Banca Monte dei Paschi di Siena

Una storia italiana dal 1472

3Q2012 GMPS Results

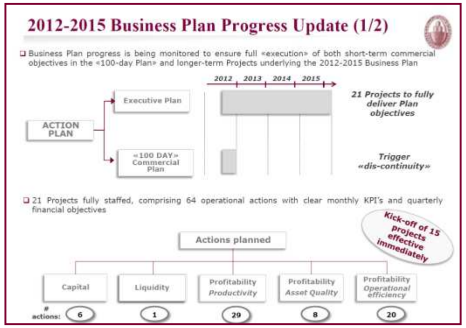
Siena, 14 November 2012

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Contents

Business Plan progress update

Turnaround kicks off with “100-Day Plan”

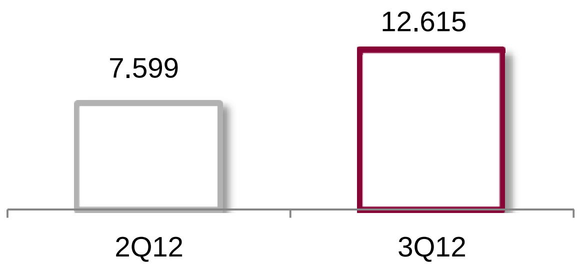


- The “100-day Plan”, kicked off at the beginning of July, consists of several actions aimed at leveraging the current offering and service model to fill the existing commission and funding gap
- More than 100 initiatives, 50% started prior to September 2012

	Action plan (main items)	First milestones
100-day plan **Commercial results**	New products and initiatives (i.e. adv campaign “5% - for 5 years- for new clients”) Targeted and limited production of medium/long term loans Focus on Small Business with new short-term loans Targeted initiatives on retail clients Increase in product placement through a new MiFID-compliant, advisory-based sales approach New partnership with CartaSi for payments	Positive net inflow in net new customers and direct deposits Deleveraging and focus on higher profitability loans Positive net inflows recorded in asset management in September Positive impact on payments already in 2012
Cost Cutting	Network rationalization Strong acceleration in cost cutting programme	Cost cutting actions identified in Plan are underway, with progress as per timetable
Risk profile	Strengthen risk management and monitoring across the supply chain	Top 10 client loan concentration down from 3.2% to 2.7% Govies (AFS portfolio) reduced by EUR 415 mln (net of market effect)

Continuing growth of Customer Base
“100-Day Plan”

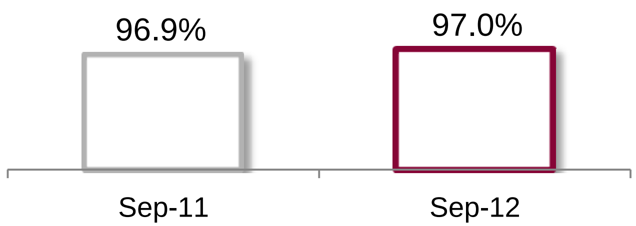
Net new customers (ex Biver)



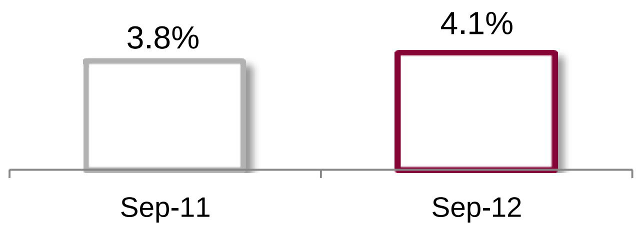
Main Trends

- Net new customers increased by over 59,000 ytd
- New customer flows up 66% QoQ
- Most of new customers acquired through ContoItaliano (click & mortar) and Spider prepaid debit card campaigns

Retention Rate* (ex Biver)



Acquisition Rate* (ex Biver)

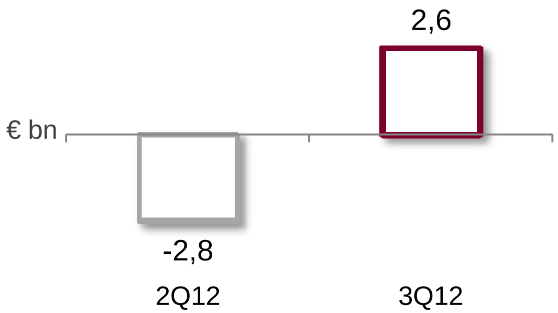


*Annualized
** New clients average assets measured 6 months following acquisition

Funding gap: turnaround in deposit inflows

"100-Day Plan"

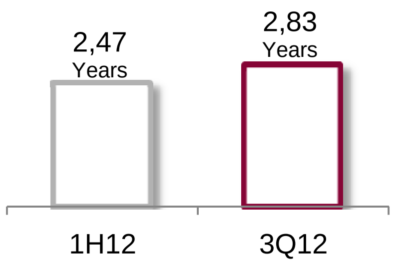
Direct Funding flows

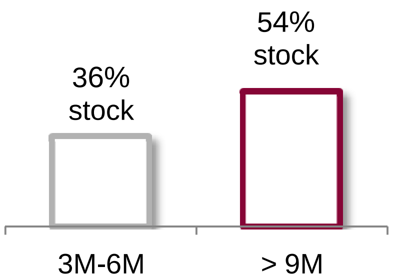


Long Term *(Bonds)*

Short Term *(Time Deposits)*

Average Maturity





	1H12	3Q12	1H12	3Q12
Cost of funding *(on new production on retail funding)*	Eur 6m + 272bps	Eur 6m + 306bps	Eur 6m + 110bps	Eur 6m + 113bps

Total cost of short term *(on new production)*

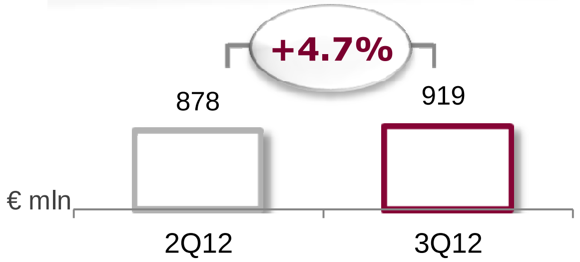
Main Trends

- Strong **increase in Direct Funding flows** in 3Q12
- Average maturity increased on long term funding
- Majority of short term stocks maturity > than 9 months
- Retail Banking added an extra EUR 1.5 bn counterbalancing capacity through securities lending

Indirect deposits: bancassurance driving positive inflows

"100-Day Plan"

GMPS Gross inflows of Savings Products



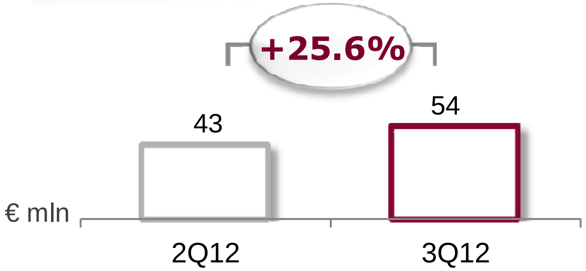
First Milestones

- Placement of protected unit-linked policies: +50% vs H1 (>30% GWP market share)
- Launch of "Vita Preziosa", pioneer in critical illness products in Italy
- Launch of P&C retail multi-guarantees product (about 56K policies YTD)
- New current account product (Avg premiums up approx. 350%)
- About 31K policies sold through Call Center Selling, activated on about 2K branches

Next Steps

- Innovation in financial engineering to improve range of protected policies
- Further push of pure risk unit-linked products
- Commercial Bundling with GMPS Deposits
- Upgrade of Advice platform with Retirement-specific tool (MPS Advice – Retirement)

AXA-MPS Life & Protection



First Milestones

- Pension funds: Bundling with long term care policies (leading LTC player in Italy)
- Market share in Personal Pension Plans: 32.7%

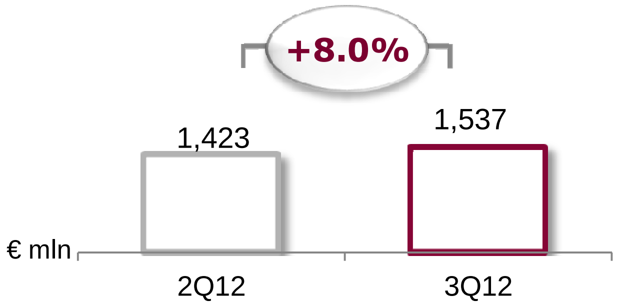
Next Steps

- Complete roll out, develop offering with new features (eg black box) and activate new channels (internet, DM and FA)

New loan facilities drawn: first signs of recovery

“100-Day Plan”

Loan amount drawn

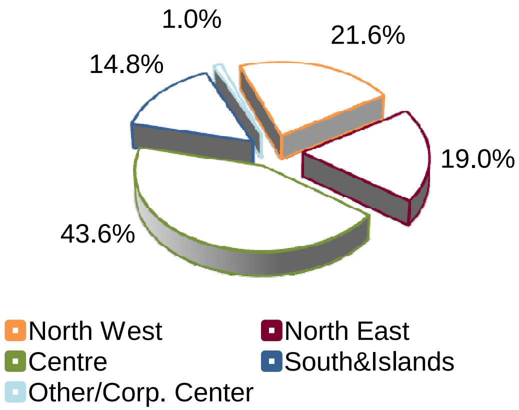


Breakdown

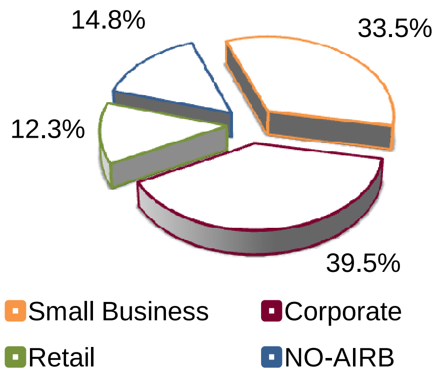
Main Trends

- Loan amount drawn up by approx. 8% in the quarter
- Strong focus on high-quality customers, which accounted for 73% of credit facilities granted in September
- 10% of total loan amounts drawn is from new customers, the remainder is from bank customers with internal credit rating

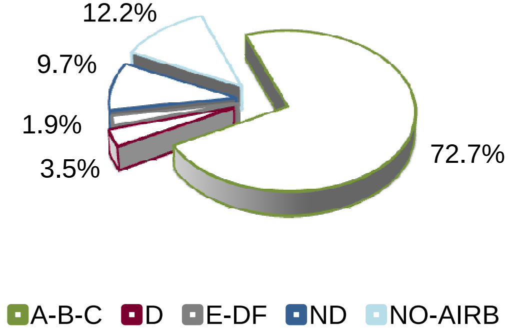
by Geography



by Segment



by Class rating



Credit Cards: seizing new market opportunities

"100-Day Plan"

	Key fact	Business Plan 2015
Issuing	Market Share: 5.0% Total cards: 3.8 mln	*Market Share:* **6.0%** *Total card:* **5.3 mln**
Acquiring	Market Share POS terminals: 9.9% Volume: 7.5 bn	*Market Share POS terminals:* **10.3%** *Volume* **10.6 bn** **About 39% increase of revenues per Pos**

MPS Strengths

New business model for:

- A leaner process
- Larger scope and scale economies
- High tech products (C-Less card and POS)
- A stronger brand identity
- The introduction of a Loyalty programme
- Lower fraud risk

2012-2015:

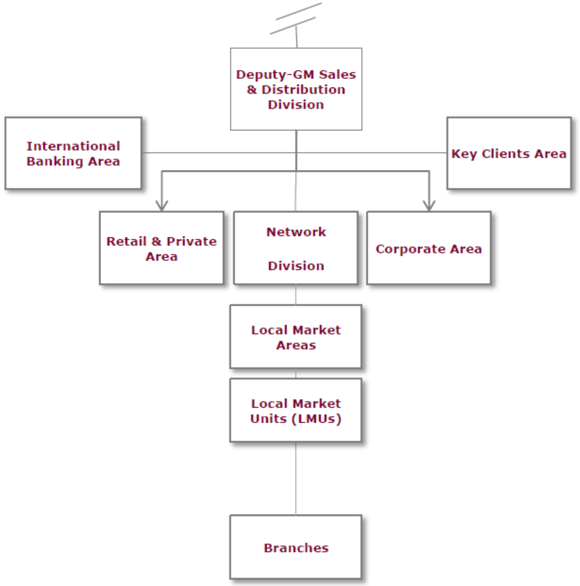
- Cumulative Savings of **EUR 31Mln**
- Total cumulative additional revenues of **EUR 118Mln**

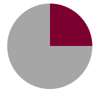
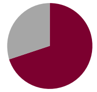
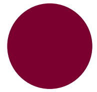
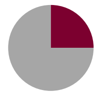
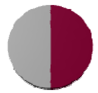
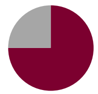
CartaSi

New business model with CartaSi

- **Full GMPS ownership of the relationship with its customers**
- CartaSi provides full white label outsourcing services
- **New cards and services range**
- Fraud risk covered by CartaSi

Network razionalization
“100-Day Plan”

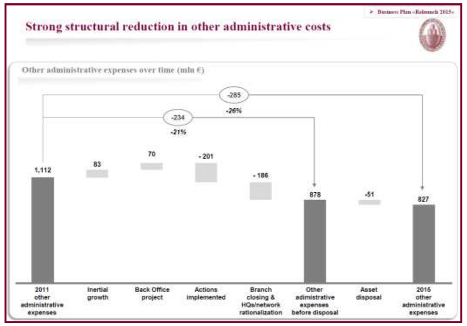


Business Plan 2015	Results	Status
Reduction of 400 branches by 2015	100 branches to be closed by 2012	
Reduction of 100 managers (25% of total) by 2015	Reduction of 70 managers by 2012	
Rationalization of Local footprint trough reduction of Territorial Areas* from 12 to 8	Completed reduction of Territorial Areas* from 12 to 8	
Relaunch of Private banking	New Head of Private Banking appointed	
Brand and headquarter rationalization	Merger of BAV and MPSGC into MPS approved	
Sale of Biverbanca	Completion only subject to Regulatory approval	

*Including BAV

Cost cutting rollout in 2013-2015

"100-Day Plan"



- ❑ Significant progress already made in the costs cutting programme for *Other administrative expenses* (EUR 285 mln net reduction expected by 2015)

Area of intervention

Rental spaces and Real Estate

- ❑ Reduction/elimination of **non-strategic business costs** through the Launch of a "Cost Optimization Room" to identify opportunities for reducing structural and sustainable expenses in light of market best practices and **align demand** with user needs
- ❑ Rationalize **use of Head office space** to reduce spending
- ❑ **Closure of** first **100 branches** with consequent transfer of customers and personnel to nearby branches: Target of 400 branch closures by 2013 confirmed
- ❑ Renegotiation of **leasing** contracts to re-align them with property market trends; 210 **properties held for sale**

Relationship

- ❑ Introduction and enforcement of **paperless processes and culture**

Organization

- ❑ Development of new **security management** model, expected to reduce the risk of robberies and thefts in branches by approx. 50%
- ❑ Significant boost to network productivity from new **front-end Paschi-FACE**

3Q12 Results - Balance sheet

Assets & Liabilities

Total Assets

€/mln	Sep-11*	Jun-12	Sep-12	QoQ%	YoY%
Customer loans	155,061	144,461	145,328	0.6%	-6.3%
Loans to banks	16,294	17,130	12,371	-27.8%	-24.1%
Financial assets	59,464	51,565	47,704	-7.5%	-19.8%
Tangible and intangible fixed assets	8,949	2,685	2,662	-0.9%	-70.3%
Other assets**	12,043	16,268	15,990	-1.7%	32.8%
Total assets	**251,811**	**232,109**	**224,054**	**-3.5%**	**-11.0%**

Main Trends

- Lending remained steady (+0.6% QoQ) in spite of a lower demand for credit while impaired loans increased
- The securities portfolio benefitted from the higher value of fair-valued assets as a result of tighter spreads

Total Liabilities

€/mln	Sep-11*	Jun-12	Sep-12	QoQ%	YoY%
Deposits from customers and securities issued	160,237	132,399	135,303	2.2%	-15.6%
Deposits from banks	32,553	46,673	41,008	-12.1%	26.0%
Other liabilities***	42,254	43,184	37,450	-13.3%	-11.4%
Group equity	16,527	9,630	10,063	4.5%	-39.1%
Non-controlling interest	240	223	230	3.0%	-4.4%
Total Liabilities	**251,811**	**232,109**	**224,054**	**-3.5%**	**-11.0%**

Main Trends

- In a still-fragile and uncertain climate, the Group focused on increasing funding volumes with retail & corporate customers, particularly direct funding (+2.2% QoQ), which enabled the reduction in GMPS' ECB exposure

* Data published in 1H12 Financial Report
** Cash and cash equivalents, equity investments, other assets;
*** Financial liabilities held for trading, provision for specific use, other liabilities

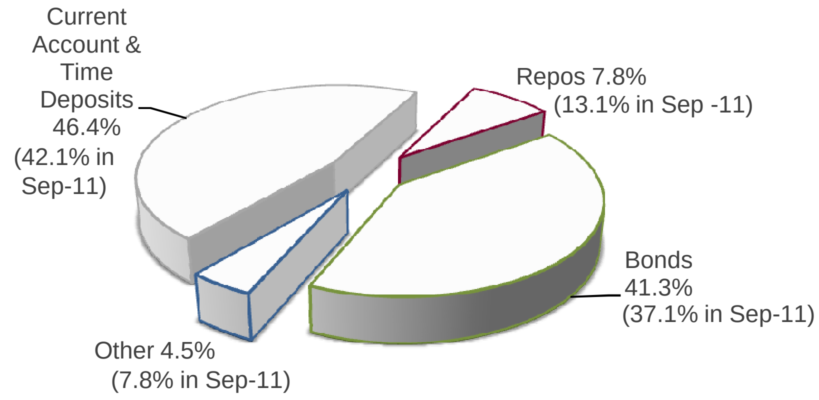
Direct funding

Direct funding by Source

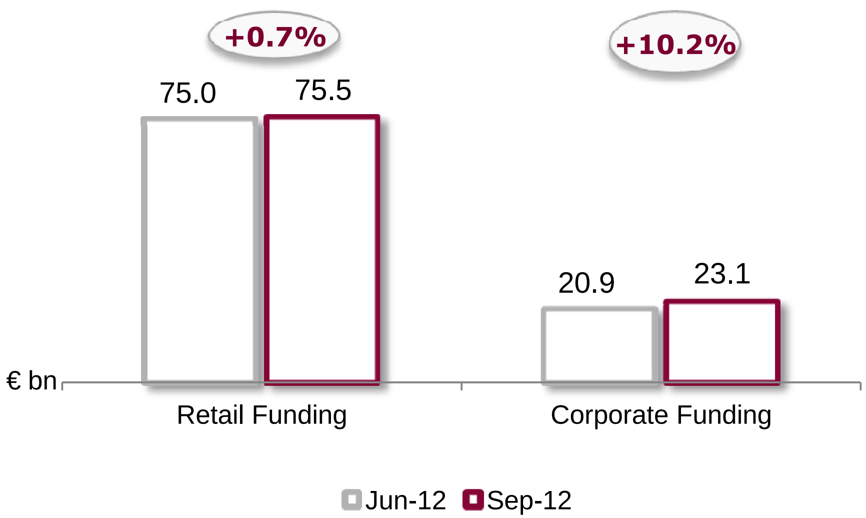
€/mn	Sep-11*	Jun-12	Sep-12	QoQ%	YoY%
Current accounts & Time deposits	66,260	60,672	62,776	3.5%	-5.3%
Repos	20,631	8,604	10,556	22.7%	-48.8%
Bonds	58,416	57,096	55,829	-2.2%	-4.4%
Other types of direct funding	12,266	6,027	6,142	1.9%	-49.9%
Total	**157,574**	**132,399**	**135,303**	**2.2%**	**-14.1%**

of which:

Direct Funding by Source



Direct Funding by Segment**



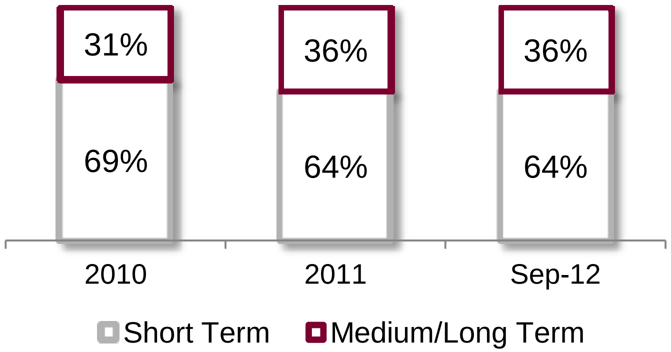
Main Trends

- Direct funding increased by 2.2% vs 2Q12: increase in retail & corporate funding (+EUR 2.6 bn) while institutional funding remains stable (with decline in bonds and rise in repos)
- YoY fall of approx. EUR 22 bn (-14.1%) largely owing to institutional counterparties (approx. 73%): Central Clearing House funding switched to ECB funding

* Data was restated to exclude Biver which was classified among assets held for sale and discontinued operations as at 30 June 2012
** Customer accounts and securities - Distribution network

Focus on the network's placing power

Funding breakdown

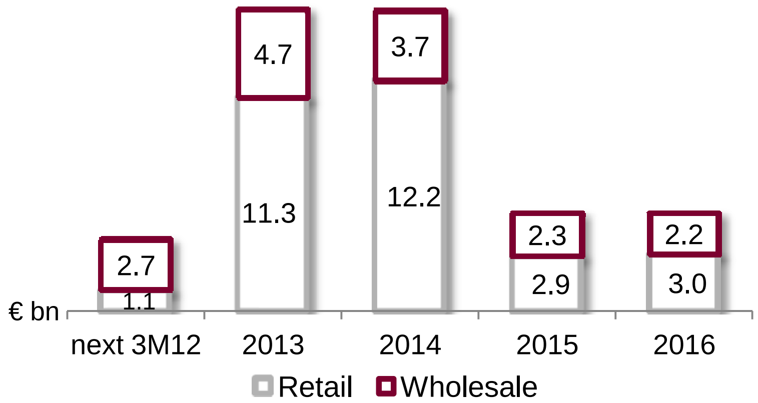


Main Trends

- Extension of our funding maturities continued in 3Q12
- In September 2012, BMPS successfully returned to the public market with the issuance of a EUR 500 mln senior bond priced flat to the secondary trading level
- No further need for public issuance: 4Q12 wholesale bond maturities already met by retail funding

Placing power: Bonds issued

Bond Maturities breakdown**

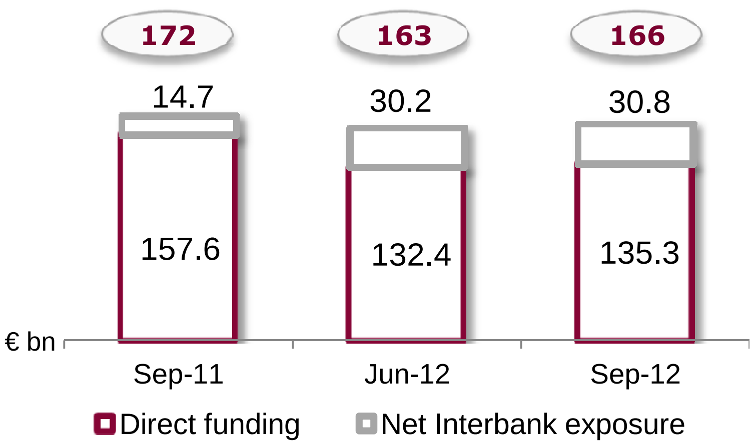


* 4.6 €bn including private placement

** Outstanding amount are net of repurchases

Institutional funding and Interbank Exposure

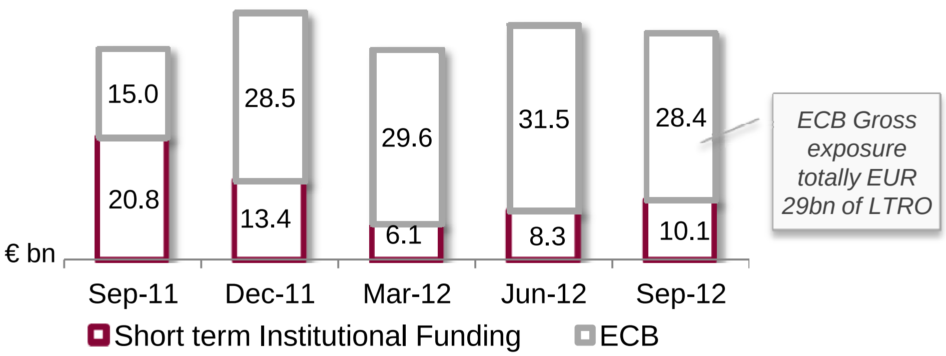
Direct Funding and Net Interbank Exposure*



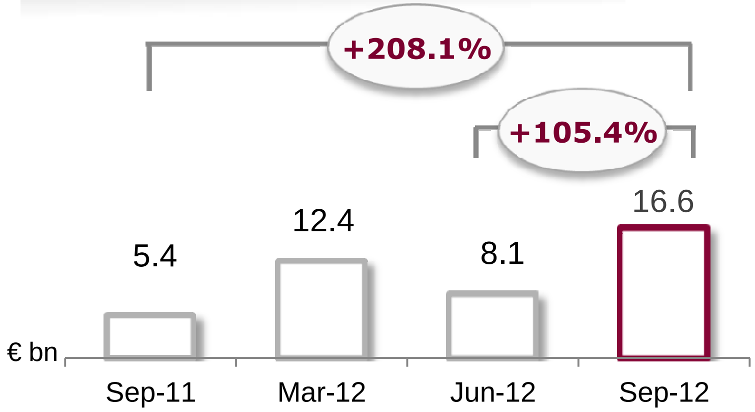
Main Trends

- Institutional funding component increased (+ EUR 1 bn vs June 2012)
- Unencumbered counterbalancing capacity bolstered significantly in 3Q12 (+EUR 8.5 bn vs June 2012, and + EUR 11.2 bn vs September 2011), through increased focus on retained covered bond programme

Institutional Funding vs ECB Net Exposure



Unencumbered counterbalancing capacity**



* Loans to banks/deposits from banks are inclusive of loans to banks/deposits from banks comprised in financial assets/liabilities held for trading.
** Counterbalancing capacity is the total amount of assets immediately available for use to meet liquidity needs.

Indirect funding

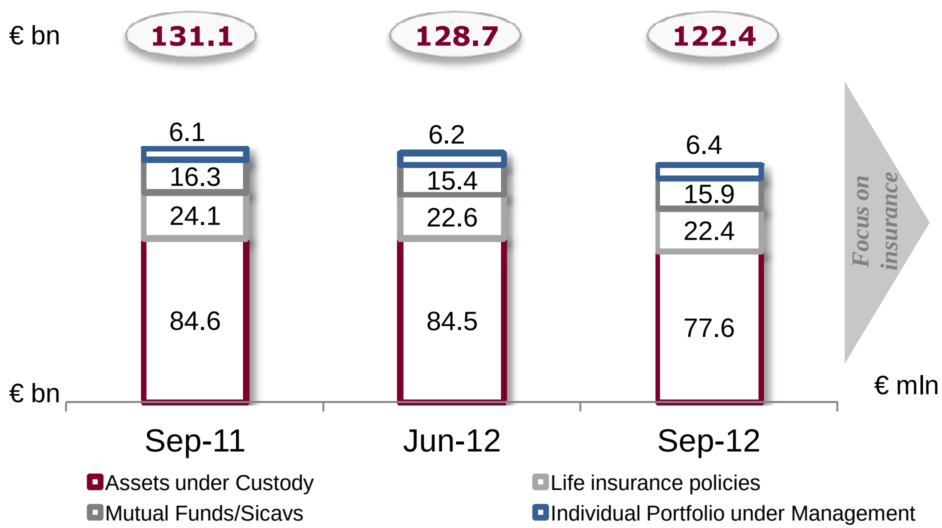
Indirect funding

€/mln	Sep-11*	Jun-12	Sep-12	QoQ%	YoY%
Assets under custody	84,630	84,452	77,641	-8.1%	-8.3%
Assets under management	46,515	44,286	44,766	1.1%	-3.8%
Total	**131,145**	**128,738**	**122,406**	**-4.9%**	**-6.7%**

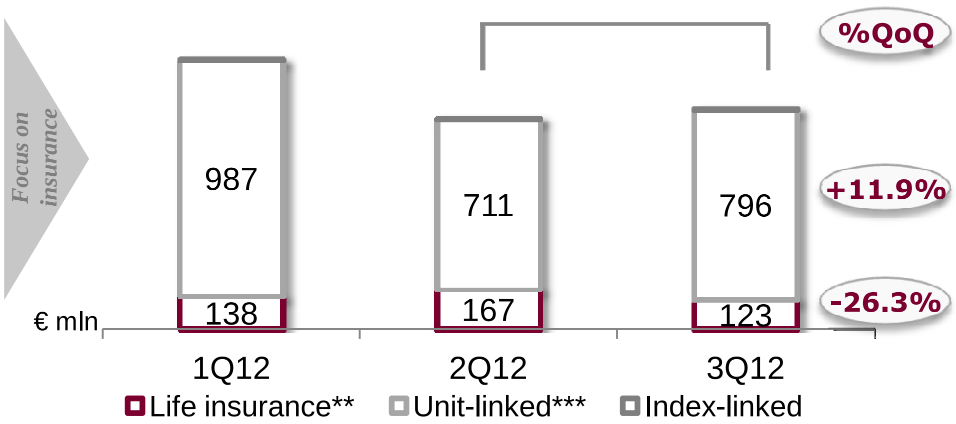
Main Trends

- Indirect funding was down 4.9% on 2Q12, as a result of the slowdown in both AUM and AUC:
  - Assets under custody decreased by 8.1% on 2Q12 primarily owing to the cancellation of treasury shares held for some of the Group's Large Corporate customers in July 2012 (approx. EUR 1.5 bn)
  - Assets under management increased by 1.1% on 2Q12, driven by a positive market effect

Indirect funding breakdown



Annual Insurance premiums breakdown



* Data was restated to exclude Biver
** Including pension products
*** Including multi-line insurance products

Lending

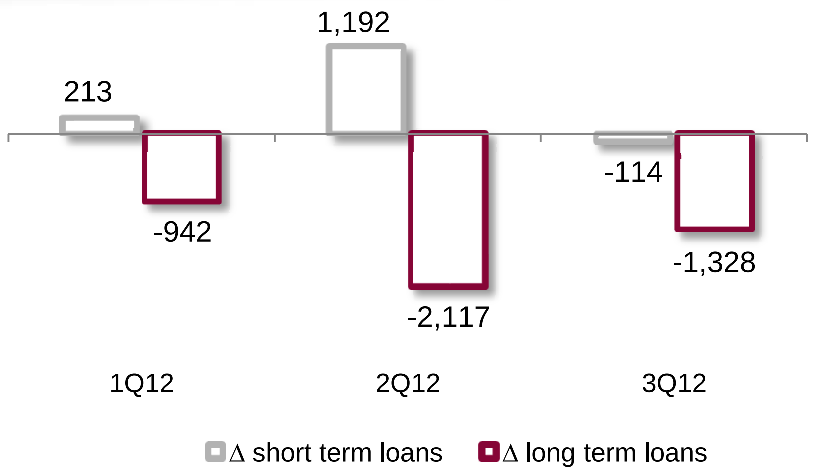
Total Lending

€/mn	Sep-11*	Jun-12	Sep-12	QoQ%	YoY%
Current accounts	15,996	13,570	13,480	-0.7%	-15.7%
Mortgages	80,742	76,756	74,640	-2.8%	-7.6%
Other forms of lending	37,053	34,596	35,215	1.8%	-5.0%
Reverse repurchase agreements	2,052	508	1,815	n.m.	-11.6%
Loans represented by securities	3,822	3,015	2,754	-8.7%	-28.0%
Impaired loans	13,073	16,016	17,424	8.8%	33.3%
Total	**152,740**	**144,461**	**145,328**	**0.6%**	**-4.9%**

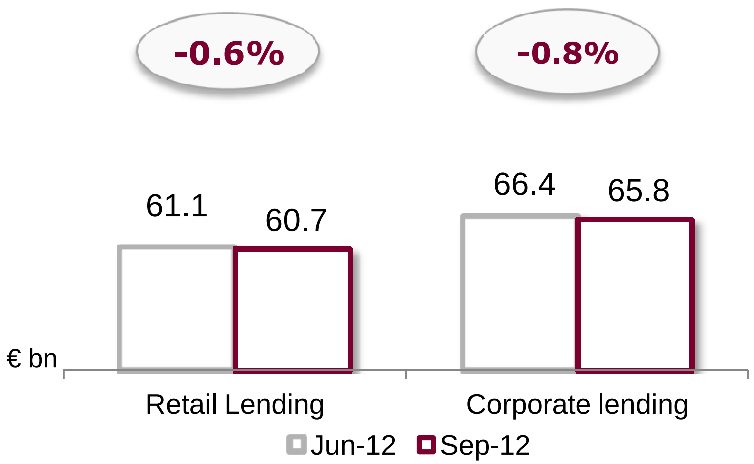
Main Trends

- In 3Q12, Loans to customers were substantially in line with 2Q12 (+0.6% QoQ)
- Deleveraging focused on medium-long term component
- MPSCS special-purpose loan flows were substantially stable in 3Q12 (+0.5% QoQ), while negative flows were recorded by Consum.it and MPS L&F

Retail/Corporate Division: changes in net loan flows



Interest Bearing** Loans by segment



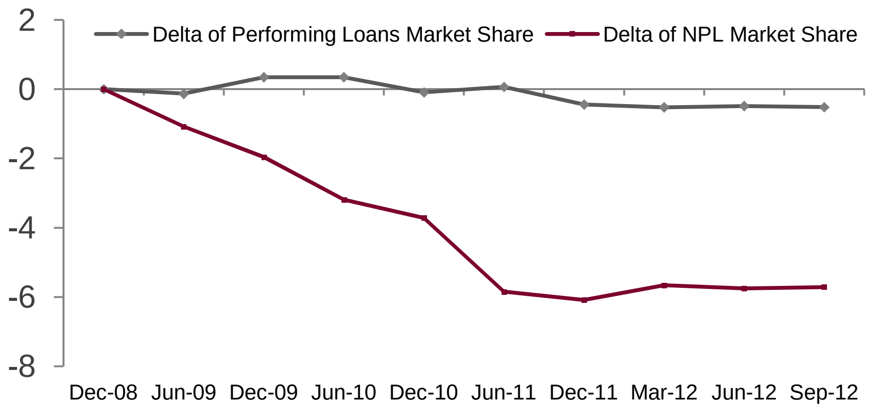
* Data was restated to exclude Biver
**Loans excluding net NPLs

Asset quality and Risk profile

Low Risk Concentration	❑ High-granularity loan book ▪ top 10 customers account for 2.7% of total loans as at September 2012 vs. 3.2% in September 2011 ▪ strong geographical diversification
Steady NPL coverage	❑ NPL coverage at 55% stable throughout the crisis
Slightly lower probability of default	❑ Probability of default declined to 2.13% from 2.23% at the end of 2011
High level of collateralization	❑ 70% of loan book fully collateralized, accounting for 247% of net exposure

Asset quality

Mkt share (Delta %) of Performing and Non-Performing Loans



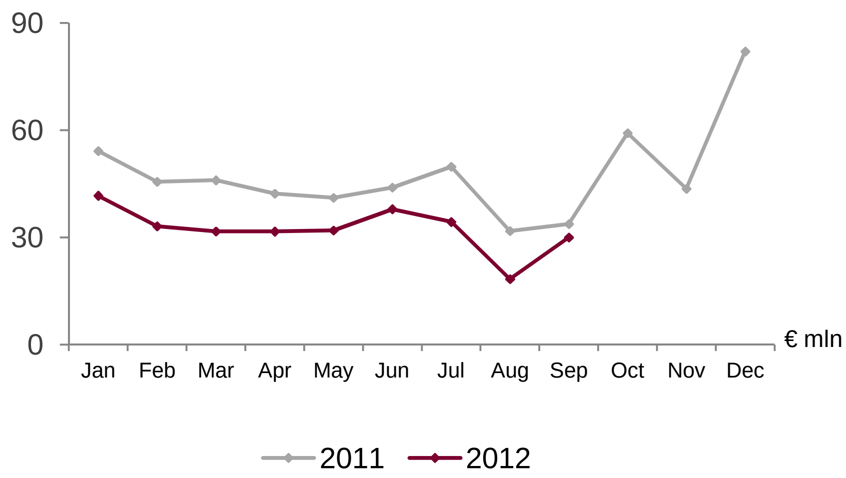
Main Trends

- As at September 2012, NPL market share down by 572 bps from 2008, and by 27 bps from January 2012
- As at the end of June 2012, the Group's net exposure to impaired loans totaled EUR 17 bn, with a ratio to total Customer Loans of 11.99%
- Increase of recoveries in September, after the decline in summer months

Impaired Loans

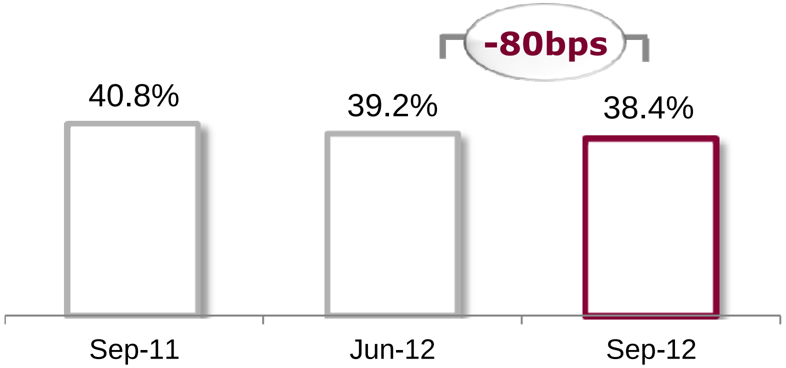
(€ mln)	Gross	Net
NPL *vs Jun. 12*	**16,366** +4.9%	**7,358** +5.2%
Watchlist *vs Jun. 12*	**7,247** +13.7%	**5,775** +15.6%
Restructured *vs Jun. 12*	**1,777** +1.6%	**1,581** +0.4%
Past Due *vs Jun. 12*	**2,887** +10.6%	**2,711** +10.4%

Monthly Recovery - Inflows



Asset quality: Coverage

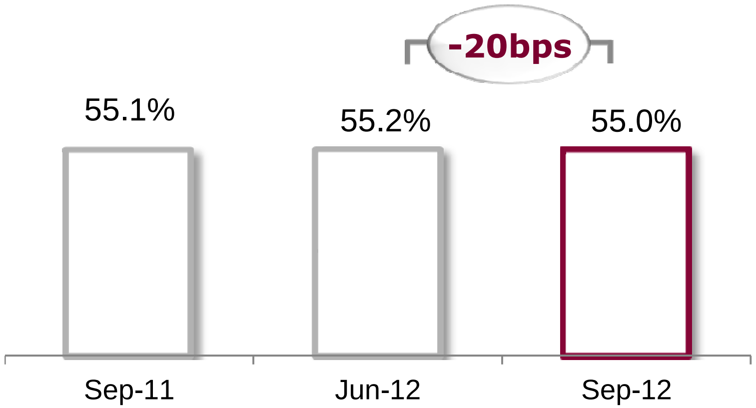
Impaired Loans Coverage



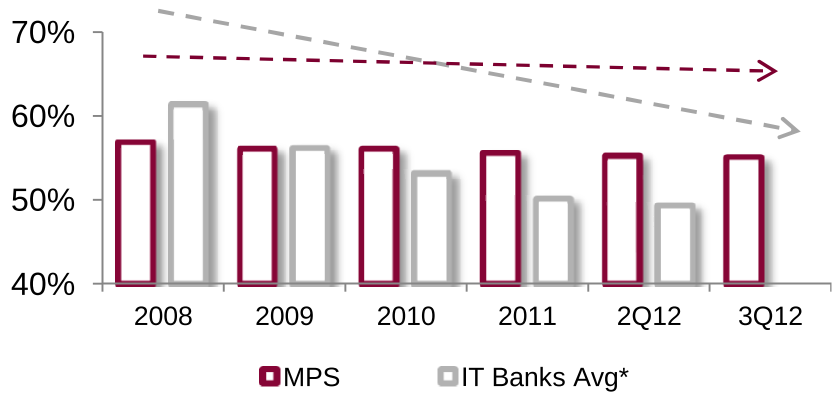
Main Trends

- As at September 2012, coverage of impaired loans stood at 38.4%, (-80 bps on June 2012 due to a decrease in Watchlist coverage)
- Watchlist coverage was down to 20.3% in 3Q12 (vs. 21.6% in June 2012); this was driven by greater inflows of collateralised exposures (to both households and the corporate segment)

NPL Coverage



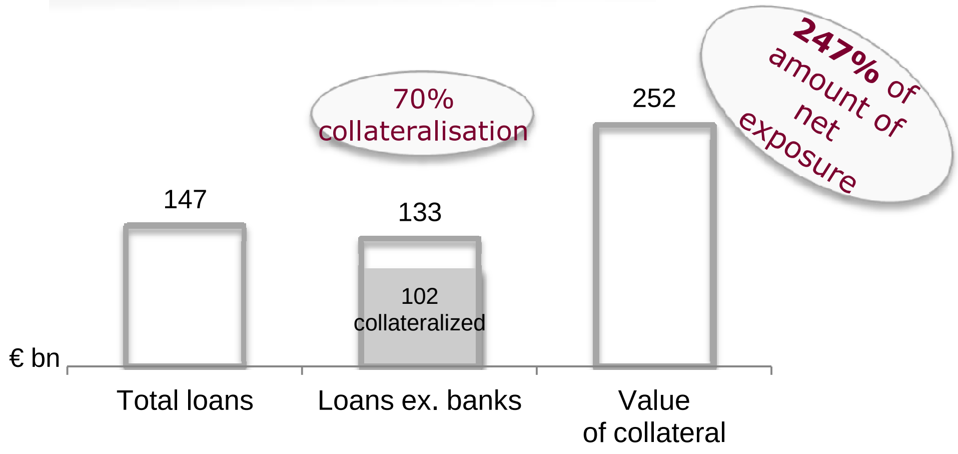
NPL coverage: +6% vs peers



* UCI, ISP, BAPO, UBI, BPM. Source: 1H12 Company reports and brokers' reports.

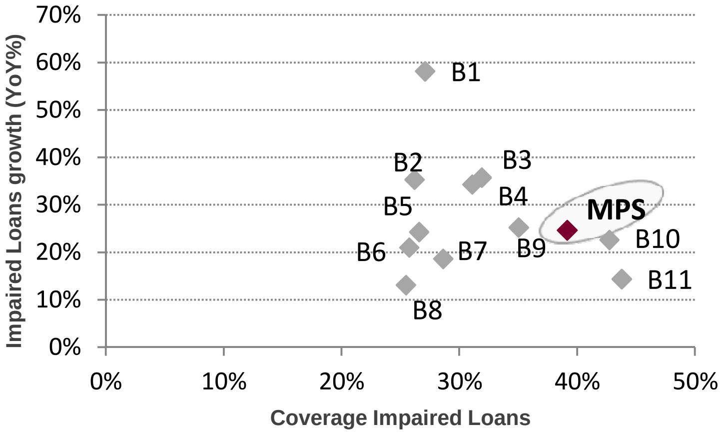
Asset quality benchmarking

Collateralization of loan book*

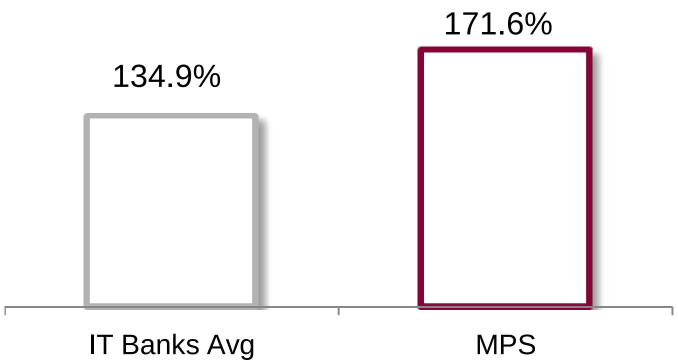


Net Impaired loans (YoY%) vs Coverage

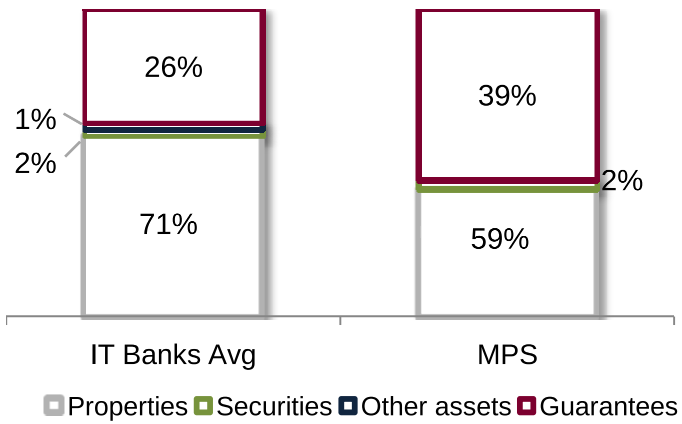
Top 11 Italian Banks sample as at 30 June 2012



Collateralization of Impaired loan book**



Collaterals and guarantees: breakdown**

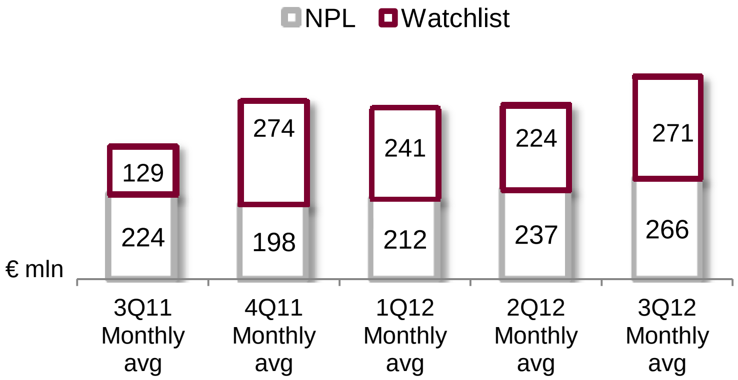


* Figures as at 31 December 2011

** UCI Italia, ISP, BAPO, UBI, BPM, BNL. Source: FY11 Company reports and brokers' reports

Asset quality: NPL/Watchlist trend

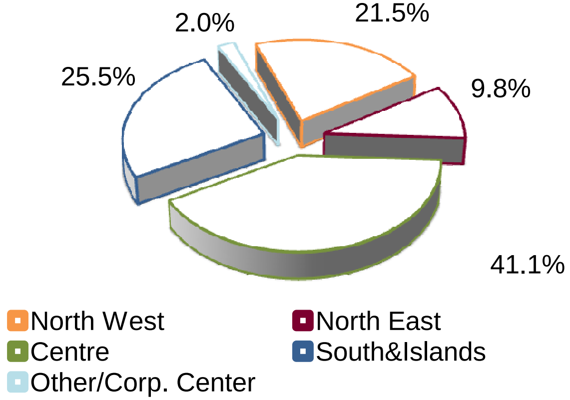
Gross NPL and Watchlist Inflows



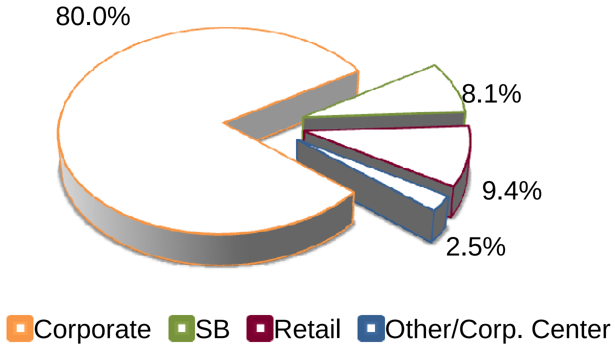
Main Trends

- NPL inflows up 12% QoQ in 3Q12, and watchlist loan inflows up 21% QoQ
- Watchlist inflows have increased from both retail and corporate customers

NPL Inflows by Geography

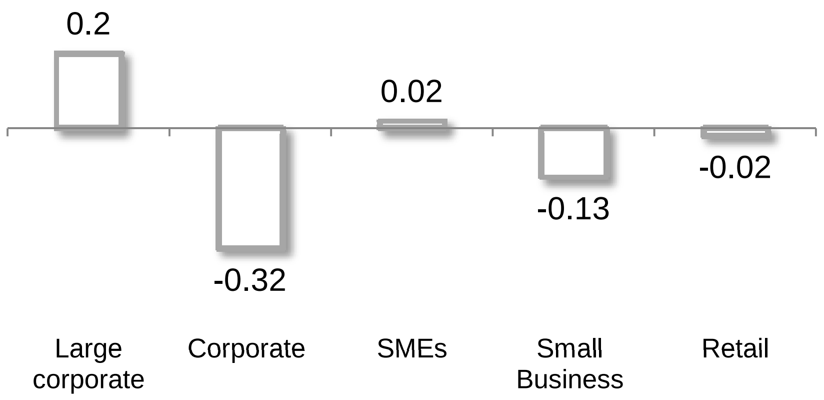


NPL Inflows by Customer segment

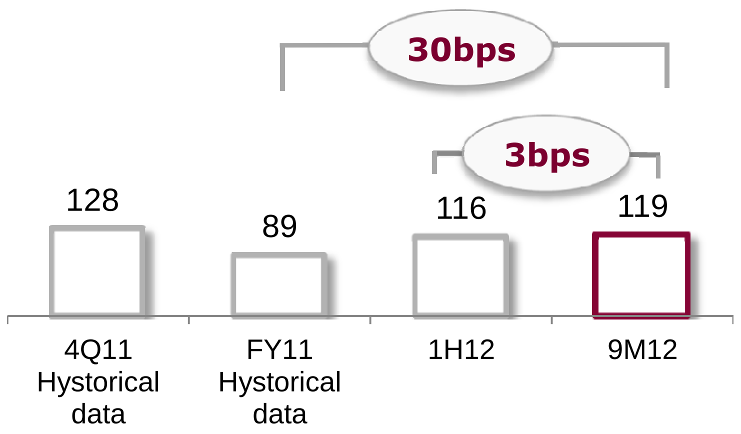


PD and Provisioning

PD on performing loans (Δ bps Sep-12 vs Jun-12)



Provisions* (bps)



Main Trends

- Probability of default down on 3Q12 (2.13% vs. 2.14% of Jun-12)
- Loans over the last 9 months were on average 45% lower in risk than the average portfolio (-159 bps) with a 37.39% lower loss rate (-11.13% in absolute terms) attributable to a higher level of collateralisation
- The 119 bps provisioning rate is higher than the 2011 full-year rate of 89 bps, and remains consistent with the Group's unchanged policy of conservative provisioning

* Annualized

Financial Assets

Securities and Derivatives Portfolio

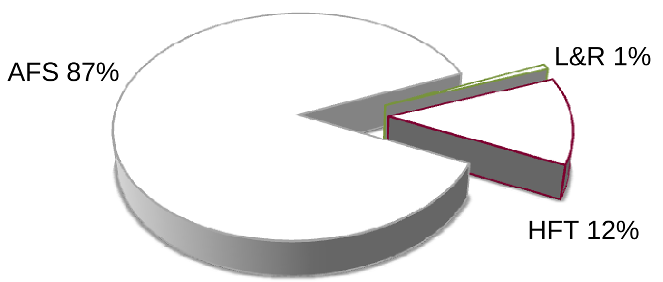
Market Value *(€ mln)*	**Sep-12**	**QoQ%**
HFT	9,561	-1.8%
AFS	23,692	+6.3%
L&R	4,006	-6.8%
Total Portfolio	**37,259**	**+2.6%**

Main Trends

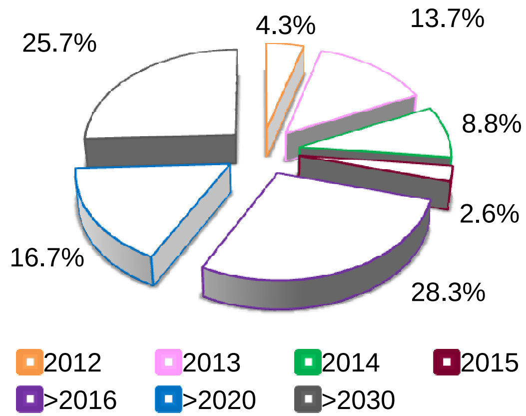
- Financial Assets portfolio: EUR 37 bn up by 2.6% vs June 2012 mainly due to the AFS component
- AFS portfolio: up on 3Q12 (+6.3%) due to increases in the value of fair valued securities (spread reduction and improved market conditions), partly offset by the sale of Italian government bonds for an amount of approximately EUR 415 mln

Italian Government Bonds: EUR 24.7 bn*

Breakdown by IAS category



Breakdown by maturity



* Nominal Value

RWAs and Regulatory Capital Ratios

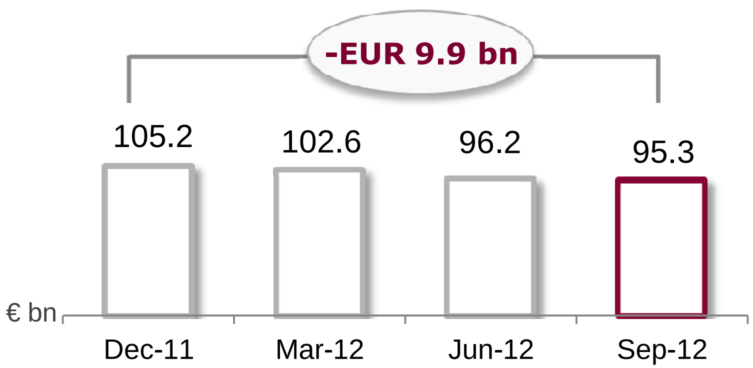
RWA and Regulatory Capital Ratios

€/mln	Dec-11	Jun-12	Sep-12	QoQ%
RWA	105,189	96,157	95,300	-0.9%
Ratios (%)				
Core Tier 1 ratio*	10.3	10.8	10.8	0.00
Tier 1 ratio	11.1	11.7	11.4	-0.30
Total Capital ratio	15.7	16.6	15.4	-1.20
Prudential requirements (€/mln)				
Credit and counterparty risk	7,139	6,504	6,486	-0.3%
Market risk	547	543	496	-8.7%
Operational risk	696	646	643	-0.5%
Total	**8,382**	**7,693**	**7,624**	**-0.9%**

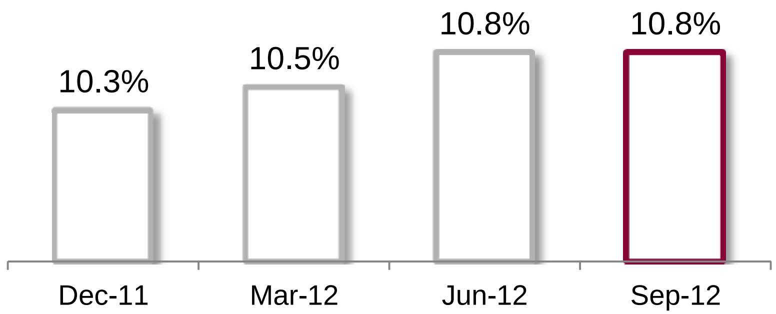
Main Trends

- Decline in Tier 1 largely due to loss for the year and Liability management transaction completed in July 2012 (as per EBA plan)
- Core Tier 1 ratio* stable at 10.8% in 3Q12
- AFS reserve on Italian Govies down to EUR 3.2 bn

RWAs over time



Core Tier 1 *ratio** over time



* Including Tremonti Bonds (Eur 1.9 bn)

3Q12 Results - Profit and Loss

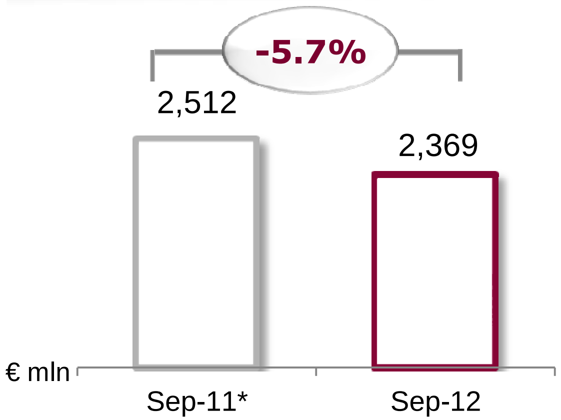
P&L: Quarterly trendline

€ mln

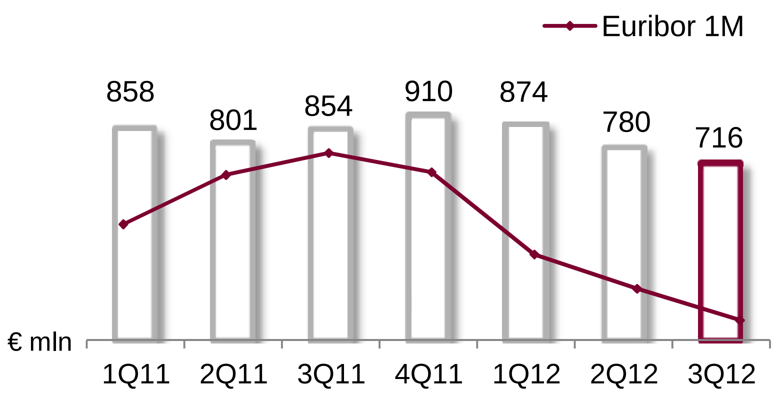
MPS Group	2011 3rd quarter	2011 4th quarter	2012 1st quarter	2012 2nd quarter	2012 3rd quarter
Net interest income	853.5	910.4	874.1	779.6	715.5
Net commissions	450.0	400.3	424.3	412.6	413.1
Income from banking activities	**1,303.5**	**1,310.8**	**1,298.4**	**1,192.2**	**1,128.5**
Dividends. similar income and gains (losses) on equity investments	15.4	9.4	10.6	28.5	17.5
Net profit (loss) from trading-valuation –repurchase of financial assets/liabilities	-4.1	-51.5	160.8	111.1	232.6
Net profit (loss) from hedging	-0.9	-30.9	3.2	1.9	-3.6
Income from financial and insurance activities	**1,313.9**	**1,237.7**	**1,473.0**	**1,333.6**	**1,375.1**
Net adjustments for impairment of:	**-340.7**	**-521.4**	**-435.8**	**-518.8**	**-474.8**
a) loans	-268.9	-464.3	-430.3	-408.7	-461.0
b) financial assets	-71.8	-57.1	-5.5	-110.1	-13.8
Net income from financial and insurance activities	**973.2**	**716.3**	**1.037.1**	**814.8**	**900.3**
Administrative expenses:	**-779.9**	**-885.1**	**-782.8**	**-795.5**	**-773.3**
a) personnel expenses	-513.8	-596.7	-519.2	-540.5	-486.5
b) other administrative expenses	-266.2	-288.4	-263.5	-255.0	-286.8
Net adjustments to tangible and intangible fixed assets	-40.2	-73.3	-45.4	-45.7	-48.5
Operating expenses	**-820.1**	**-958.4**	**-828.2**	**-841.2**	**-821.8**
Net operating income	**153.0**	**-242.1**	**208.9**	**-26.4**	**78.5**
Net provisions for risks and charges and other operating income/expenses	-65.6	-200.1	-28.3	-99.6	-47.1
Profit (loss) on equity investments	-7.8	-9.5	4.0	-5.8	1.5
Integration costs / one-off charges	-15.7	-10.1	-1.1	-20.0	-11.7
Gains (losses) from disposal of investments	33.9	0.3	0.3	0.6	6.4
Profit (loss) before tax from continuing operations	**97.8**	**-461.4**	**183.8**	**-151.3**	**27.6**
Taxes on income from continuing operations	-41.8	-10.9	-117.2	63.3	-66.2
Profit (loss) after tax from continuing operations	**56.0**	**-472.3**	**66.5**	**-88.0**	**-38.6**
Profit (loss) after tax from disposal groups held for sale	6.0	-235.5	4.0	6.6	3.2
Net profit (loss) for the period including minority interests	**61.9**	**-707.9**	**70.6**	**-81.3**	**-35.5**
Net profit (loss) attributable to minority interests	-1.0	7.2	-1.7	-2.7	-1.1
Net profit (loss) for the period before PPA. Impairment of Goodwill. Intangibles and writedown of investment in AM Holding	**60.9**	**-700.7**	**68.8**	**-84.0**	**-36.5**
PPA (Purchase Price Allocation)	-18.8	-14.2	-14.4	-13.3	-10.9
Impairment of Goodwill. Intangibles and writedown of investment in AM Holding		-4.273.9		-1,574.3	
Net profit (loss) for the period	**42.2**	**-4.988.8**	**54.5**	**-1,671.6**	**-47.4**

Focus on Net Interest Income

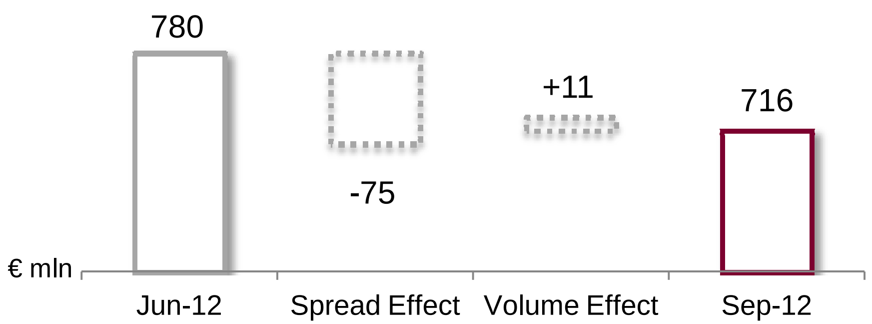
Net Interest Income* (YoY)



Net Interest Income* (QoQ)



3Q12 NII Analysis



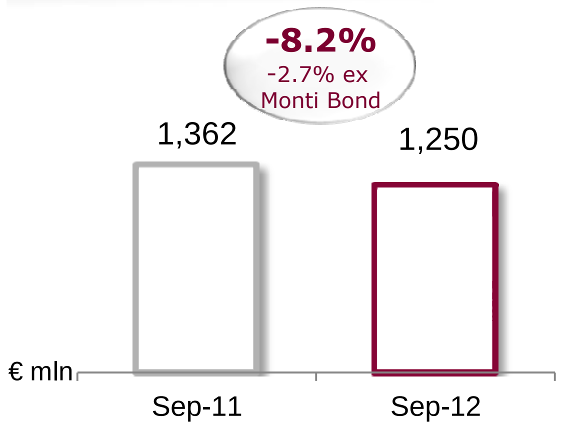
Main Trends

- Against a scenario of falling rates and high credit spreads, NII decreased by 8.2% (approx. – EUR 65 mln), due to a substantially 'incompressible' cost of retail/corporate funding and lower returns on assets (Euribor linked components), only partly offset by the drop in the ECB cost of funding
- 3Q12 still characterized by absence of any significant contribution from carry trade

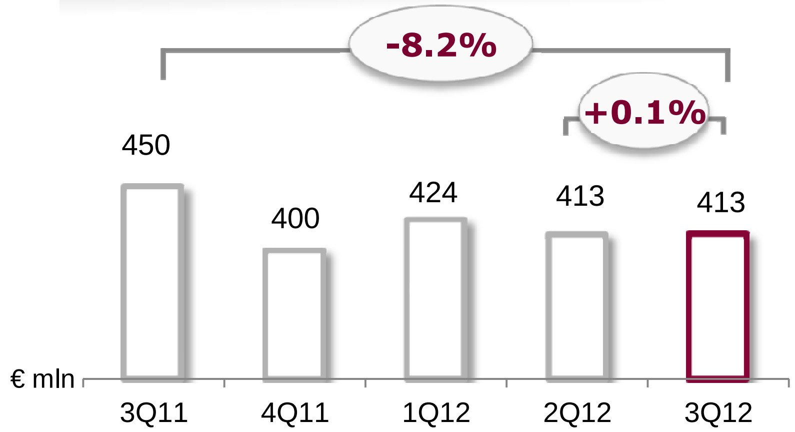
* Data was restated to exclude Biver

Fee and Commission Income

Fees* YoY



Fees* QoQ



Fees breakdown

€/mln	3Q11	2Q12	3Q12	QoQ%	YoY%
AuM fees, o/w	**122**	**122**	**128**	**5.0%**	**5.1%**
AuM Placing	*46*	*48*	*53*	*8.7%*	*15.1%*
Continuing	*60*	*59*	*59*	*0.7%*	*-1.4%*
Bond Placement	*16*	*15*	*16*	*9.7%*	*1.1%*
Traditional Banking fees, o/w	**339**	**347**	**345**	**-0.5%**	**1.7%**
Credit facilities	*172*	*179*	*174*	*-2.7%*	*1.5%*
ForeignTrade	*20*	*19*	*19*	*3.5%*	*-2.0%*
Payment services and client expense recovery	*148*	*149*	*151*	*1.6%*	*2.4%*
Other**	**-11**	**-56**	**-60**	**6.7%**	**n.m.**
Total Net Fees	**450**	**413**	**413**	**0.1%**	**-8.2%**

Main Trends

- Net fees and commissions, totaling approx. EUR 1,250 mln, decreased by 8.2% YoY
- Net fees were substantially stable in 3Q12 (+0.1%), as a result of the "100-day action plan" which has made it possible to recover from the seasonality effect of summer months
- Growth in commissions from placement of wealth management products and international banking transactions

* Data was restated to exclude Biver

* * Includes Monti Bond guarantee fees for an amount of EUR 75 mln in 9M2012

Dividends and trading

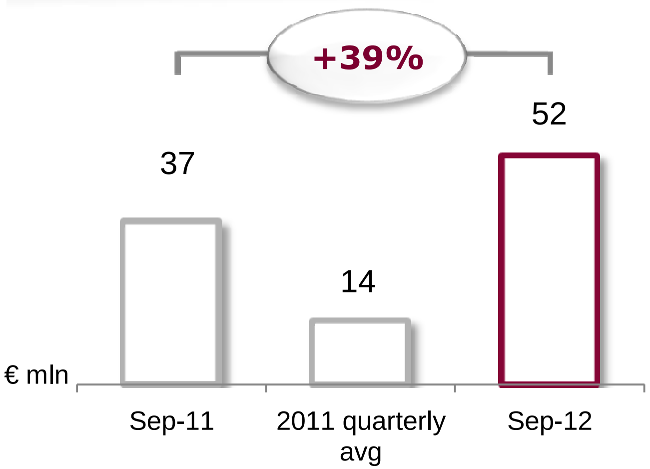
Other Revenues

€/mln	3Q11	2Q12	3Q12	QoQ%	YoY%
Dividends, similar income and gains (losses) on equity investments	15	28	18	-38.4%	14.2%
Net profit (loss) from trading-valuation-repurchase of financial assets/liabilities	-4	111	233	n.m	n.m
Net hedging income (loss)	-1	2	-4	n.m	n.m
Total	**10**	**141**	**247**	**74.4%**	**n.m**

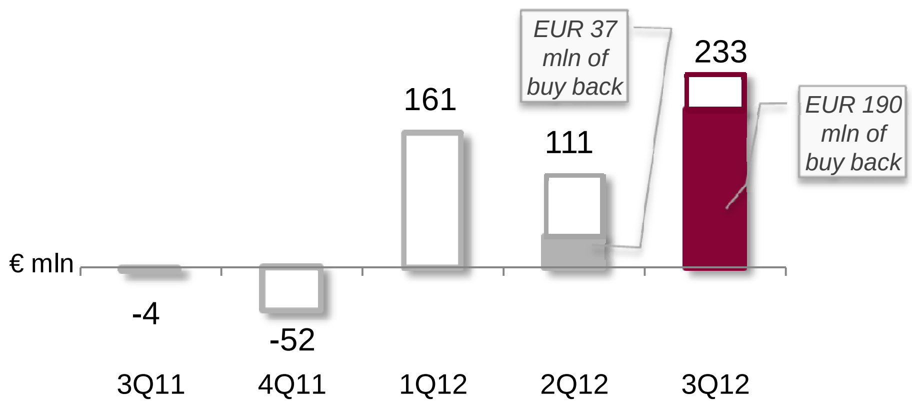
Main Trends

- Dividends and gains on investments: EUR 17.5 mln in 3Q12
- Trading income in 3Q12 benefitted from easing financial market conditions and capital gain (EUR 190 mln) earned on public exchange offer in July, partly offset by other non-recurring effects
- Bancassurance contributed EUR 52 mln in the 9-month period

Bancassurance



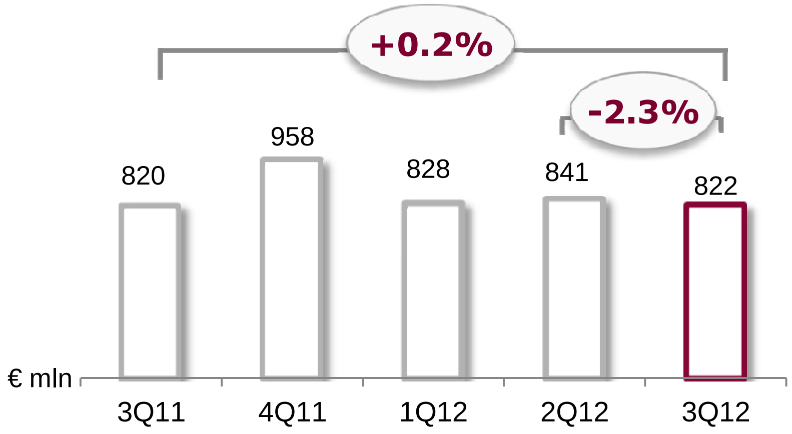
Trading/valuation of financial assets



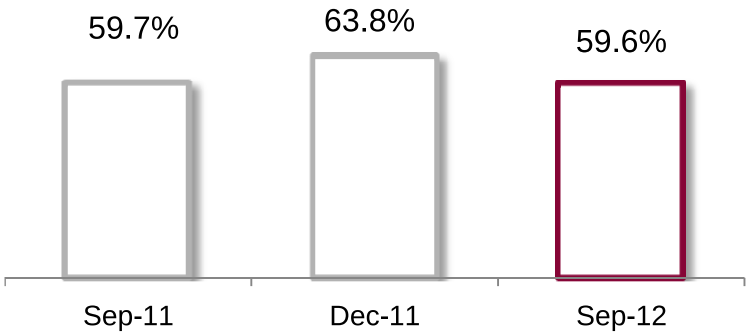
Operating Costs

Total Costs (YoY % growth)

Operating Costs QoQ



Cost/Income



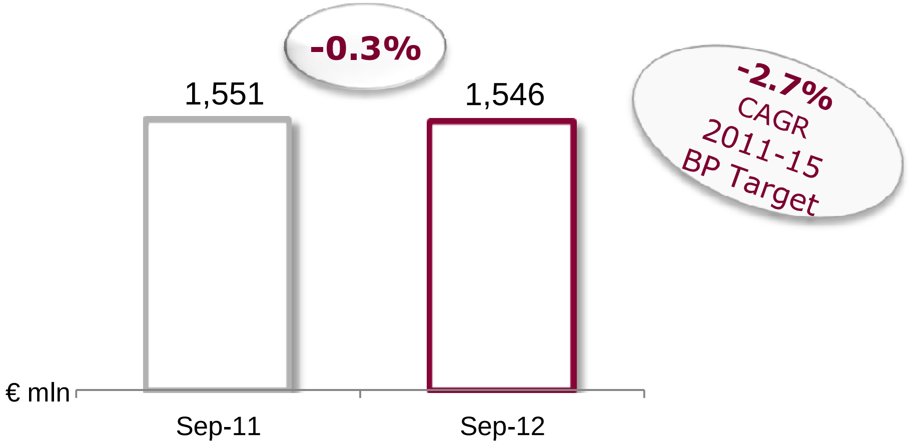
Main Trends

- Operating costs essentially unchanged YoY (+0.5%) but down QoQ (-2.3%)
- Cost/income ratio down to 59.6%, broadly in line with the 2Q12 and lower than the end of 2011 (63.8%)

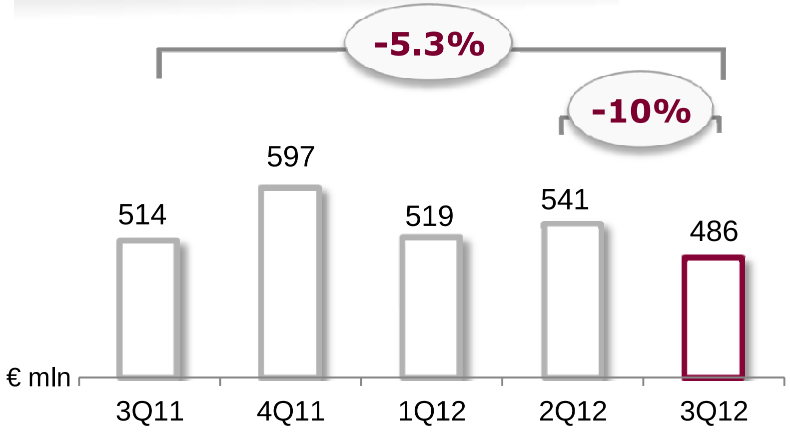
* Net of EUR 60 mln in early retirement one-off classified as personnel costs
** Net of Real Estate deal impact

Personnel Expenses

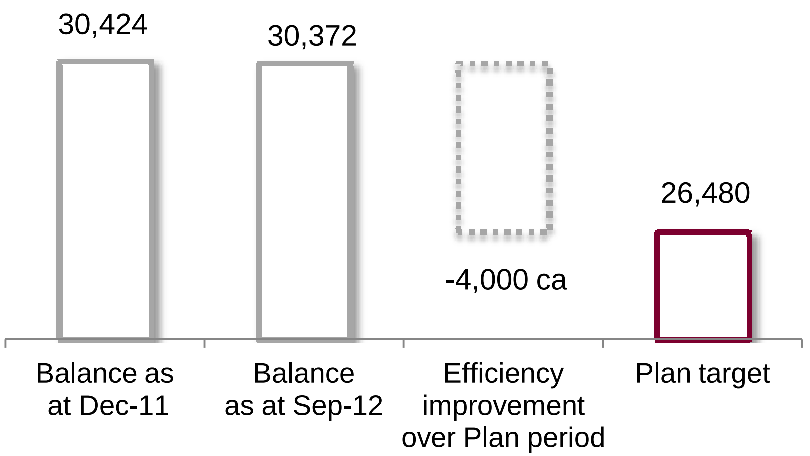
Personnel expenses* YoY



Personnel expenses* QoQ



Headcount trend vs. Business Plan



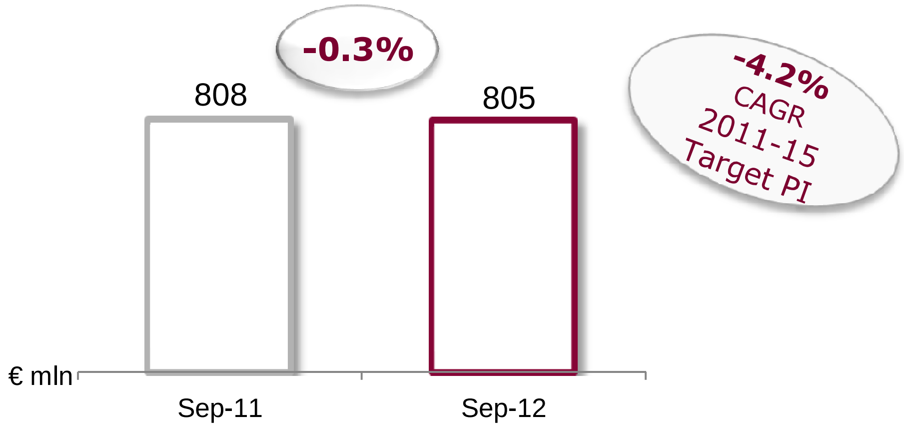
Main Trends

- Cost management actions will start to generate savings as of 2013
- The Business Plan aims for a -2.7% CAGR over the 2012-2015 period
- Supplementary Corporate Labour Agreement (CIA) cancelled

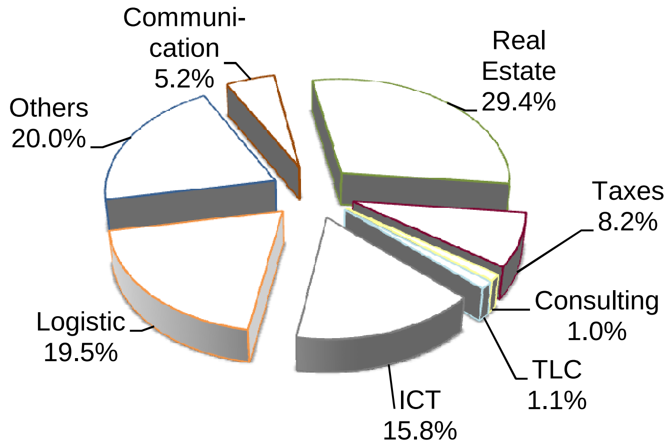
* Data was restated to exclude Biver

Administrative Expenses and Net Adjustments

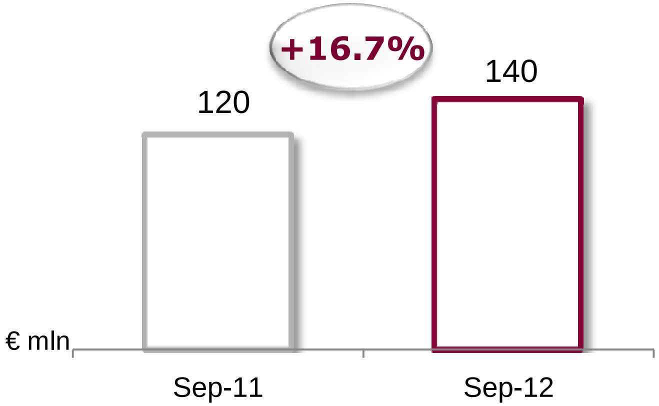
Administrative expenses* YoY



Administrative expenses: breakdown



Net adjustments* to tangible/intangible fixed assets



Main Trends

- Other administrative expenses decreased by 0.3% YoY as a result of cost management actions aimed at achieving the Business Plan targets
- Net adjustments to tangible and intangible assets increased by 16.7% YoY

* Data was restated to exclude Biver

Other P&L components

Net provisions

- Net provisions for risks and charges and other operating expenses (income), totalling approx. – EUR 175 mln of which - EUR 47 mln in 3Q12, down by approx. EUR 53 mln on 2Q12

Reorganisation costs

- Reorganisation charges: approx. – EUR 32.7 mln in connection with management reduction action announced with the Business Plan and restructuring charges booked vs closure of around 400 branches, also provided for in the Business Plan

Tax expense (income)

- Tax expense (income): - EUR 120 mln, positively impacted by the recognition of an approx. EUR 114 mln tax credit (accounted for in June 2012) arising from the deductibility of the regional productivity tax (IRAP) from corporate income tax (IRES) due on the taxable share of personnel expenses for fiscal years prior to 2012

Conclusion

- *Strong business drive backed by launch of the 2012-2015 Business Plan with tangible effects present already in 3Q results*

- *Majority of cost cutting actions have already been activated with significant impact expected starting from 1Q13*

- *Liquidity and capital position steadily improving*

- *All staff fully committed on delivery*

Thank you
for your attention

Q&A

Annexes

P&L: 9M2012

€ mln

MPS Group	Sept-11	Sept-12	Change Ins.	Change %
Net interest income	2,512	2,369.2	-142.8	-5.7%
Net commissions	1,362.1	1,249.9	-112.2	-8.2%
Income from banking activities	**3,874.1**	**3,619.1**	**-255.0**	**-6.6%**
Dividends. similar income and gains (losses) on equity investments	61.5	56.6	-4.8	-7.9%
Net profit (loss) from trading-valuation –repurchase of financial assets/liabilities	217.3	504.4	287.1	n.s.
Net profit (loss) from hedging	-1.3	1.5	2.8	n.s.
Income from financial and insurance activities	**4,151.6**	**4,181.7**	**30.0**	**0.7%**
Net adjustments for impairment of:	**-929.4**	**-1.429.4**	**-500.1**	**53.8%**
a) loans	-833.1	-1.300.0	-466.9	56.0%
b) financial assets	-96.3	-129.5	-33.2	34.4%
Net income from financial and insurance activities	**3,222.3**	**2,752.2**	**-470.0**	**-14.6%**
Administrative expenses:	**-2,359.0**	**-2,351.6**	7.4	-0.3%
a) personnel expenses	-1,551.3	-1,546.2	5.1	-0.3%
b) other administrative expenses	-807.7	-805.4	2.3	-0.3%
Net adjustments to tangible and intangible fixed assets	-119.6	-139.6	-20	16.7%
Operating expenses	**-2,478.6**	**-2,491.2**	**-12.6**	**0.5%**
Net operating income	**743.6**	**261.0**	**-482.6**	**-64.9%**
Net provisions for risks and charges and other operating income/expenses	-173.4	-175.1	-1.7	1.0%
Profit (loss) on equity investments	-14.8	-0.3	14.5	-98.0%
Integration costs / one-off charges	-15.7	-32.7	-17.1	n.s.
Gains (losses) from disposal of investments	34.3	7.2	-27.1	-79.0%
Profit (loss) before tax from continuing operations	**574.1**	**60.1**	**-514.0**	**-89.5%**
Taxes on income from continuing operations	-222.1	-120.2	101.9	-45.9%
Profit (loss) after tax from continuing operations	**-352.0**	**-60.1**	**-412.1**	**n.s.**
Profit (loss) after tax from disposal groups held for sale	23.6	13.8	-9.8	-41.5%
Net profit (loss) for the period including minority interests	**375.7**	**-46.2**	**-421.9**	**n.s.**
Net profit (loss) attributable to minority interests	-3.7	-5.4	-1.8	47.5%
Profit (loss) for the period before PPA	**372.0**	**-51.7**	**-423.7**	**n.s.**
PPA (Purchase Price Allocation)	-68.4	-38.5	29.9	-43.7%
Impairment of Goodwill. Intangibles and Equity Stakes		-1,574.3	-1,574.3	n.s.
Net profit (loss) for the period	**303.5**	**-1,664.5**	**-1,968.1**	n.s.

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. Daniele Bigi, declares that the accounting information contained in this document corresponds to the underlying documentary evidence and accounting records.

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