Banca Monte dei Paschi di Siena

Una storia italiana dal 1472

1Q2013 Results

Siena, 15 May 2013

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Contents

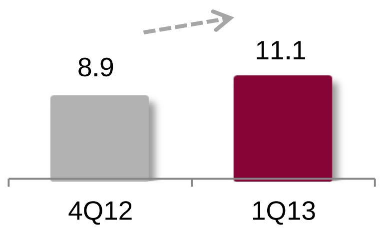
Executive summary

- Thanks to an approach strongly focused on customer proximity, **customer confidence has been restored** and the difficult media environment earlier on in the year has been overcome, as evidenced by the stability of direct funding
- **Soundness of capital structure** and **liquidity profile** has been confirmed, with further improvement in Core Tier 1 thanks to NFIs and L/D ratio down 90 bps
- **P&L highlights** upturn trend in revenues, particularly in commissions
- Continued commitment to the **delivery of Business Plan projects**, especially with regard to operational efficiency, with costs down 10.4% QoQ
- Talks with **European Commission** on Restructuring Plan continue and are expected to end by mid 2013

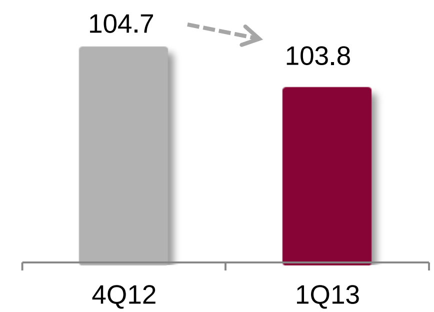
Key messages on balance sheet reinforcement

Improvements in quality of capital, liquidity profile and balance sheet structure

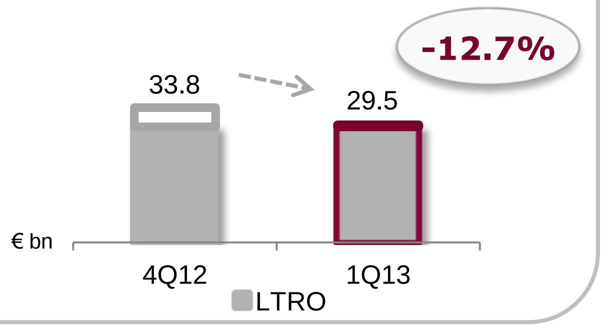
✓ **Core Tier 1** (%)



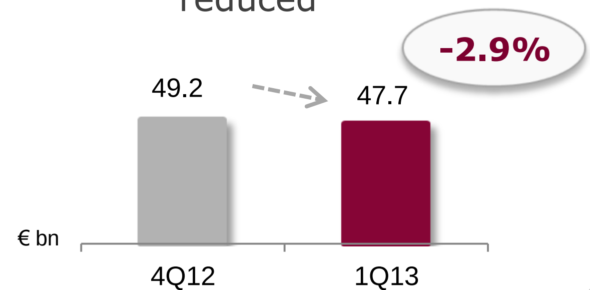
✓ **L/D *ratio*** (%) down



✓ **Interbank position*** reduced



✓ **Financial assets** further reduced

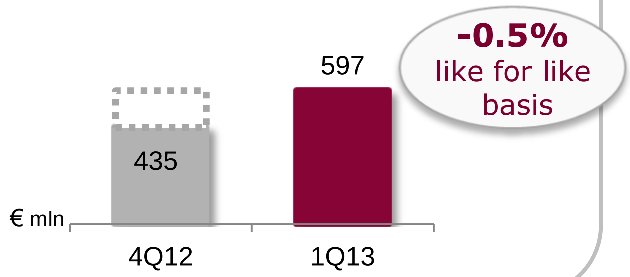


*Loans to banks/Deposits from banks are inclusive of loans to banks/deposits from banks comprised in financial assets/liabilities held for trading

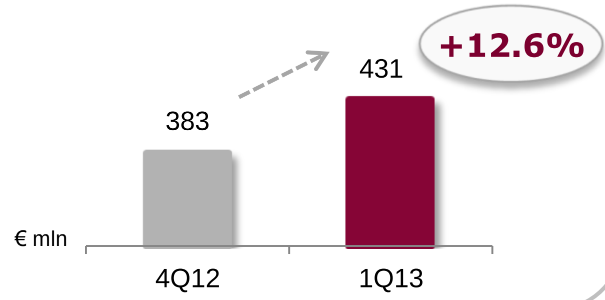
Key messages on productivity…..

Positive signs from sales and revenue in 1Q2013 despite challenging macroeconomic conditions

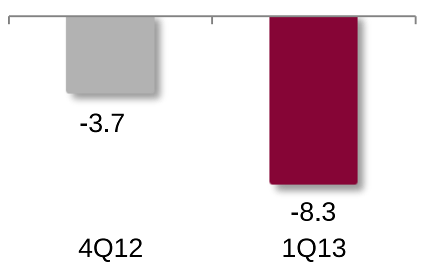
✓ **Interest income** breaks out of its downward trend



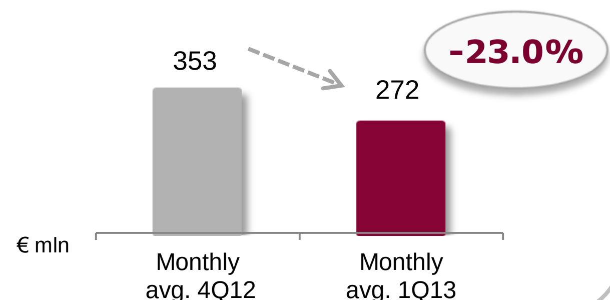
✓ **Fees & commissions** pick up



✓ **Operating Costs** (YoY %)



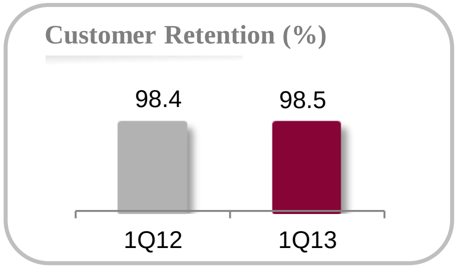
✓ **NPLs** inflows decrease

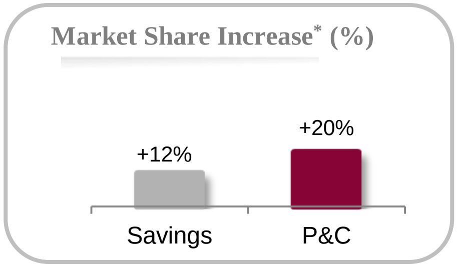


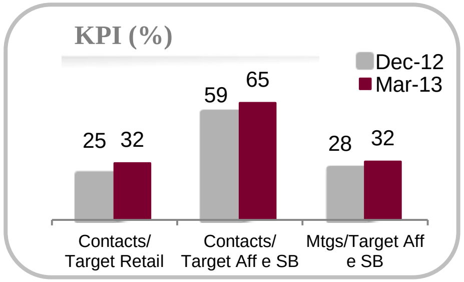
Sales proactivity increased….

Significant focus on customers retention and share of wallet

- **Retention:**
  - **Stable customer retention** with launch of "Loyalty programme"
- **Direct Funding:**
  - **"Conto Italiano di deposito"**: 70k new contracts, EUR 1.8 bn of funding (EUR 4.7 bn in 2012)
  - >100k new current accounts (+4% vs 1Q12)
- **Bancassurance:**
  - New Bancassurance offer developed
- **AuM:**
  - >35% of total placement with MPS Advice
- **Sales proactivity**
  - Increased customer contact
- **On line banking:**
  - New PasKey Internet banking 1.6 mln retail customers (+11% YoY)
  - Launch of new App for Mobile Banking

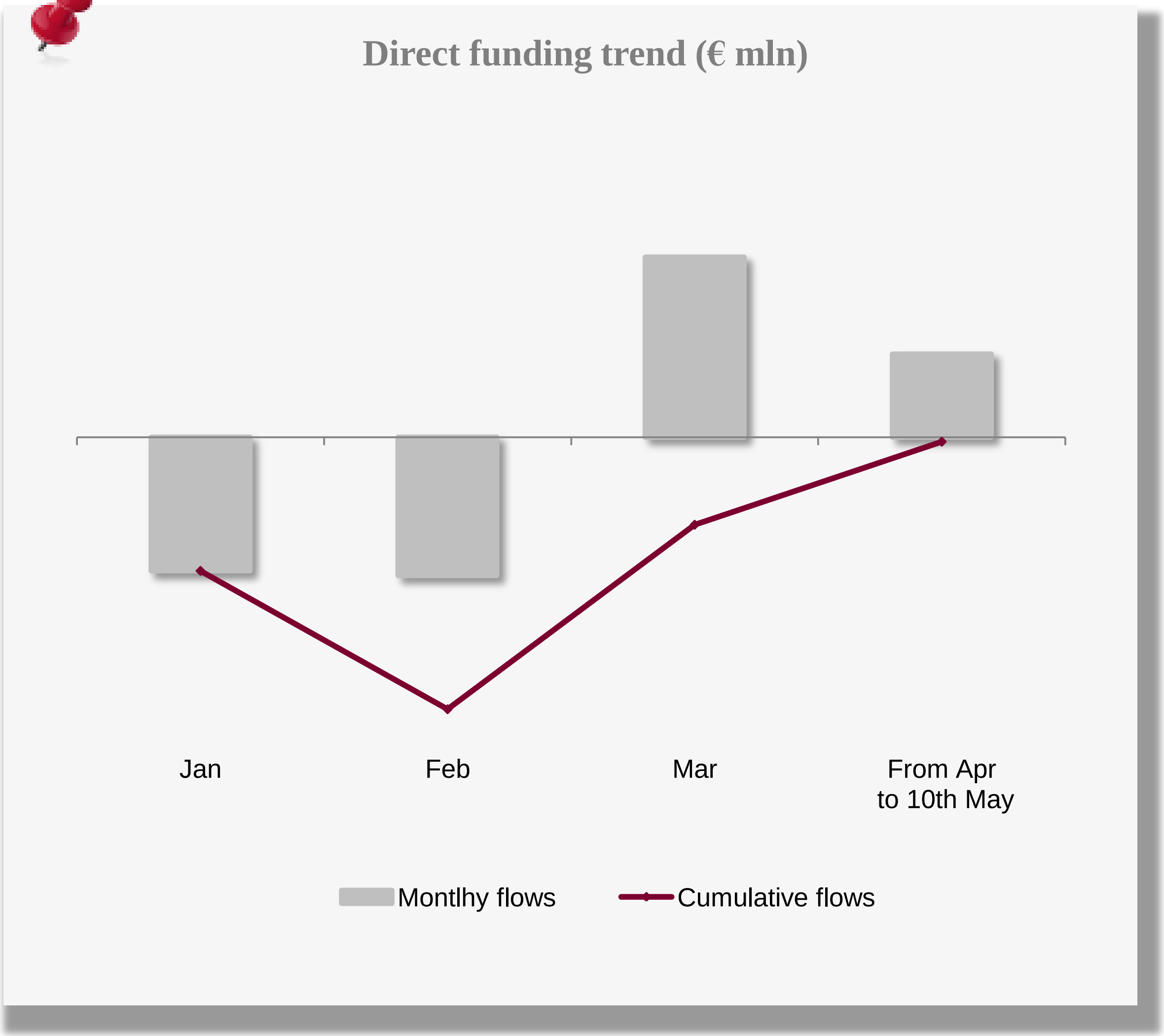






* Savings: change Feb-13/Feb-12. P&C: change Dec-12/Dec-11

….and difficult media environment overcome



Direct funding outflows fully recovered

Key messages

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P&L

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Assets & Liabilities

Total Assets

€/mln	Mar-12*	Dec-12**	Mar-13	QoQ%	YoY%
Customer loans	146,628	142,015	140,510	-1.1%	-4.2%
Loans to banks	14,877	11,225	13,676	21.8%	-8.1%
Financial assets	52,341	49,163	47,732	-2.9%	-8.8%
Tangible and intangible fixed assets	4,369	2,526	2,496	-1.2%	-42.9%
Other assets***	12,511	13,958	11,814	-15.4%	-5.6%
Total Assets	**230,726**	**218,887**	**216,227**	**-1.2%**	**-6.3%**

Total Liabilities

€/mln	Mar-12*	Dec-12**	Mar-13	QoQ%	YoY%
Deposits from customers and securities issued	137,604	135,670	135,311	-0.3%	-1.7%
Deposits from banks	45,173	43,323	42,677	-1.5%	-5.5%
Other liabilities****	36,256	33,496	31,965	-4.6%	-11.8%
Group equity	11,459	6,396	6,271	-2.0%	-45.3%
Minority interests	234	3	3	1.8%	-98.8%
Total Liabilities	**230,726**	**218,887**	**216,227**	**-1.2%**	**-6.3%**

- **Customer loans** down, continuing to be affected by flat demand and supply
- **Securities portfolio** reduced, mainly HFT and L&R; AFS stable
- **Deposits from customers** largely stable, despite media interest surrounding the bank in the first two months of the year

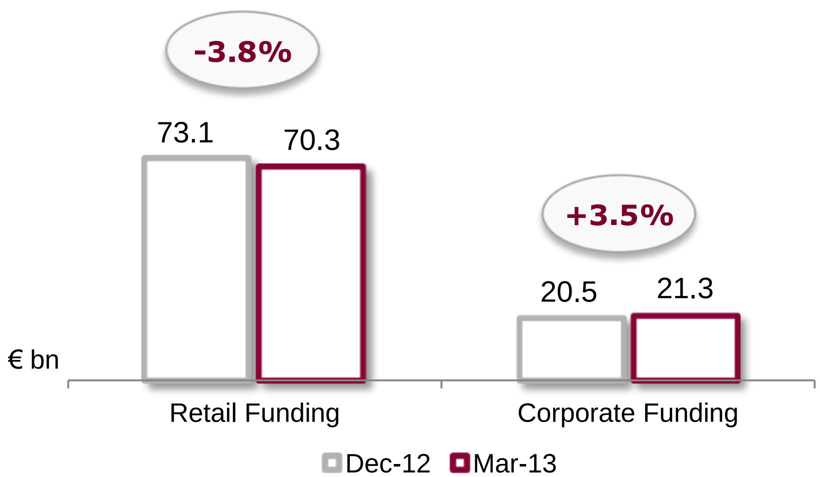
*Figures were restated to take account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) and IAS 19 "Employee benefits"
** Figures were restated to take account of changes made in compliance with IAS 19 (Employee benefits)
***Cash and cash equivalents, equity investments, other assets
**** Financial liabilities held for trading, provision for specific use, other liabilities

Direct funding
Deposits hold firm despite difficult media climate

Direct funding by Source

€/mln	Mar-12*	Dec-12	Mar-13	QoQ%	YoY%
Current accounts	58,174	56,006	52,892	-5.6%	-9.1%
Time deposits	3,502	5,802	8,324	43.5%	137.7%
Repos	7,107	13,839	16,482	19.1%	131.9%
Bonds	59,231	52,115	48,113	-7.7%	-18.8%
Other types of direct funding**	6,885	7,908	9,501	20.1%	38.0%
Total	**134,900**	**135,670**	**135,311**	**-0.3%**	**0.3%**

Direct Funding by Segment***



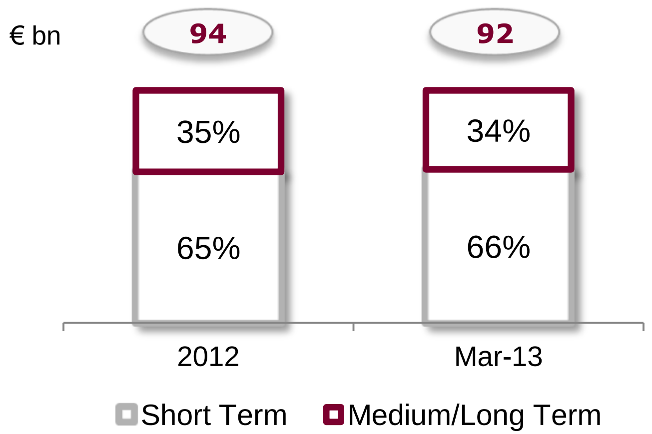
- Direct funding substantially stable vs. Dec-12 (-0.3% QoQ, +0.3% YoY)
  - **Retail and corporate funding** down (-EUR 2 bn ca; -2.2% QoQ) with a shift from current accounts and bonds to time deposits (+43.5% QoQ), largely owing to the product "Conto Italiano di Deposito"
  - Funding from **institutional counterparties** included a rise in repos and a fall in bonds on international markets which was offset, at the end of February 2013, by the issue of New Financial Instruments (NFIs) backed by the Ministry of Economy and Finance

* Figures were restated by excluding Biverbanca's contribution (sold on 28/12/12) and taking account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)
** Dec-12 includes Tremonti Bonds amounting to EUR 1.9 bn, Mar-13 includes NFIs amounting to EUR 4.1 bn
*** Customer accounts and securities - Distribution network. Since March 2013, Segment Reporting has led to the classification of approx. EUR 2.5 bn in bonds under Asset Management (and no longer under Customer deposits and securities issued)

Focus on the network's placing power

Q1 retail issues replaced by time deposits

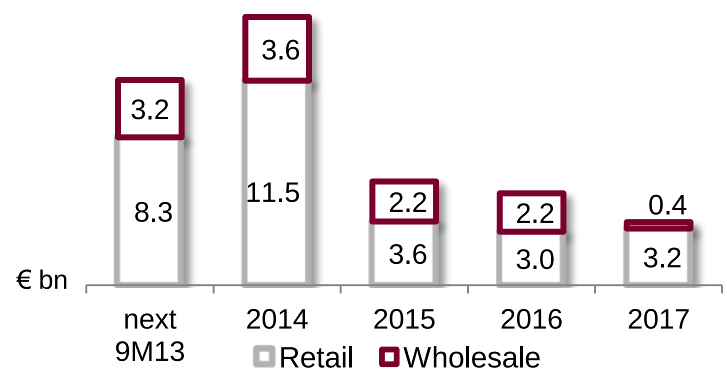
Retail/Corporate Funding breakdown*



- The issuance programme was suspended in 1Q13 owing to the audit regarding the restatement of accounts; the issuing activity will resume in 2Q for retail and corporate customers
- Funding Plan 2013:
  - According to market conditions, return to the institutional market is expected for 2013 through Covered Bond issuance
  - Launch of Network marketing actions to offset potentially difficult access to institutional markets
  - In addition, securitisations and other actions to increase Counterbalancing Capacity

Placing power: GMPS Bonds issued**

Bond Maturities breakdown***

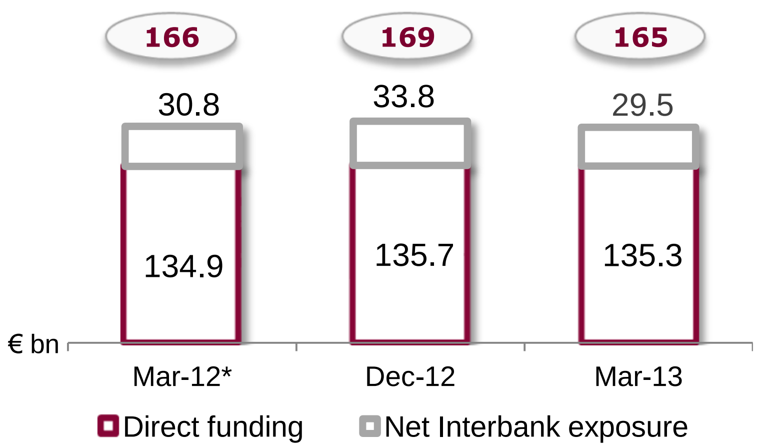


*Figures from operational data management system (Planning Area)
** Figures from operational data management system (Finance Area)
*** Figures from operational data management system (Finance Area). Outstanding amount are net of repurchases

Institutional funding and Interbank Exposure

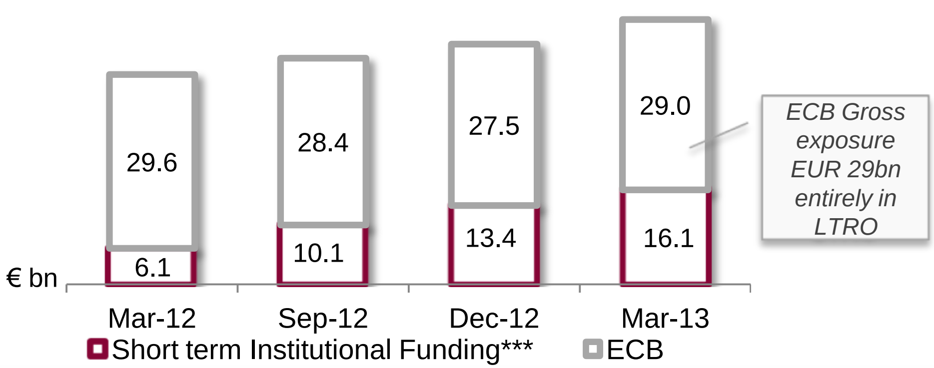
Reduction of Interbank exposure; counterbalancing capacity up strongly in April

Direct Funding and Net Interbank Exposure

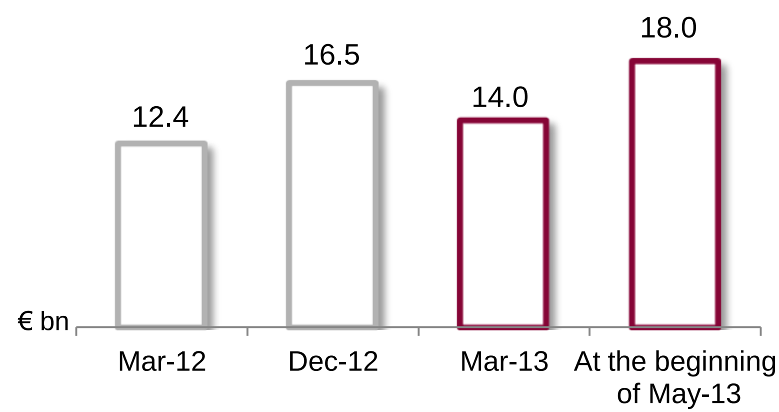


- **Net interbank position** down from 2012 year-end following an increase in loans to banks, owing to fulfillment of legal reserve requirements, and a reduction in deposits from banks (a fall in repos, ECB exposure largely stable)
- Reduction of unencumbered **counterbalancing capacity** with respect to end of December due to a fall in deposits in the first months of 2013 and widening BTP-Bund spread registered year to date; temporary deterioration, fully recovered in April (counterbalancing at almost EUR 18 bn as at beginning of May)

Institutional Funding vs ECB Net Exposure**



Unencumbered counterbalancing capacity



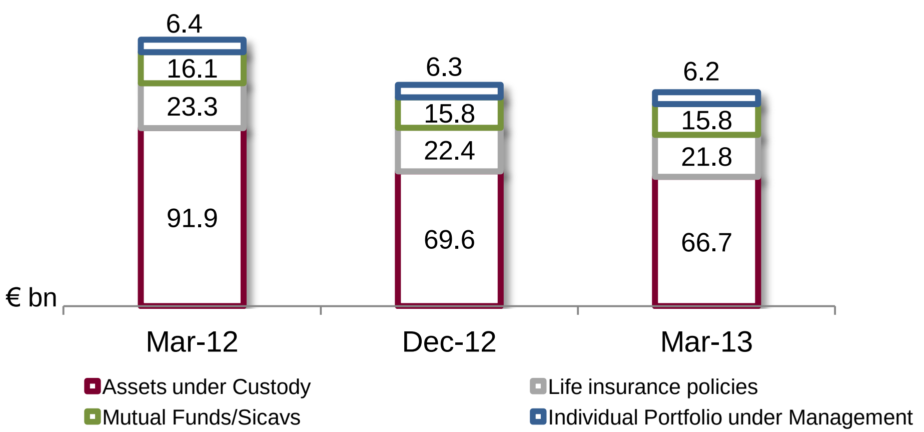
*Figures were restated by excluding Biverbanca's contribution (sold on 28/12/12) and taking account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)
** Figures from operational data management system (Finance Area)
*** Wholesale certificates of deposit and Repos

Indirect funding

Indirect funding

€/mln	Mar-12*	Dec-12	Mar-13	QoQ%	YoY%
Assets under custody	91,858	69,636	66,695	-4.2%	-27.4%
Assets under management	45,693	44,540	43,820	-1.6%	-4.1%
Total	**137,551**	**114,176**	**110,515**	**-3.2%**	**-19.7%**

Indirect funding breakdown



- **Indirect funding** was down 3.2% vs 4Q12:
  - **Assets under Custody:** down 4.2% QoQ due to shift in Retail customer portfolio. The YoY decline (approx. -27.4%) is primarily due to changes in shares under custody by key clients of the Group with P&L impact, however, not being significant
  - **Assets under Management:** slightly down at -1.6% QoQ due to net ouflows affecting the sector, in line with System trends
- Distribution of protected-capital products: 6 placements (4 protected-capital unit-linked policies and 2 coupon funds for an amount of over EUR 1.6 bn in products placed)

* Figures were restated by excluding Biverbanca's contribution (sold on 28/12/12) and taking account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)

Lending

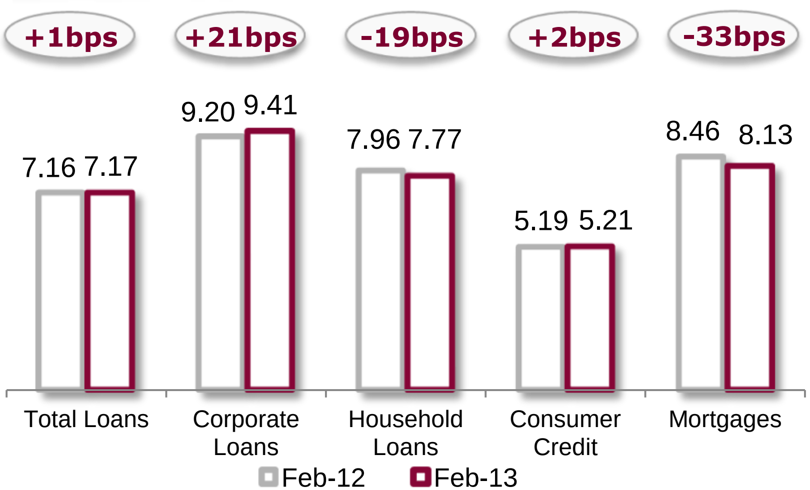
Deleveraging driven by macroeconomic environment

Total Lending

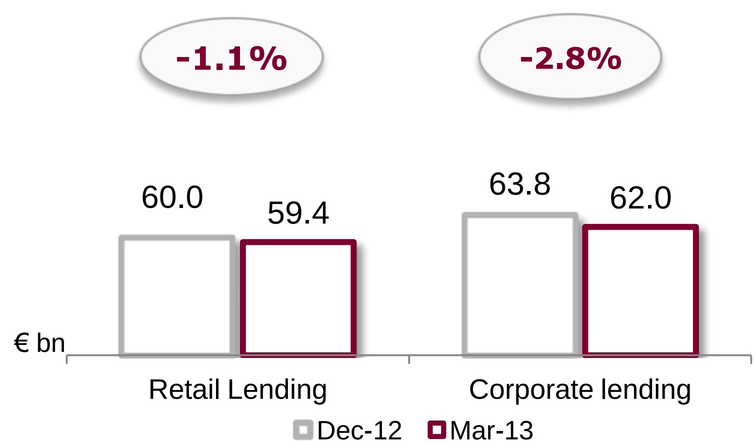
€/mn	Mar-12*	Dec-12	Mar-13	QoQ%	YoY%
Current accounts	13,817	13,099	12,626	-3.6%	-8.6%
Mortgages	78,050	72,329	70,515	-2.5%	-9.7%
Other forms of lending	33,201	34,770	34,262	-1.5%	3.2%
Reverse repurchase agreements	1,191	2,199	2,246	2.1%	88.6%
Loans represented by securities	3,055	2,221	2,182	-1.8%	-28.6%
Impaired loans	15,037	17,397	18,681	7.4%	24.2%
Total	**144,351**	**142,015**	**140,510**	**-1.1%**	**-2.7%**

- **Loans to customers** down 2.7% YoY and 1.1% QoQ, due to slowing economic cycle (affecting credit quality and demand), and the Group's more selective credit policies
- **Mortgages**: -2.5% QoQ, penalized by the drop in real estate sales
- Market share for loans stood at 7.2% in February 2013, largely stable on 2012 year-end

Market share in specialized products** (%)



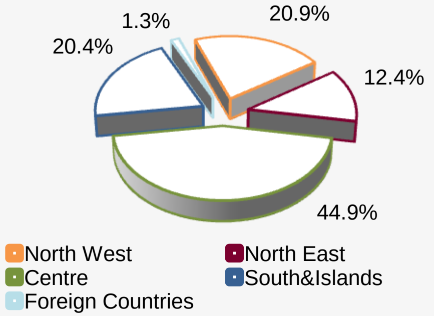
Interest Bearing*** Loans by segment



*Figures were restated by excluding Biverbanca's contribution (sold on 28/12/12) and taking account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)
**Source: Bank of Italy, Matrice di vigilanza
***Loans excluding net NPLs

Asset quality overview
Difficult economic environment persists

- High-granularity loan book
  - top 10 customers account for EUR 3.3 bn (2.8% of total loans as at Mar-13 vs. 3.3% in Mar-12)
  - strong geographical diversification

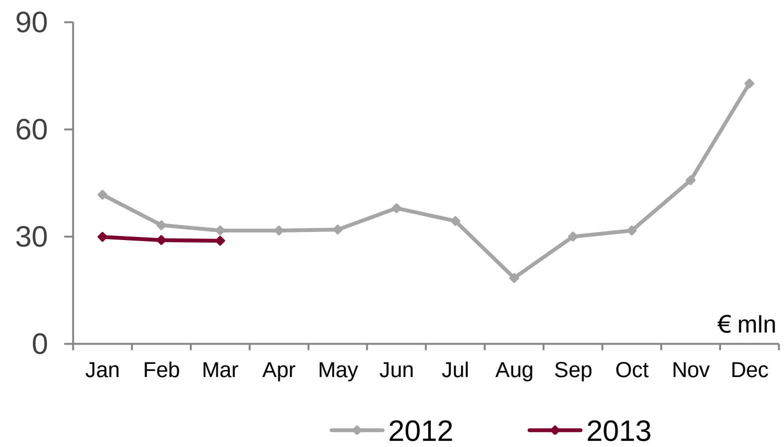


- Percentage of impaired loans to total Customer loans at 13.3% from 12.2% at 2012 year-end, reflecting the ongoing economic crisis

Impaired Loans

(€ mln)	Gross	Net
NPL *vs Dec. 12*	**18,166** +4.9%	**7,656** +4.9%
Watchlist *vs Dec. 12*	**8,262** +8.2%	**6,539** +9.7%
Restructured *vs Dec. 12*	**1,605** -1.1%	**1,374** -1.8%
Past Due *vs Dec. 12*	**3,316** +13.4%	**3,112** +13.7%

Monthly Recovery - Inflows



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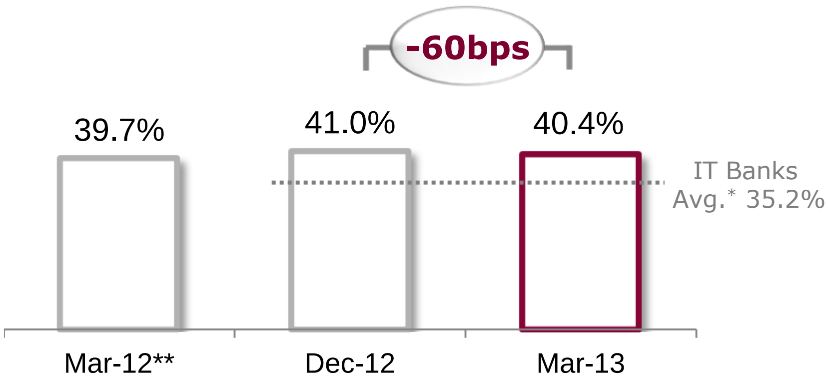
Asset quality: Coverage

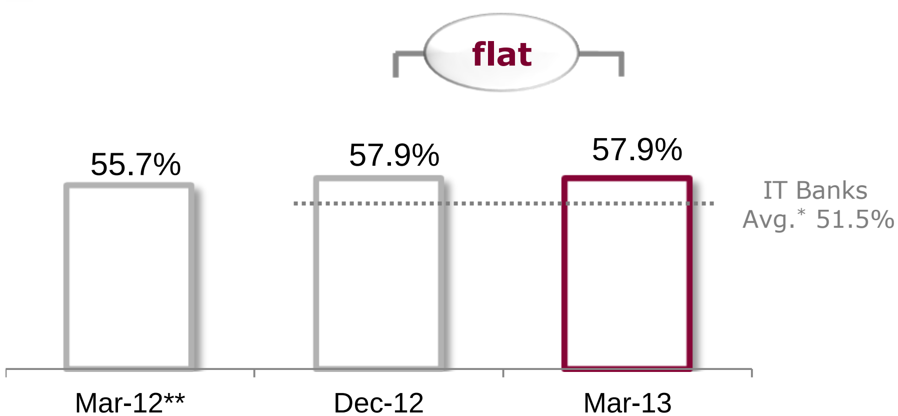
Substantially stable compared to values among highest in the system

Impaired Loans Coverage

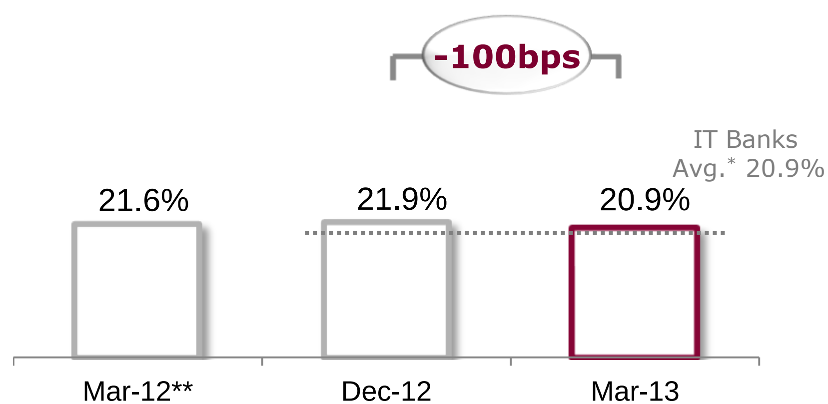


- **NPL coverage** stable at 2012 year-end levels: 57.9%
- **Watchlist coverage** -100 bps from Dec-12; the decline is mainly due to the inflow of collateralised exposures and a higher share of "objective watchlist loans" (with a more limited average coverage ratio given the better cure rate)

NPL Coverage



Watchlist Coverage

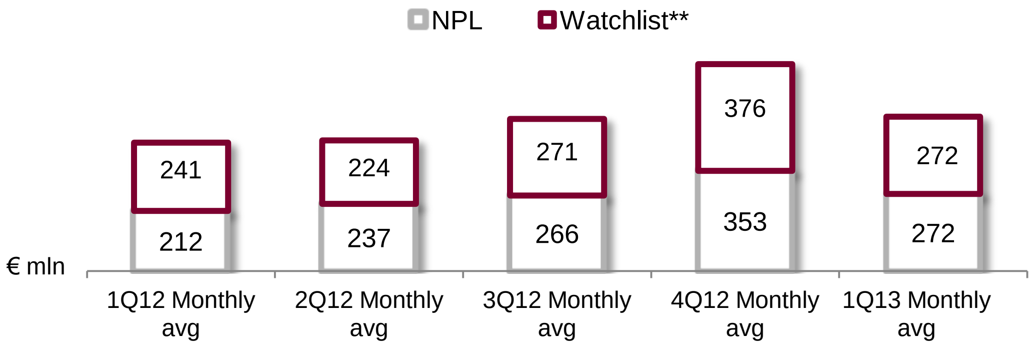


*UCI, ISP, BAPO,UBI, BPM, BPER. Source FY2012 Company Reports

**Figures were restated by excluding Biverbanca's contribution (sold on 28/12/12) and taking account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)

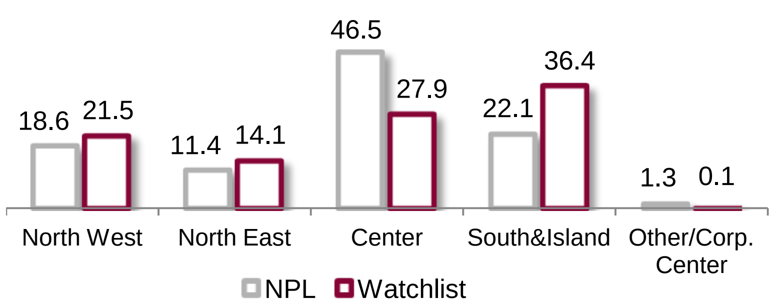
Asset quality
NPLs and watchlist inflow are down

Gross NPL and Watchlist Inflows*

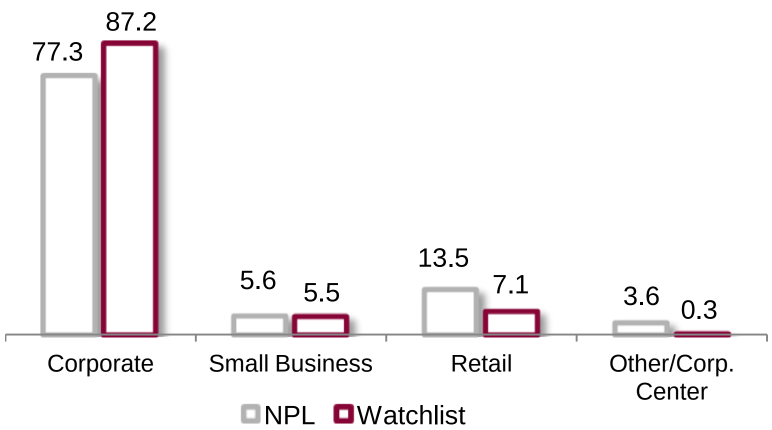


Breakdown by:

by Geography** (%) – Mar13



by Customer segment*** (%) – Mar13



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*Figures from operational data management system (Planning Area)
** Excluding objective watchlist
** Figures from operational data management system (Credit Department)
*** Figures from operational data management system (Credit Department). Small Business: turnover below EUR 5 mln or turnover between EUR 2.5 and 5 mln depending on sector

Financial Assets
Decline in line with Business Plan targets

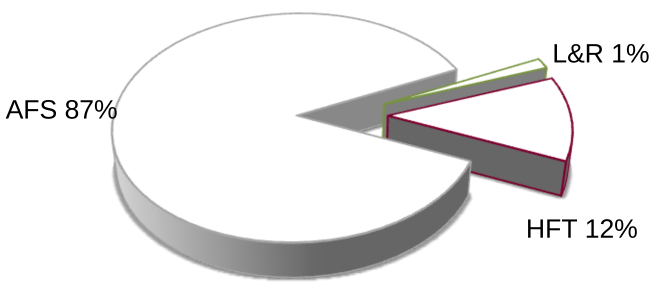
Securities and Derivatives Portfolio

Market Value *(€ mln)*	**Mar-13**	**QoQ%**
HFT	9,344	-2.3%
AFS	25,566	-0.3%
L&R	3,085	-4.1%
Total Portfolio	**37,995**	**-1.1%**

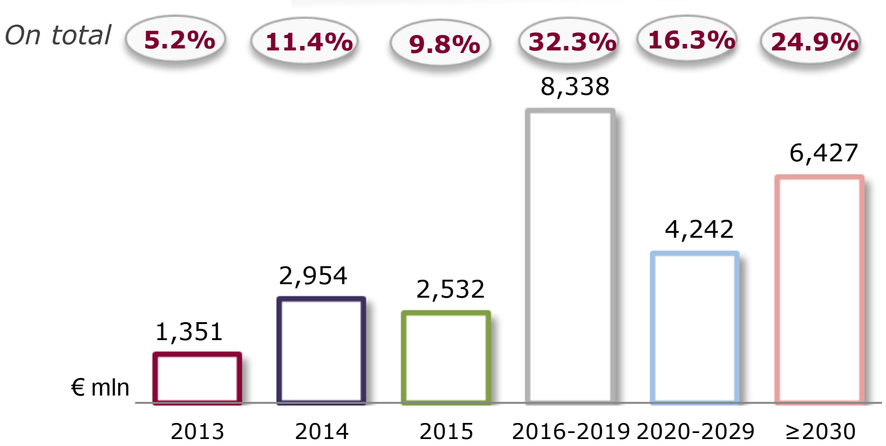
- Securities and Derivatives portfolio: EUR 38 bn (-1.1% vs Dec-12)
  - **HFT, L&R**: down, the latter especially due to natural maturity of certain securities
  - **AFS**: the component remained broadly stable since disposals on higher-capital absorption instruments were offset by new short-term investments with a lower risk profile
- Duration of Italian sovereign bond portfolio: 6.02 years vs 6.6 years in Dec-12

Italian Government Bonds: EUR 25.8 bn*

Breakdown by IAS category



Breakdown by maturity



* Nominal Value

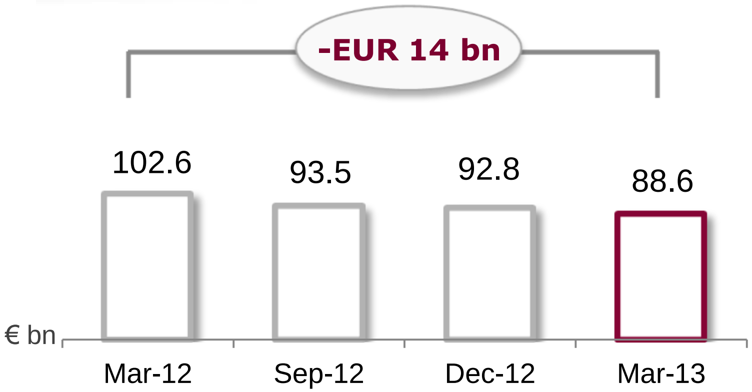
RWAs and Regulatory Capital Ratios

RWA and Regulatory Capital Ratios

€/mln	Dec-12*	Mar-13	QoQ
RWA	92,828	88,596	-4.6%
Core Tier 1	8,237	9,845	19.5%
Tier 1 Capital	8,841	10,448	18.2%
Total Capital	12,724	14,480	13.8%
Ratios (%)			
Core Tier 1 ratio	8.9	11.1	2.20
Tier 1 ratio	9.5	11.8	2.27
Total Capital ratio	13.7	16.3	2.63

Room for further RWA optimization

RWAs over time

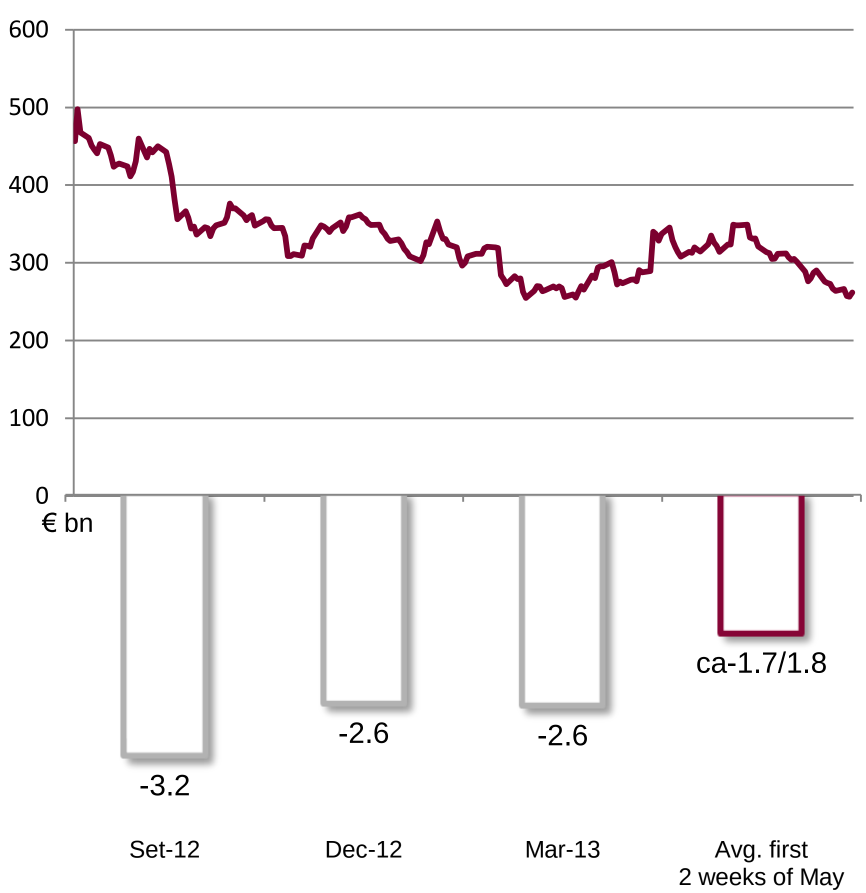


- **Core Tier 1 ratio**, including EUR 4.1 bn in New Financial Instruments, at 11.1% (8.9% as at 31 December 2012)
- **RWAs** down 4.6% from December 2012; the trend is mainly due to the sharp reduction of Basel I Floor (down from EUR 5.9 bn in December 2012 to EUR 2.8 bn as at 31 March 2013), the decline in credit and counterparty risks by EUR 0.9 bn and market risk by EUR 0.2 bn
- **Tier 1 Capital** up as a result of NFI issuance; main deductions included:
  - -EUR 101 mln, 1Q2013 net losses
  - -EUR 98 mln, deductions due to increase in shortfall of provisions to expected losses
  - -EUR 292 mln, deductions of investments in financial institutions, due to the end of grandfathering period granted on investment in insurance companies (held before 20/7/2006) wholly deducted from Total Capital up to 31-12-2012; and from 1-1-2013 deducted at 50% from Tier 1 and at 50% from Tier 2
  - -EUR 51 mln, negative prudential filters relative to DTAs arising from multiple goodwill deduction (as per communication of 9 May 2013 by the Supervisory Authority)

* Data as at 31/12/2012 was restated after the Bank was requested by the Supervisory Authority on 7 May 2013 to make a retrospective change to Tier 1 which reduced it by EUR 76 mln

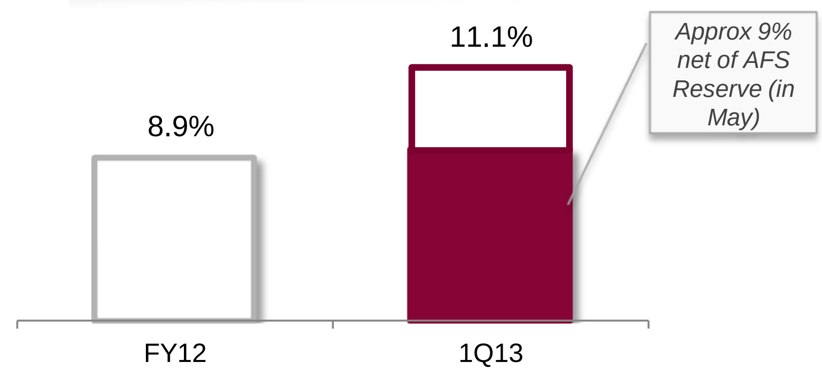
Focus on AFS Reserve and Core Tier 1

AFS* over time vs Spread



- **AFS reserve** at March 2013 was -EUR 2.6 bn (compared to -EUR 3.2 bn at time of EBA stress test on 30/9/2011)
- Estimated sensitivity of Banca MPS AFS Italy reserve *(based on 2012 figures)*:
  - Credit spread sensitivity**: ranging from EUR 10.1 mln to EUR 14.6 mln/ bps (positive effect of credit spread tightening on AFS)
  - Rates sensitivity***: EUR 3.6 EUR mln/ bps (positive effect of rates increase on AFS)

Core Tier 1 *ratio* over time



*Figures from operational data management system (Risk management Area)
** Defined as 1 basis point decrease in Italy yields while swap rates unchanged or increase in swap rates while BTP yields unchanged
*** Defined as 1 basis point increase in both Italy yields and swap rates (ie. credit spread unchanged)

Contents

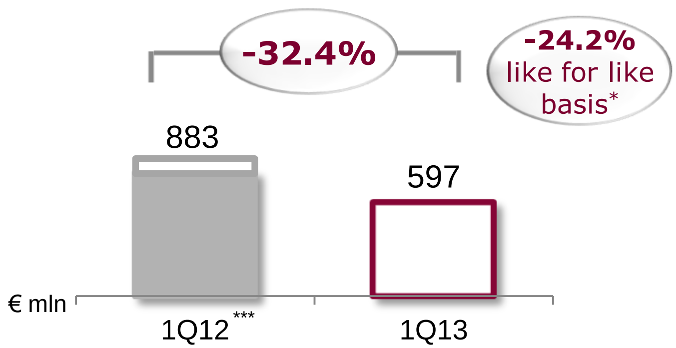
P&L: 1Q2013

MPS Group	03/31/12 (*)	03/31/13	Change Ins.	%
Net interest income	882.6	597.0	(285.6)	-32.4%
Net fee and commission income	424.3	431.3	7.0	1.7%
Income from banking activities	**1,306.9**	**1,028.3**	**(278.6)**	**-21.3%**
Dividends, similar income and gains (losses) on investments	10.6	27.2	16.6	n.m.
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	182.0	120.8	(61.2)	-33.6%
Net profit (loss) from hedging	3.2	(4.0)	(7.2)	n.m.
Income from financial and insurance activities	**1,502.7**	**1,172.3**	**(330.3)**	**-22.0%**
Net impairment losses (reversals) on:	**(435.8)**	**(494.5)**	**(58.7)**	**13.5%**
a) loans	(430.3)	(484.2)	(53.9)	12.5%
b) financial assets	(5.5)	(10.3)	(4.8)	86.8%
Net income from financial and insurance activities	**1,066.8**	**677.8**	**(389.0)**	**-36.5%**
Administrative expenses:	(768.0)	(707.3)	60.7	-7.9%
a) personnel expenses	(504.5)	(469.6)	34.9	-6.9%
b) other administrative expenses	(263.5)	(237.8)	25.7	-9.8%
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(45.4)	(38.3)	7.1	-15.6%
Operating expenses	**(813.4)**	**(745.7)**	**67.7**	**-8.3%**
Net operating income	**253.4**	**(67.9)**	**(321.3)**	**-126.8%**
Net provisions for risks and charges and other operating expenses/income	(28.3)	5.8	34.1	-120.4%
Gains (losses) on investments	4.0	1.4	(2.6)	-65.2%
Reorganisation costs / one-off charges	(1.1)	-	1.1	n.m.
Gains (losses) on disposal of investments	0.3	0.2	(0.0)	-17.5%
Profit (loss) before tax from continuing operations	**228.3**	**(60.5)**	**(288.7)**	**-126.5%**
Tax expense (recovery) on income from continuing operations	(127.2)	(31.7)	95.5	-75.0%
Profit (loss) after tax from continuing operations	**101.1**	**(92.2)**	**(193.3)**	**n.m.**
Profit (loss) after tax from groups of assets held for sale and discontinued operations	4.0	-	(4.0)	-100.0%
Net profit (loss) for the period including non-controlling interests	**105.1**	**(92.2)**	**(197.3)**	**n.m.**
Net profit (loss) attributable to non-controlling interests	(1.7)	(0.0)	1.7	-97.6%
Profit (loss) for the period before PPA , impairment on goodwill, intangibles and writedown of investment in AM Holding	**103.4**	**(92.3)**	**(195.6)**	**n.m.**
PPA (Purchase Price Allocation)	(14.4)	(8.5)	5.9	-41.0%
Impairment on goodwill, intangibles and writedown of investment in AM Holding	-	-	-	n.m.
Net profit (loss) for the period	**89.0**	**(100.7)**	**(189.7)**	**n.m.**

* As was done for the Consolidated Financial statement sas at 31.12.2012, figures were restated by excluding the contribution from Biverbanca (which was sold on 28/12/12) and taking account of changes made in compliance with both IAS 8 (Accounting policies, changes in accounting estimates and errors) and IAS 19 "Employee benefits"

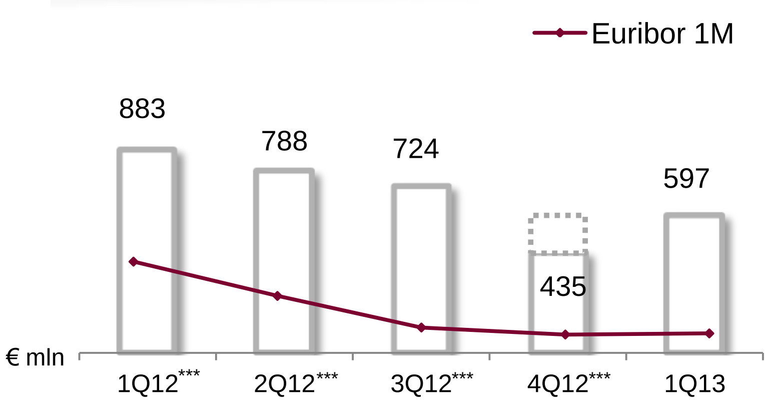
Net Interest Income
Impacted by NFI coupons

Net Interest Income (YoY)

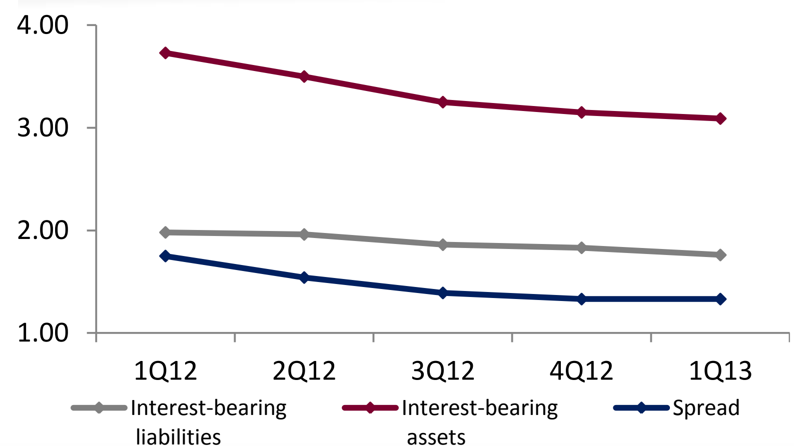


- ❑ Net interest income: +37.4% QoQ and -32.4% YoY
- ❑ As compared to normalised* 4Q12 (-0.5% QoQ), the following factors contributed to the result:
  - **Interest rate effect**: +EUR 19 mln due to repricing of on-demand and short-term loans (offsetting reduced yield on mid-long term loans) and cost reduction for on-demand products
  - **Volume effect**: +EUR 10 mln ca, thanks to the shift in funding towards less expensive components
  - **Calendar effect**: -EUR 13 mln from two fewer business days
  - Higher costs (approx. –EUR 19 mln) in connection with the issue of NFI**

Net Interest Income (QoQ)



Spread trend (%)

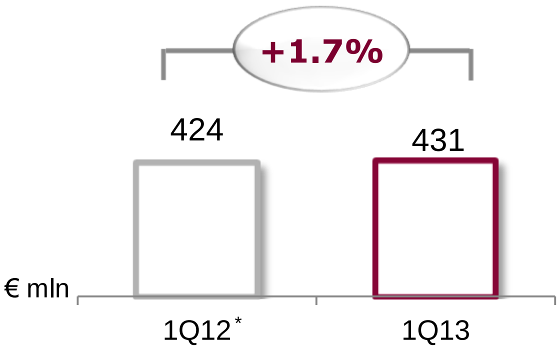


*Some elements of discontinuity, partly relating to events of prior periods under accrual accounting, emerged in 4Q12, including: recognition of interest on Tremonti Bonds for the entire amount relating to 2012, the elimination of the 'urgent facility fee' and changes in the calculation of interest payable on overdrawn amounts and changes in criteria for consolidation of Banca Popolare di Spoleto following loss of 'significant influence"
** Total quarterly amount approx. EUR 60 mln
***Figures published in the Consolidated Financial Statements as at 31/12/2012

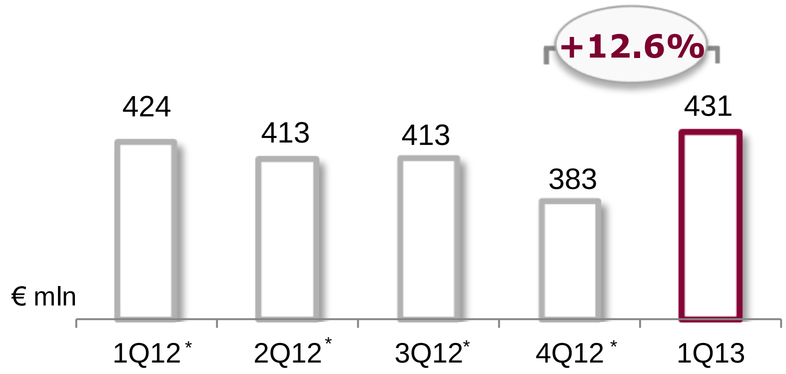
Fee and Commission Income

Significant rebound, notwithstanding February, mainly driven by bancassurance

Fees YoY



Fees QoQ



Fees breakdown

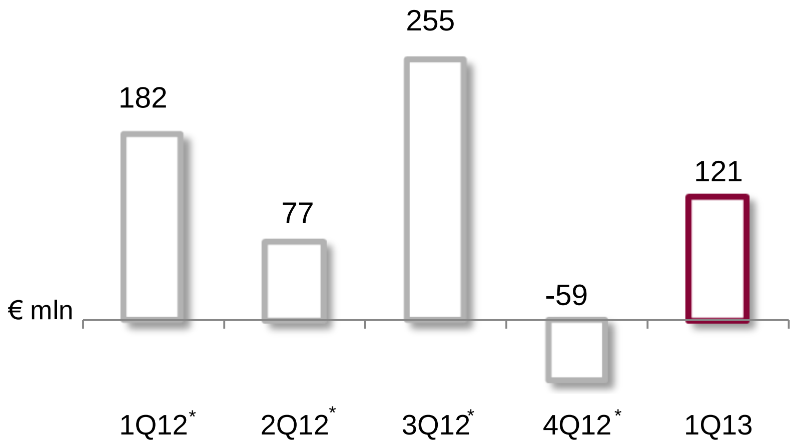
€/mln	1Q12	4Q12	1Q13	QoQ%	YoY%
AuM fees, o/w	**132**	**122**	**156**	**27.7%**	**18.0%**
AuM Placing	*56*	*43*	*75*	*76.9%*	*34.8%*
Continuing	*58*	*60*	*59*	*-0.7%*	*2.2%*
Bond Placement	*18*	*20*	*21*	*7.5%*	*16.6%*
Traditional Banking fees, o/w	**354**	**332**	**338**	**1.9%**	**-4.6%**
Credit facilities	*184*	*167*	*173*	*3.9%*	*-5.8%*
ForeignTrade	*20*	*19*	*20*	*5.3%*	*0.1%*
Payment services and client expense recoverv	*151*	*147*	*145*	*-0.9%*	*-3.7%*
Other	**-62**	**-71**	**-63**	**-11.9%**	**0.9%**
Total Net Fees	**424**	**383**	**431**	**12.6%**	**1.7%**

- Net fees and commissions picking up significantly, + 12.6% QoQ and +1.7% YoY
- The aggregate was positively affected by the significant increase in **placement of insurance products** (more than doubled as compared to the previous quarter) and, to a lesser extent, by the favorable trend in revenues from services (Foreign Trade and Credit facilities)

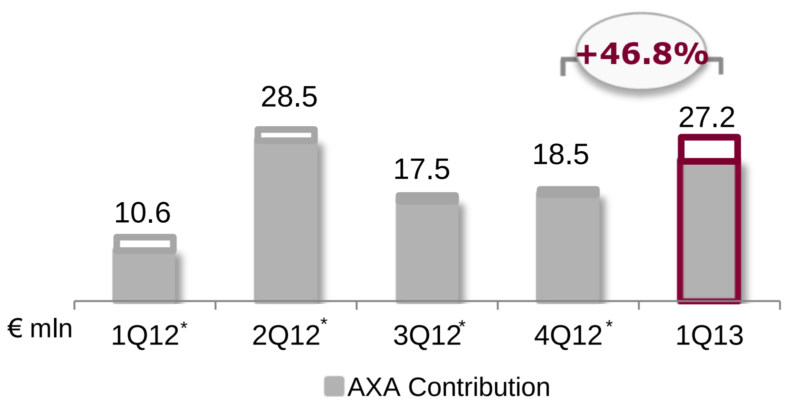
*Figures published in the Consolidated Financial Statements as at 31/12/2012

Dividends and trading

Trading/valuation of financial assets QoQ



Dividends /Profit (loss) from investments QoQ



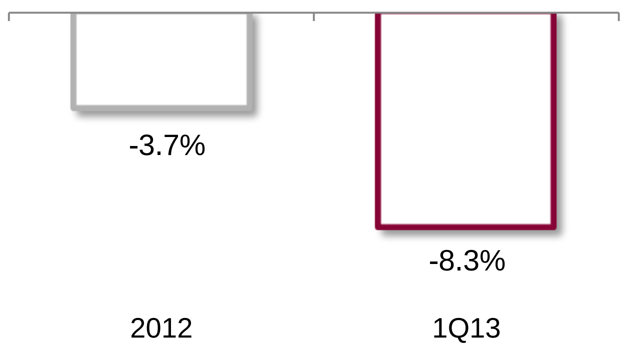
- **Net profit (loss) from trading / valuation / repurchase of financial assets/liabilities** totalled approximately EUR 121 mln and included:
  - **Net profit (loss) from trading** amounting to EUR 63.5 mln (vs. -EUR 45.8 mln in 4Q12), as a result of opportunities offered by the financial markets in the first quarter of the year
  - **Disposal / repurchase of loans, available-for-sale financial assets and liabilities**, totalling approximately EUR 24 mln (vs. - EUR 9.2 mln in Q4 2012), mainly attributable to the capital gain arising from the planned AFS optimisation of the securities portfolio
  - **Net profit (loss) on financial assets and liabilities designated at fair value** amounting to EUR 33 mln accounted for by the reduction in value of certain BMPS subordinated securities placed with institutional customers

- **Dividends, similar income and gains (losses) on investments** up significantly thanks to the contribution from AXA-MPS

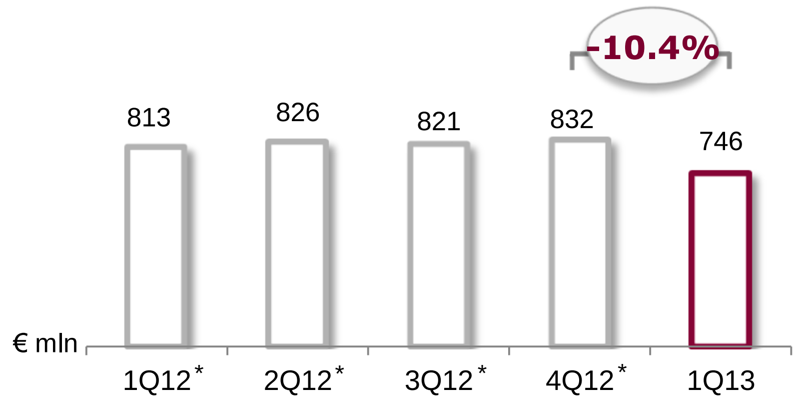
*Figures published in the Consolidated Financial Statements as at 31/12/2012

Operating Costs
Reduction ahead of Industrial Plan targets

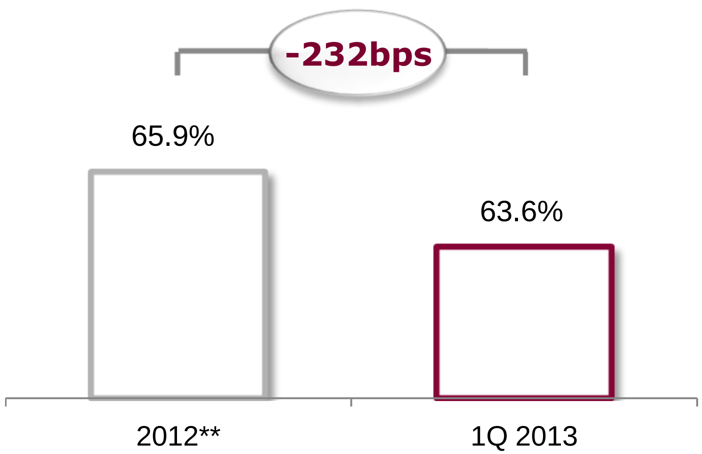
Total Costs (YoY % growth)



Operating Costs QoQ



Cost/Income

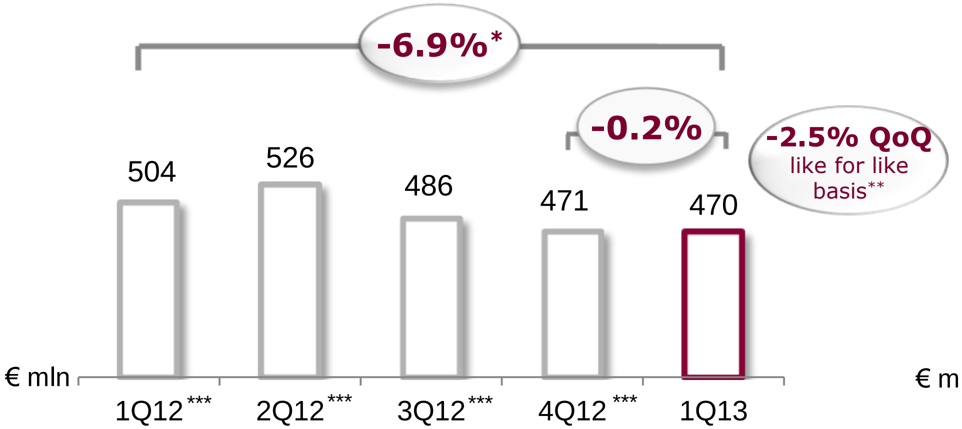


- Operating costs down significantly (-8.3% YoY)
- **Reduction in operating costs**, benefitting from resolute spending optimisation initiatives and the first effects from agreements signed with the unions at the end of 2012, with further significant impacts expected in 2013

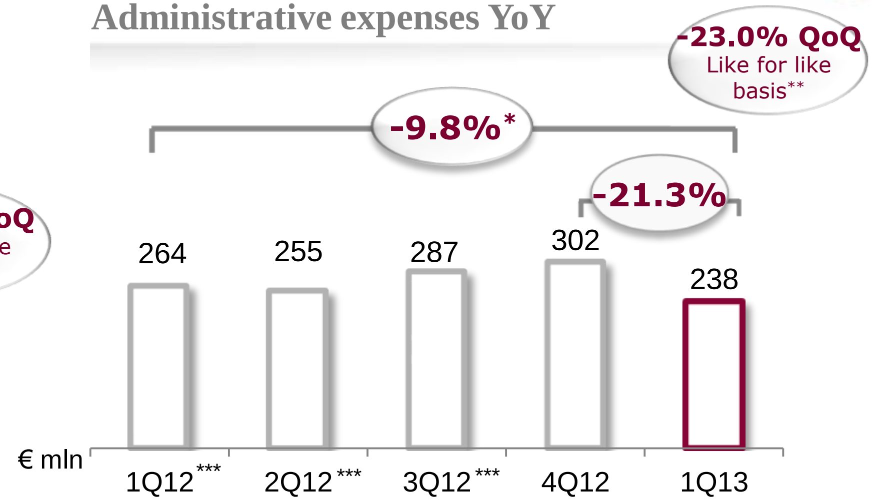
*Figures were restated by excluding Biverbanca's contribution (which was sold on 28/12/12) and considering the accounting changes made under IAS 8 (Accounting policies, changes in accounting estimates and errors) and IAS 19 "Employee benefits"
**Figures were restated to take account of changes made in compliance with IAS 19 (Employee benefits)

Operating costs
Significant containment of ALL costs components

Personnel expenses QoQ

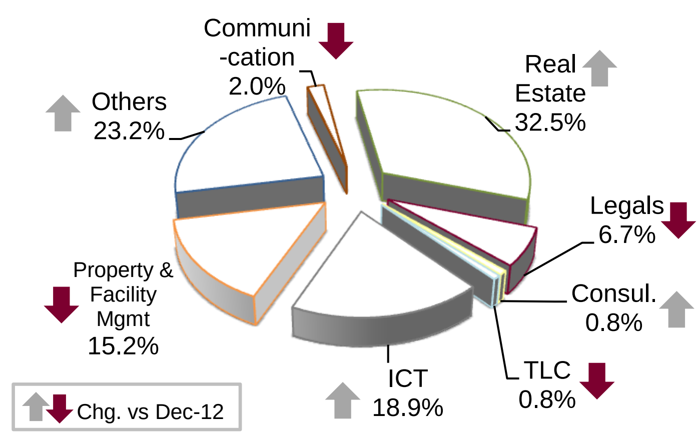


Administrative expenses YoY



Group Headcount

Administrative expenses: breakdown



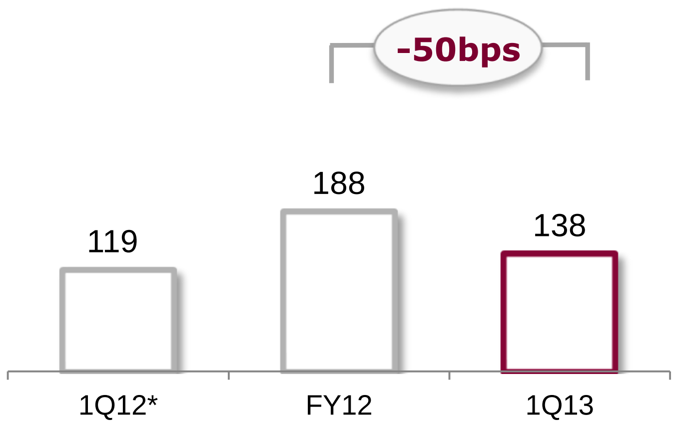
*Personnel expenses -6.4% YoY like for like basis. Administrative expenses -9.0% YoY like for like basis

**Restated by excluding Banca Popolare di Spoleto's deconsolidation effects, which were entirely accounted for in the fourth quarter of 2012, although relating to other quarters under accrual accounting

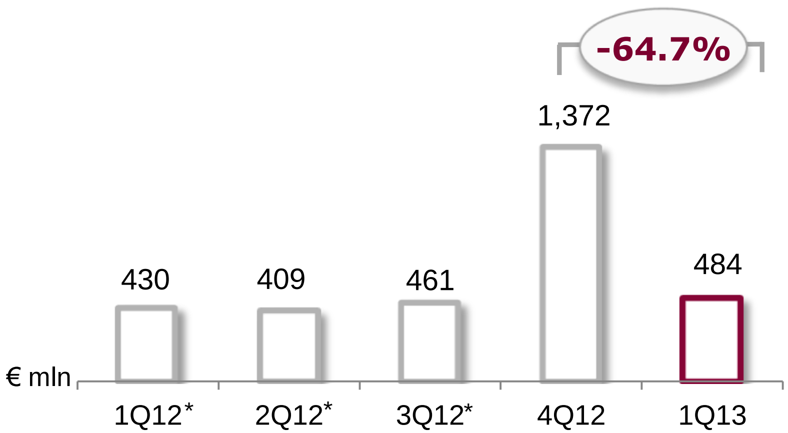
***Figures were restated by excluding Biverbanca's contribution (which was sold on 28/12/12) and considering the accounting changes made under IAS 8 (Accounting policies, changes in accounting estimates and errors) and IAS 19 "Employee benefits"

Provisioning
Difficult macro environment driving up cost of credit

Provisions annualized (bps)



Net impairment losses on loans



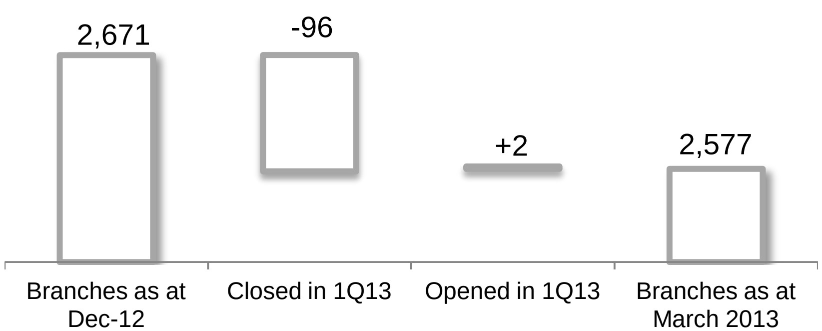
- Within the framework of a prudential provisioning policy, the **cost of credit** is still high on account of the prolonged macroeconomic downturn, although improving from 2012 (-50 bps vs Dec 2012)
- **Net loss provisions on impairment of loans** significantly improving from previous quarter (-64.7% QoQ); +12.5% YoY as a result of the prolonged crisis which has prompted an accelerated growth in impaired loans

*Figures were restated by excluding Biverbanca's contribution (sold on 28/12/12) and taking account of changes in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)

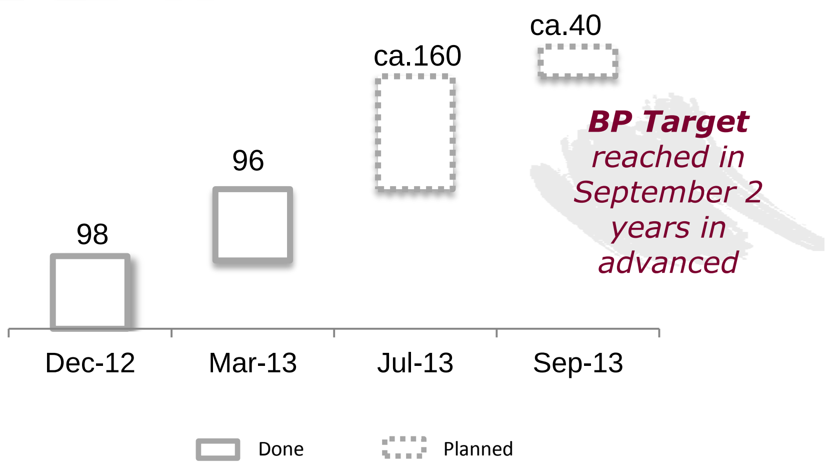
Contents

Network rationalisation
Closure of non core branches ahead of schedule

Branches



Focus on network rationalization



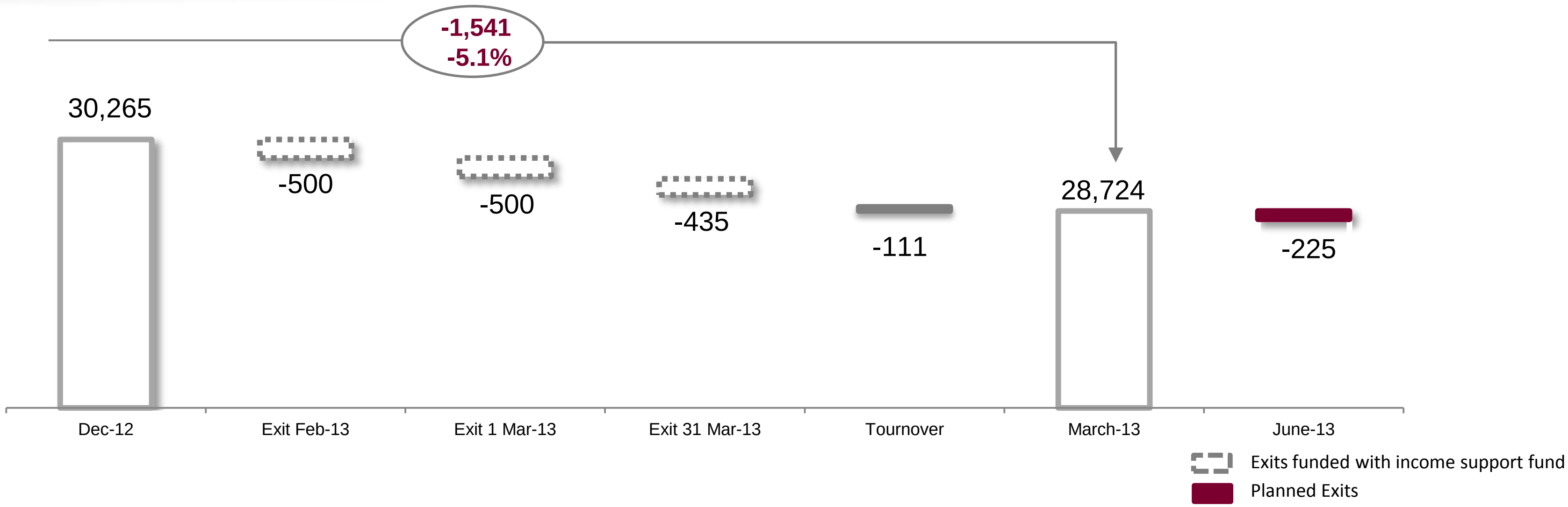
- Market coverage optimisation completed, by simplifying Local Market Units' internal layout and refocusing sales objectives
- **Further 96 branches closed in 1Q13**; 17 specialised business centres opened, including 12 Institutional Clients centres.
- Closure of an additional approx. 160 branches started, for completion by July; full achievement of BP target expected by September
- **Disposal of Biverbanca** completed
- **Merger by absorption of Banca Antonveneta** completed in April and of **Mps Gestione Crediti Banca** in May

Figures from operational data management system (Retail/Corporate Area)

Management of personnel

ca60% of reduction target already achieved

Realized and Planned Exits

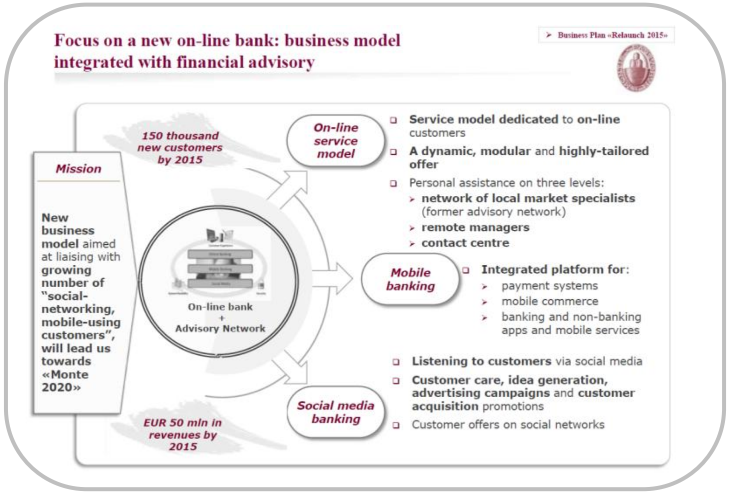


- **Scheme to reduce executives headcount** and salary level is well under way
- **1,600** employees were **supported into retirement** with the activation of the Banking Industry's Solidarity Fund
- Definition of **Work-by-objectives** model to boost sales and distribution in 2013; new operating parameters and methodologies to be applied in the next few years are being developed

Developing business productivity

- ❑ Launch of new **Private Banking Area**, during annual meeting of 13 and 14 May
  - New rules defined for sales and distribution supply chain for Private customers
  - Multiple initiatives in place to relaunch asset management and related advisory services, with a special focus on “high value” customers
  - Addition of 100 new Private Bankers

- ❑ Relaunch of the **On Line Bank**
  - New Head hired
  - New internet banking developed; new on-line trading and mobile banking applications released



Key messages | Balance sheet | P&L | Business Plan update

Thank you for your attention

Q&A

Annexes

P&L: quarterly trend

MPS Group	2012 (*) 1st quarter	2nd quarter	3rd quarter	4th quarter	2013 1st quarter
Net interest income	882.6	788.1	724.4	434.5	597.0
Net fee and commission income	424.3	412.6	413.1	382.9	431.3
Income from banking activities	**1,306.9**	**1,200.7**	**1,137.4**	**817.4**	**1,028.3**
Dividends, similar income and gains (losses) on investments	10.6	28.5	17.5	18.5	27.2
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	182.0	76.5	255.1	-59.2	120.8
Net profit (loss) from hedging	3.2	1.9	-3.6	1.6	-4.0
Income from financial and insurance activities	**1,502.7**	**1,307.5**	**1,406.5**	**778.3**	**1,172.3**
Net impairment losses (reversals) on:	**-435.8**	**-518.8**	**-474.8**	**-1,464.8**	**-494.5**
a) loans	-430.3	-408.7	-461.0	-1,371.6	-484.2
b) financial assets	-5.5	-110.1	-13.8	-93.2	-10.3
Net income from financial and insurance activities	**1,066.8**	**788.7**	**931.7**	**-686.5**	**677.8**
Administrative expenses:	-768.0	-780.7	-772.6	-772.9	-707.3
a) personnel expenses	-504.5	-525.7	-485.8	-470.6	-469.6
b) other administrative expenses	-263.5	-255.0	-286.8	-302.3	-237.8
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	-45.4	-45.7	-48.5	-59.2	-38.3
Operating expenses	**-813.4**	**-826.4**	**-821.1**	**-832.0**	**-745.7**
Net operating income	**253.4**	**-37.7**	**110.6**	**-1,518.5**	**-67.9**
Net provisions for risks and charges and other operating expenses/income	-28.3	-66.1	-47.1	-184.7	5.8
Gains (losses) on investments	4.0	-5.8	1.5	-57.8	1.4
Reorganisation costs / one-off charges	-1.1	-20.0	-11.7	-278.2	
Gains (losses) on disposal of investments	0.3	0.6	6.4	0.1	0.2
Profit (loss) before tax from continuing operations	**228.3**	**-129.0**	**59.7**	**-2,039.2**	**-60.5**
Tax expense (recovery) on income from continuing operations	-127.2	71.7	-76.8	516.5	-31.7
Profit (loss) after tax from continuing operations	**101.1**	**-57.4**	**-17.0**	**-1,522.7**	**-92.2**
Profit (loss) after tax from groups of assets held for sale and discontinued operations	4.0	6.6	3.2	-3.0	
Net profit (loss) for the period including non-controlling interests	**105.1**	**-50.7**	**-13.9**	**-1,525.7**	**-92.2**
Net profit (loss) attributable to non-controlling interests	-1.7	-2.7	-1.1	27.0	(0.0)
Profit (loss) for the period before PPA , impairment on goodwill, intangibles and writedown of investment in AM Holding	**103.4**	**-53.4**	**-14.9**	**-1,498.7**	**-92.3**
PPA (Purchase Price Allocation)	-14.4	-13.3	-10.9	-11.7	-8.5
Impairment on goodwill, intangibles and writedown of investment in AM Holding		-1,574.3		-80.0	
Net profit (loss) for the period	**89.0**	**-1,641.0**	**-25.8**	**-1,590.5**	**-100.7**

* Figures for the first three quarters of 2012 are those published in the Consolidated Financial Statements as at 31/12/2012. Data for the fourth quarter of 2012 was restated by considering changes made in compliance with IAS 19 "Employee benefits"

Contacts

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Declaration of the Financial Reporting Officer

Pursuant to para. 2, article 154-bis of the Consolidated Law on Finance, the Financial Reporting Officer, Mr. Bernardo Mingrone, declares that the accounting information contained in this document corresponds to the underlying documentary evidence and accounting records.

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