FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS *- The Covered Bonds are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, 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**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). 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 19 October 2018

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

Issue of €500,000,000 Callable Floating Rate Covered Bonds (Obbligazioni Bancarie Garantite) due 30 June 2023

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 December 2017 and the supplements to the prospectus dated 5 January 2018, 17 July 2018 and 11 September 2018 which together constitute 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 as so completed. 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 as so completed. The Prospectus, including the supplements are 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:	25
	(ii) Tranche Number:	1
2.	**Specified Currency or Currencies:**	Euro ("€")
3.	**Aggregate Nominal Amount**	
	(i) Series Number:	€500,000,000
	(ii) Tranche Number:	€500,000,000
	(iii) Aggregate Nominal Amount:	€500,000,000
4.	**Issue Price:**	100 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:	Not Applicable
6.	(i) Issue Date	24 October 2018
	(ii) Interest Commencement Date	Issue Date
7.	**Maturity Date:**	30 June 2023
8.	**Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Guarantee:**	30 June 2061
9.	**Interest Basis:**	For the period from (and including) the Issue Date to (and including), the Extended Maturity Date, 3 months EURIBOR *plus* 0.95 per cent. Floating Rate
10.	**Redemption/Payment Basis:**	Redemption at par
11.	**Change of Interest or Redemption/Payment Basis:**	Not Applicable

12. **Hedging through covered bond swaps** Not applicable

13. **Put/Call Options:** Issuer Call

(further particulars specified below)

14. **Date Board approval for issuance of Covered Bonds and Guarantee respectively obtained:** Issuer 1 March 2018 and Guarantor: 20 July 2018, respectively

15. **Method of distribution:** Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Provisions** Not applicable

17. **Floating Rate Provisions** The provisions of Condition 6 apply

(i) Interest Period(s): Interest will be payable quarterly in arrears on each Interest Payment Date from (and including) the First Interest Payment Date up to (and including) the Extended Maturity Date or, if earlier, the date on which the Covered Bonds are redeemed in full

(ii) Specified Period: Not applicable

(iii) Interest Payment Dates: Each Guarantor Payment Date from (and including) the First Interest Payment Date to (and including) the Extended Maturity Date.

At present, for indicative purposes only, are intended to be: 3 January 2019 (first short coupon, 29 March 2019, 1st July 2019, 30 September 2019, 2 January 2020, 30 March 2020, 30 June 2020, 29 September 2020, 30 December 2020, 29 March 2021, 30 June 2021, 29 September 2021, 29 December 2021, 29 March 2022, 30 June 2022, 29 September 2022, 30 December 2022, 29 March 2023 and 30 June 2023

(iv) First Interest Payment Date: 3 January 2019

(v) Business Day Convention: Following Business Day Convention

(vi) Additional Business Centre(s): TARGET / London/ Luxembourg / Milan

(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):	Principal Pying Agent
(ix)	Screen Rate Determination:	
	– Reference Rate:	3 month EURIBOR
	– Interest Determination Date(s):	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):	0.95 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** — The provisions of Conditions 8(d) apply

(i)	Optional Redemption Date(s):	At any time after 18 months plus 1 day from the Issue Date
(ii)	Optional Redemption Amount(s) of Covered Bonds and method, if any, of calculation of such amount(s):	€1,000 per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	Not applicable
	(b) Maximum Redemption Amount	Not applicable

	(iv) Notice period:	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(s) per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Guarantor Event of Default or other early redemption:	Not applicable

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

26.	Prohibition of sales To EEA Retail Investors:	Applicable

BENCHMARKS

27.	Benchmark:	Euribor provided by European Money Markets Institute. As at the date hereof, the 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 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 l'Impresa S.p.A., acting as a Dealer/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.

4. TOTAL EXPENSES

Estimated total expenses:	€2,000

5. YIELD

Indication of yield:	Not applicable

6. HISTORIC INTEREST RATES

Details of historic EURIBOR rates can be obtained from Reuters

7. OPERATIONAL INFORMATION

ISIN Code:	IT0005349037
Common Code:	n/a
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 free of 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 which would allow Eurosystem eligibility:	Yes