:
- Reference Rate: 3-month EURIBOR
  - Reference Banks: Not applicable
  - Interest Determination Dates: 2 (two) Business Days prior to the relevant Interest Payment Date
  - Relevant Screen Page: Reuters EURIBOR 01
  - Relevant Time: 11.00 a.m. (Milan time)
  - Relevant Financial Centre: Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)
- (x) ISDA Determination: Not applicable
- (xi) Margin(s): +1.90 per cent. per annum
- (xii) Minimum Rate of Interest: Not applicable
- (xiii) Maximum Rate of Interest: Not applicable

- (xiv) Day Count Fraction: Actual/360
18. **Zero Coupon Provisions** Not applicable

**PROVISIONS RELATING TO REDEMPTION**

19. **Call Option** Not applicable
20. **Put Option** Not applicable
21. **Final Redemption Amount of Covered Bonds** €1,000 per Calculation Amount
22. **Early Redemption Amount**  
 Early redemption amount per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Guarantor Event of Default or other early redemption: €1,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

23. **Additional Financial Centre(s) or other special provisions relating to payment dates:** Not applicable
24. **Details relating to Covered Bonds which are amortising and for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made:** Not applicable

**DISTRIBUTION**

25. **U.S. Selling Restrictions:** Reg. S Compliance Category 2
26. **Prohibition of sales to EEA Retail Investors:** Applicable

**BENCHMARKS**

27. **Benchmark:** Euribor provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011 (the "Benchmarks



**Regulation"))**. As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).



## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Covered Bonds (*Obbligazioni Bancarie Garantite*) described herein pursuant to the €20,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme of Banca Monte dei Paschi di Siena S.p.A.

Signed on behalf of Banca Monte dei Paschi di Siena S.p.A.

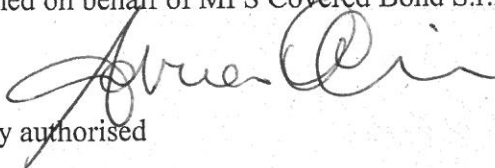
By:



Duly authorised

Signed on behalf of MPS Covered Bond S.r.l.

By:



Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing Official list of the Luxembourg Stock Exchange
- (ii) Admission to trading Application has been made by the Issuer (or on its behalf) for the Covered Bonds (*Obbligazioni Bancarie Garantite*) to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date.

### 2. RATINGS

Ratings: The Covered Bonds (*Obbligazioni Bancarie Garantite*) to be issued have been rated:

Moody's: A1

Fitch: A+

DBRS: AA (low)

*Moody's Investors Service Ltd, Fitch Ratings and DBRS Ratings Limited are established in the EEA and are registered under Regulation (EU) No 1060/2009.*

*In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the Regulation (EU) No 1060/2009 ("CRA Regulation") unless the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused (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).*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.



MPS Capital Services Banca per le Imprese S.p.A., acting as a Manager, may have a conflict of interest in connection with the issue of the Covered Bonds as they belong to the Montepaschi Group and are subject to control and guidelines of the Issuer.

The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial transactions with, and may perform other services for, the Issuer and/or its affiliates in the ordinary course of business.

4. **TOTAL EXPENSES**

Estimated total expenses: €3,600.00

5. **YIELD**

Indication of yield: 2.083 per cent. per annum in respect of the period up to (but excluding) the Maturity Date

6. **HISTORIC INTEREST RATES**

Details of historic EURIBOR rates can be obtained from Reuters

7. **OPERATIONAL INFORMATION**

ISIN Code: IT0005359507

Common Code: 194513879

CFI: DTFSFB

FISN: PASCHI/CB 20240129 SR26 REGS

Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s) and address(es): Monte Titoli S.p.A. (Piazza degli Affari 6, 20123 Milan, Italy)

Delivery: Delivery against payment

Names and Specified Offices of additional Paying Agent(s) (if any): Not applicable

Name of the Calculation Agent: Principal Paying Agent

Name of the Representative of the Bondholders: BNY Mellon Corporate Trustee Services Limited. The provisions of the Rules of the Organisation of the Bondholders shall apply.

Intended to be held in a manner Yes  
which would allow Eurosystem  
eligibility

