

THIRD SUPPLEMENT DATED 25 SEPTEMBER 2018 TO THE
BASE PROSPECTUS DATED 15 DECEMBER 2017

Banca Monte dei Paschi di Siena S.p.A.
(Incorporated with limited liability in the Republic of Italy)



€50,000,000,000

Debt Issuance Programme

This third supplement (the “**Supplement**”) to the Base Prospectus dated 15 December 2017, as supplemented by (i) the first supplement dated 29 December 2017 and (ii) by the second supplement dated 30 July 2018 (the “**Second Supplement**”) (the “**Base Prospectus**”), constitutes a supplement for the purposes of 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 Debt Issuance Programme (the “**Programme**”) established by Banca Monte dei Paschi di Siena S.p.A. (“**BMPS**” or the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

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 (which has 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 will be published on the website of the Luxembourg Stock Exchange website www.bourse.lu.

Purpose of the Supplement

The purpose of the submission of this Supplement is to (i) update the “*Documents incorporated by reference*” section of the Base Prospectus to incorporate by reference the BMPS Unaudited Consolidated First Half Financial Report as at 30 June 2018; (ii) update the “*Banca Monte dei Paschi di Siena*” and the “*Management of the Bank*” sections of the Base Prospectus to reflect, *inter alia*, changes in the composition of the board of directors of the Issuer; and (iii) update the “*General Information*” section of the Base Prospectus.

Documents incorporated by reference

The section titled “*Documents Incorporated by Reference*” on page 115 of the Base Prospectus shall be deemed to be supplemented with the following:

BMPS Unaudited Consolidated First Half Financial Report as at 30 June 2018

On 3 August 2018, BMPS published the unaudited consolidated first half financial report as at 30 June 2018 (the “**BMPS Unaudited Consolidated First Half Financial Report as at 30 June 2018**”).

A copy of the BMPS Unaudited Consolidated First Half Financial Report as at 30 June 2018 has been filed with the CSSF and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Base Prospectus.

Document	Information Incorporated	Page Reference
BMPS Unaudited Consolidated First Half Financial Report as at 30 June 2018	Half-year report on operations	pp 3-17
	Condensed Consolidated half-year financial statements	pp 18-28
	Explanatory notes	pp 29-143
	Certification of the condensed consolidated financial statements pursuant to art. 81-ter of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented	pp 144
	Independent Auditors’ Report	pp 145-146

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

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

The following paragraph shall, by virtue of this Supplement, be inserted after the paragraph headed “*Resignation of a board member*”, as introduced and referred to on page 257 of the Second Supplement:

“*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.”

Management of the Bank

The section titled “*Management of the Bank*” on pages 267 to 279 of the Base Prospectus, as already amended by the corresponding section included on pages 321 to 340 of the Second Supplement, is deleted in its entirety and replaced with the information set out in Annex 1 to this Supplement.

General Information

Significant or Material Adverse Change

The paragraph titled “Significant or Material Adverse Change” on pages 293 and 294 of the Base Prospectus is deleted in its entirety and replaced as follows:

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

General

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or any other document incorporated by reference in 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.

Copies of this Supplement and all documents incorporated by reference in the Base Prospectus can be obtained free of charge from the office of the Issuer and, in case of Notes admitted to the Official List and to trading on the Luxembourg Stock Exchange’s regulated market, from the principal office in Luxembourg of *Banque Internationale à Luxembourg, société anonyme*. Copies of this Supplement and all documents incorporated by reference in the Base Prospectus will also be published on the Luxembourg Stock Exchange’s website (www.bourse.lu).

ANNEX 1

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.

Board of directors

The board of directors was appointed by the ordinary shareholders' meeting of 18 December 2017 and such appointment will expire on the date of the shareholders' meeting approving the financial statements for the year ending on 31 December 2019.

The board of directors is currently made up as follows.

<u>Name</u>	<u>Position</u>	<u>Date of birth</u>
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.

Each member of the board of directors must be suitable for carrying out its role. To this extent each member of the board of directors shall meet the requirements prescribed by law and BMPS' by-laws. In particular, in addition to the requirements of integrity (that are the same for all the members), professionalism and independence (that are instead graduated according to the proportionality principle), each director shall meet the requirements of competence and fairness, also in respect of the timeframe needed to fulfil its mandate. Such requirements have been carefully evaluated by the supervisory authorities (the European Central Bank and the Bank of Italy) in accordance with their supervisory provisions and notified to the public pursuant to the Issuers' Regulations and the self-regulatory code.

The members of the board of directors are all domiciled for their position at the Bank's registered office.

The following table sets out the positions of members of administrative, management and supervisory bodies held by the current members of the Bank's board of directors in the five years prior to the date hereof.

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
	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
Antonino Turicchi	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	Past

	Aerea Italiana) S.p.A.	
	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	Past

	internal control committee of Italia Online S.p.A.	
	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
	director of Prelios Credit Servicing S.p.A.	Past
Salvatore Fernando Piazzolla	director of AXA Assicurazioni S.p.A.	Past
	chair of the board of directors of AXA Italia Servizi	Past
	deputy chair of AXA Equitable	Past
Stefania Petruccioli	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
	director of Best Union Company	Past
Angelo Riccaboni	chair of Fundacion PRIMA	Current
	director of Fondazione Smith Kline	Current
	chair of Fondazione Sclavo	Current
	chair of the Steering Committee of Santa Clara 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

The business address of each member of the board of directors is Banca Monte dei Paschi di Siena S.p.A., Piazza Salimbeni 3, 53100, Siena, Italy.

The board of directors meets regularly at the Bank's registered office. Meetings of the board of directors are convened on a monthly basis upon request of the chairman. Meetings may also be convened upon reasonable and detailed request of at least three directors or upon written request of the board of statutory auditors or at least every statutory auditor addressed to the chairman. Meetings may be held in person or through video-conference. The quorum for meetings of the board of directors is a majority of the directors in office. Resolutions are adopted by the vote of a majority of the directors attending the meetings.

Chief Executive Officer

The chief executive officer carries out its functions within the limits of the delegated powers and in the manner determined by the board of directors. The chief executive officer also holds powers to be exercised as a matter of urgency by the chairman of the board of directors, in the event of an absence or impediment of him or any substitute.

The chief executive officer is Mr. Marco Morelli confirmed by the board of directors on 22 December 2017 (in charge from 20 September 2016).

The address of the CEO for the duties he discharges is: Piazza Salimbeni 3, Siena, Italy.

General Manager

The current general manager is Marco Morelli who was appointed by the board of directors on 14 September 2016 (in charge from 20 September 2016). Marco Morelli has also been appointed as chief executive officer. The general manager is appointed by the board of directors which may also remove or suspend him from his office.

The General Manager attends the meeting of the board of directors but has no right to vote on proposed resolutions at such meetings.

The general manager undertakes all operations and acts which are not expressly reserved for the board of directors or the executive committee. He oversees and is responsible for the overall administration and structure of the Bank and implements resolutions of the board of directors. He participates in meetings of the board of directors and proposes matters to the board of directors for approval, including matters relating to loans, the coordination of activities of the Group and the employees.

The address of the general manager for the duties he discharges is: Piazza Salimbeni 3, Siena, Italy.

Financial Reporting Officer

On 26 November 2016, the board of directors appointed Nicola Massimo Clarelli as financial reporting officer, pursuant to article 28 of the by-laws.

Managers with strategic responsibilities

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

<u>Name</u>	<u>Position</u>	<u>Date of birth</u>
Marco Morelli	general manager and Chief Executive Officer	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 organisation 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.

Board of Statutory Auditors

The board of statutory auditors is composed of three standing members and two alternate members. Statutory auditors are appointed by the ordinary shareholders' meeting for a three year term and may be re-elected. The shareholders' meeting also sets the remuneration of the statutory auditors for their entire term.

The board of statutory auditors is required to verify that the Bank complies with applicable law and its by-laws, respects the principles of correct administration, and maintains an adequate organisational structure, internal controls and administrative and accounting systems. The board of statutory auditors has a duty to

shareholders to whom they report at the annual general shareholders' meeting approving the financial statements.

The members of the board of statutory auditors are required to meet at least once every 90 days and take part in meetings of the board of directors, the shareholders' meetings and meetings of the executive committee.

The board of statutory auditors was appointed by the ordinary shareholders' meeting of 18 December 2017 and such appointment will expire on the shareholders' meeting called to approve the 2019 financial statements.

The following table sets out the members of the Bank's board of statutory auditors:

Name	Title	Position held
Elena Cenderelli	chair	chair of the board of statutory auditors of AXA MPS Assicurazioni Vita S.p.A. chair of the board of statutory auditors of AXA MPS Assicurazioni Danni S.p.A.
Raffaella Fantini	auditor	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. auditor of Fiesole Musei – Azienda per la gestione e promozione del patrimonio culturale auditor of L.P. S.r.l.
Paolo Salvadori	auditor	chair of the board of statutory auditors of Sevia S.r.l. auditor of AXA Italia Servizi S.c.p.a. chair of the board of statutory auditors of Immobiliare Due Ponti S.p.A. chair of the board of statutory auditors of MA Centro Inossidabili S.p.A.

Daniele Federico Monarca	alternate auditor	auditor of ICM Industrie Costruzioni Maltauro S.p.A.
		director of BFC Blue Financial Communication S.p.A.
		chief executive officer of Pigreco Corporate Finance S.r.l.
		chair of the board of statutory auditors of Advalora S.p.A.
		auditor of Fiera Milano S.p.A.

Statutory Auditing

Pursuant to article 27 of the Bank's by-laws, on 29 April 2011 the ordinary shareholders' meeting appointed EY S.p.A. as independent auditors for a nine-year period (2011-2019) pursuant to articles 13 and seq. of the Legislative Decree no. 39 of 27 January 2010 (the "**Decree 39**") and article 2409-bis of the Italian civil code.

The statutory audit shall be performed by an independent auditor meeting the requirements established by law.

Conflict of Interest

BMPS is an Italian bank with shares listed on regulated markets and as such deals with any conflicts of interest of the members of its administrative, management and supervisory body in accordance with the requirements of article 2391 ("*Directors' interests*") and article 2391-bis of the Italian Civil Code ("*Related party transactions*"), article 53, paragraph 4 ("*Regulatory supervision*") and article 136 ("*Obligations of bank corporate officers*") of the Italian Consolidated Banking Law and the regulatory provisions on related party transactions adopted by CONSOB with Resolution no. 17221 of 12 March 2010 ("*Regulation on Related Party transactions*") and by the Bank of Italy on 12 December 2011 ("*Circular 263/2006—Update no. 9 on risk and conflicts of interest with respect to affiliated parties*").

In the context of these requirements, the board of directors has adopted, on 12 November 2014, a global policy for transactions with related parties and affiliated parties and the obligations of bank representatives (the "**Global Policy**"), which set out in a single document the provisions related to the conflicts of interest for the Group, without prejudice to the provisions of the Italian Civil Code. The Global Policy was approved by the board of directors after receiving the prior favourable opinion of the related party transactions committee (consisting of independent directors) and the board of statutory auditors.

In particular, the Global Policy set out the principles and rules for the BMPS Group in order to control the risk arising from the potential conflict of interests with certain individuals which are close to the Bank's decision-making centres. The Global Policy provides for, *inter alia*, the establishment, composition and functioning of the related parties committee, the borders of the related parties and affiliated parties, the authorisation of transactions with related parties and affiliated parties and the cases of exclusion from decision-making procedures with respect to such transactions.

In addition, having importance in this respect are certain provisions in the Bank's by-laws which require specific information flows in the case of interests held by members of the administrative, management and supervisory bodies which are designed to ensure the independence of directors and statutory auditors. Article 17 of BMPS's by-laws requires *inter alia* (i) the board of directors to promptly report on a timely basis to the board of statutory auditors on any transactions in which its members have an interest, on their own behalf or

on behalf of third parties, (ii) each director to inform the other directors and the board of statutory auditors of any interest which they may have in a specific transaction of BMPS, on their own behalf or on behalf of third parties, and refrain from any resolutions in which he or she has a conflict of interest, on their own behalf or on behalf of a third party, pursuant to the applicable legislation.

In addition to requiring compliance with the provisions of article 136 of the Italian Banking Act, article 19 of BMPS's by-laws provides for an obligation of the members of the board of directors to inform the board of directors and the board of statutory auditors of any business in which they are personally involved or which regards entities or companies of which they are directors, statutory auditors or employees (except for companies of the BMPS Group) as well as to refrain from any resolutions in which they have a conflict of interest, on their own behalf or on behalf of any third party, pursuant to the applicable legislation. Article 15 of BMPS's by-laws states that the directors shall not hold positions as members of the board of directors, the management board or the supervisory board of competitor banks. Article 24 of BMPS's by-laws states that the members of the board of statutory auditors shall not hold other positions in other banks (not belonging to the Group or subject to joint control) and may only hold positions in control bodies in other companies of the BMPS Group or of financial conglomerate as well as in which BMPS holds, directly or indirectly, a strategic shareholding.

To the best of BMPS's knowledge and belief, as of the date of this Base Prospectus there are no conflicts involving the members of its administrative, management and supervisory bodies, current or potential, between their obligations towards the Bank and their private interests and/or their obligations towards third parties, other than those occurring within the context of specific resolutions adopted by BMPS in accordance with the article 2391 of the Italian Civil Code and article 136 of the Italian Consolidated Banking Law. Given the BMPS's business, the private interests that can occur relate mainly to transactions which entail financing and loans typical of the bank business.

The means by which the board of directors is appointed, as governed by BMPS's by-laws, ensures that directors fulfil the independence requirements. More specifically, pursuant to article 15, when the board of directors is appointed, each list filed by shareholders shall have a number of candidates, specifically indicated, fulfilling the independence requirements established for the statutory auditors by the law and the additional independence requirements prescribed by the corporate governance code, not lower than two and at least equal to 1/3 of the candidates in the list. Pursuant to article 3 of the corporate governance code, the board of directors has the duty to assess the independence of its non-executive members when they are appointed and on an annual basis.

As prescribed by the corporate governance code and the supervisory provisions on the organization and corporate governance of banks issued by the Bank of Italy (as amended by the title IV, chapter 1 of the Circular no. 285 of 17 December 2013), the board of directors performs the self-assessments at least annually.

The main transactions concluded with related parties are described in the consolidated financial statements as at 31 December 2017, published and available on the Bank's website www.gruppomps.it.

Main Shareholders as at the date of this Base Prospectus

Shareholders	% share capital on overall share capital
Italian Ministry of Economy and Finance	68.247%

Assicurazioni Generali S.p.A. (indirectly through subsidiaries) **4.319%**

Banca Monte dei Paschi di Siena S.p.A. **3.181%**

As at the date of this Base Prospectus, pursuant to article 93 of the Consolidated Finance Act the Issuer is controlled by the Italian Ministry of Economy and Finance (“MEF”), following the subscription of the share capital increase reserved to the MEF pursuant to the Decree of 23 December 2016, no. 237 and its related ministerial Decree adopted on 27 July 2017.