



An italian story since 1472

2008 Results Presentation



Our structural answers

- ❑ **Distribution structure optimization: one national brand**
- ❑ **Group reorganization: HQ from 5 to 1 +2sub HQs**
- ❑ **From 5,520 to 3,720 staff in HQ**
- ❑ **Staff rationalization: -5% vs 2007**
- ❑ **Strong commitment in cost containment: at least Total cost-3% 2009E**

to temporary market turmoil,

with satisfactory delivery in the short term

- ❑ **Basic Income +2.5%**
- ❑ **Total costs: -0.8%**
- ❑ **Net profit at €953mln**

Group reorganization: mission accomplished...



In 2007...



- MONTE DEI PASCHI DI SIENA BANCA DAL 1472
- ANTONVENETA GRUPPO MONTepaschi
- BANCA TOSCANA
- BAM Banca Agricola Mantovana
- BIVERBANCA CASAS DI RIFORMA DI BIELLA E VERCELLI

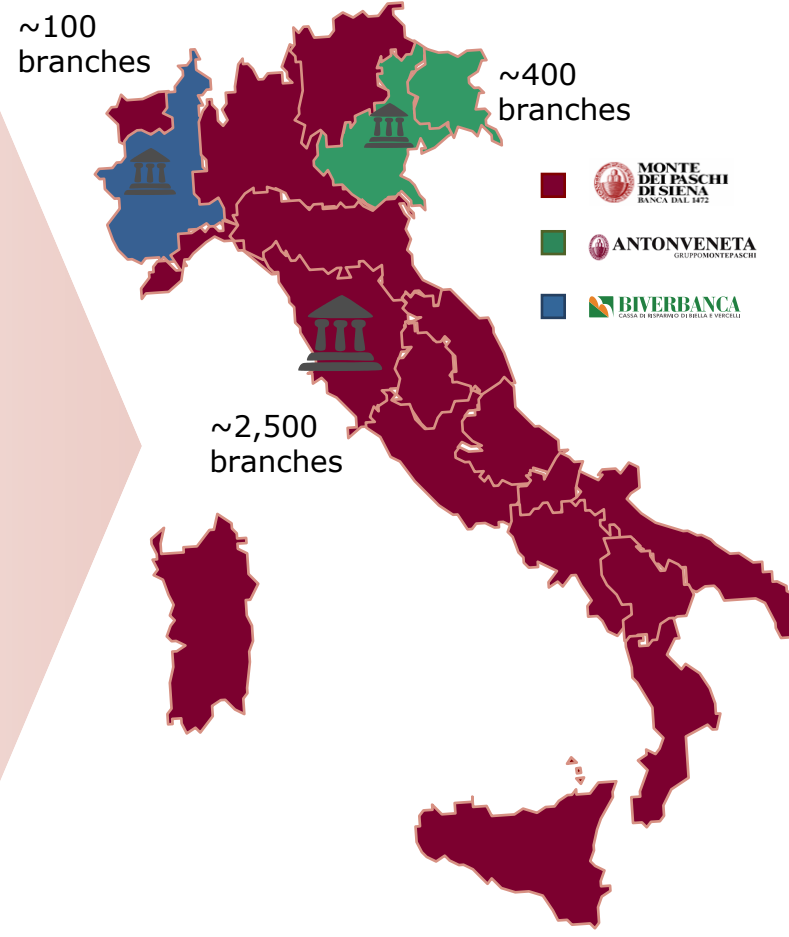
- BAM, BT and ANTV integration into BMPS
- Re-focusing of New ANTV on North-East
- Boosting efficiency in central structures
- Brand value protection in areas where banks are traditionally located

5 HQs



... Today

REORGANIZATION FULLY COMPLETED



~100 branches

~400 branches

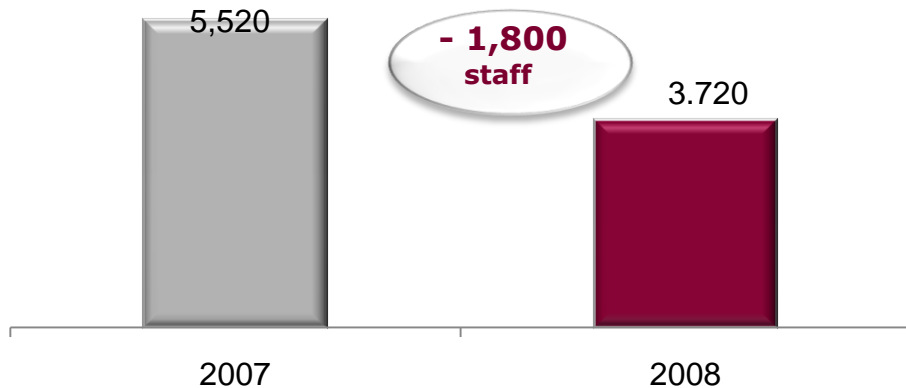
~2,500 branches

- MONTE DEI PASCHI DI SIENA BANCA DAL 1472
- ANTONVENETA GRUPPO MONTepaschi
- BIVERBANCA CASAS DI RIFORMA DI BIELLA E VERCELLI

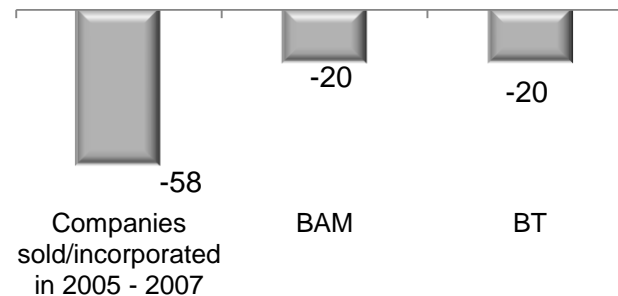
1 HQ + 2 sub-HQs

HQs reduction: all delivered

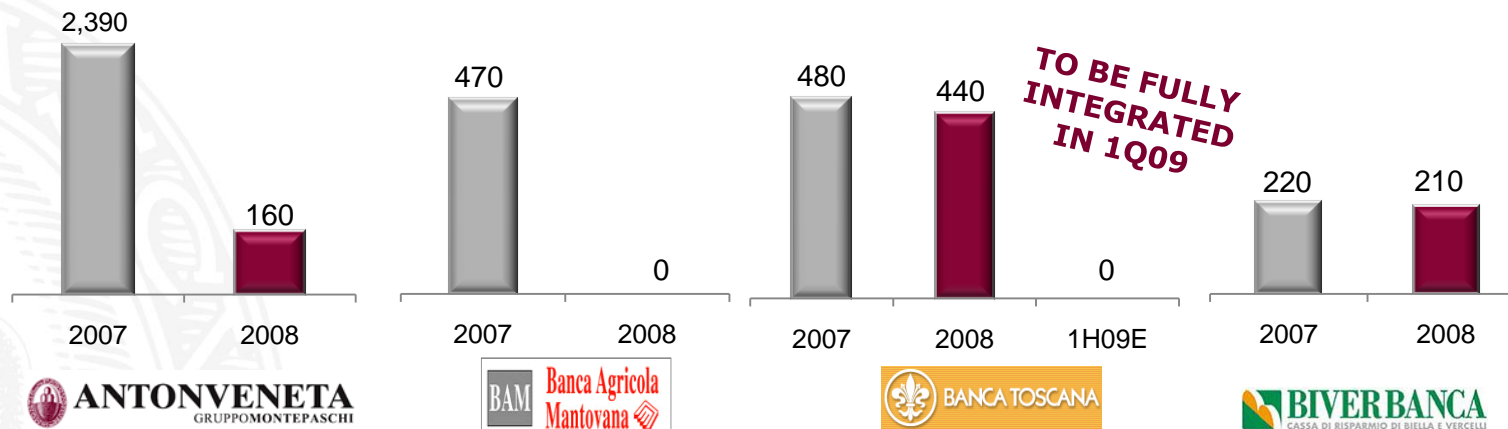
Group reorganization: impact on personnel



Reduction of members in Board of Directors and Board of Statutory Auditors

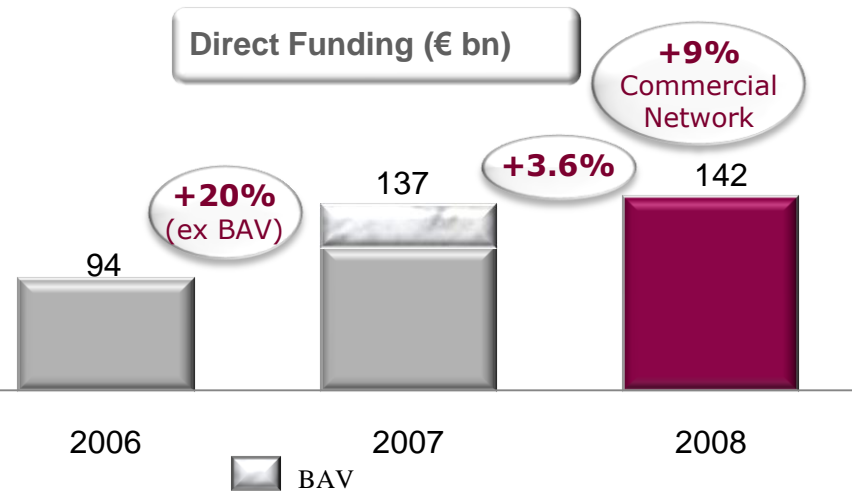


Mainly from:

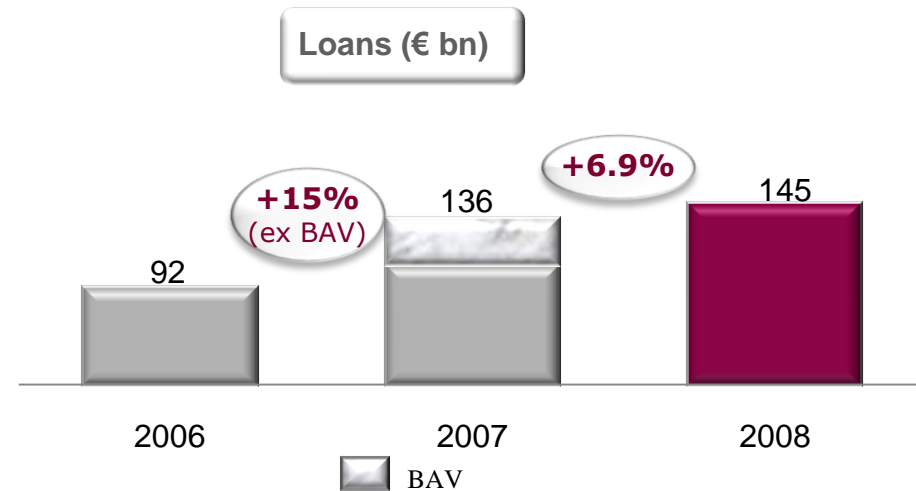


....while increasing commercial volumes and market shares in all main businesses....

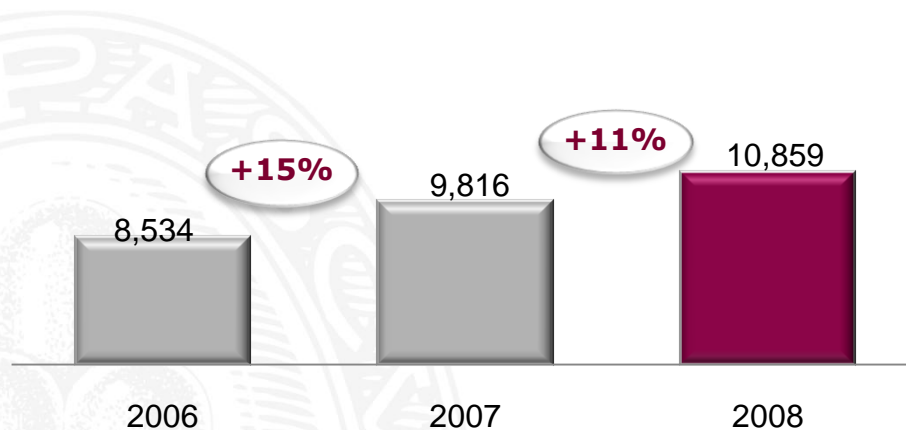
Direct Funding (€ bn)



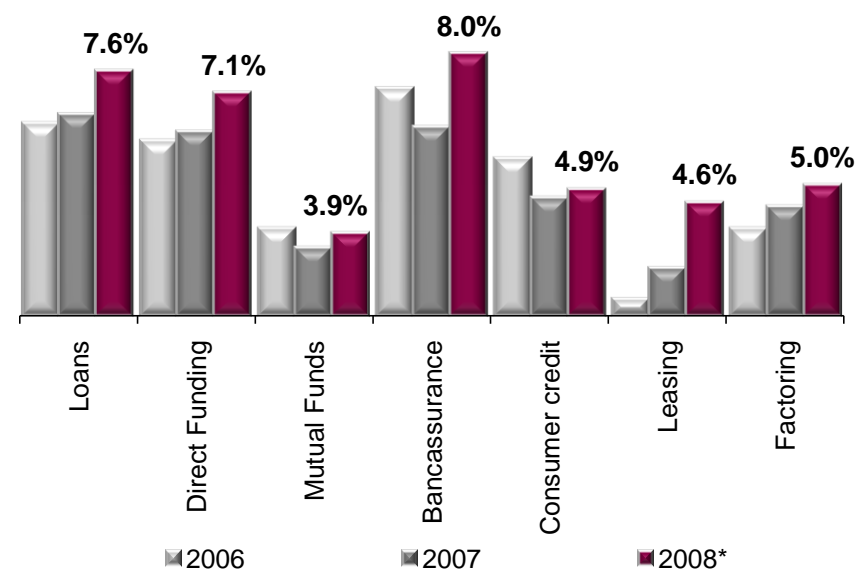
Loans (€ bn)



Total Savings Flows (Bonds, Bancassurance and Mutual Funds) (€ mln)



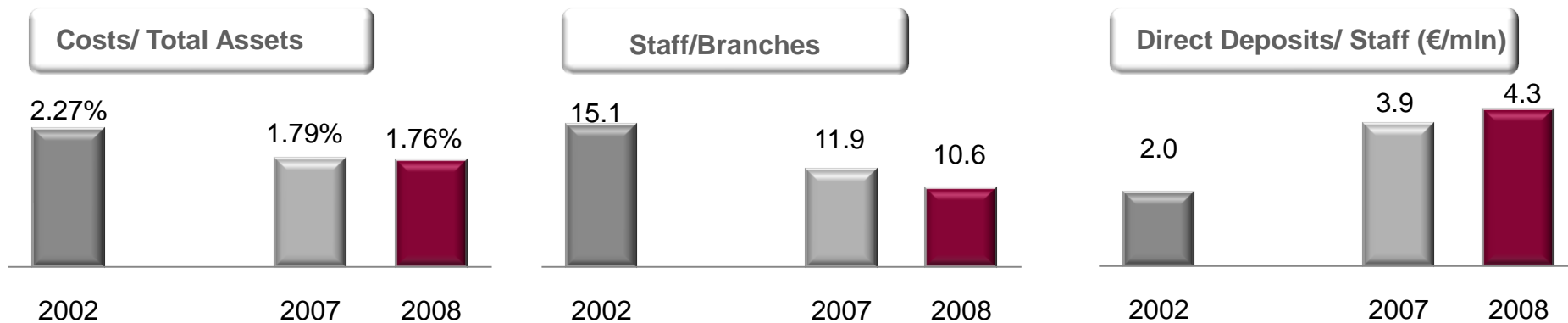
Market share



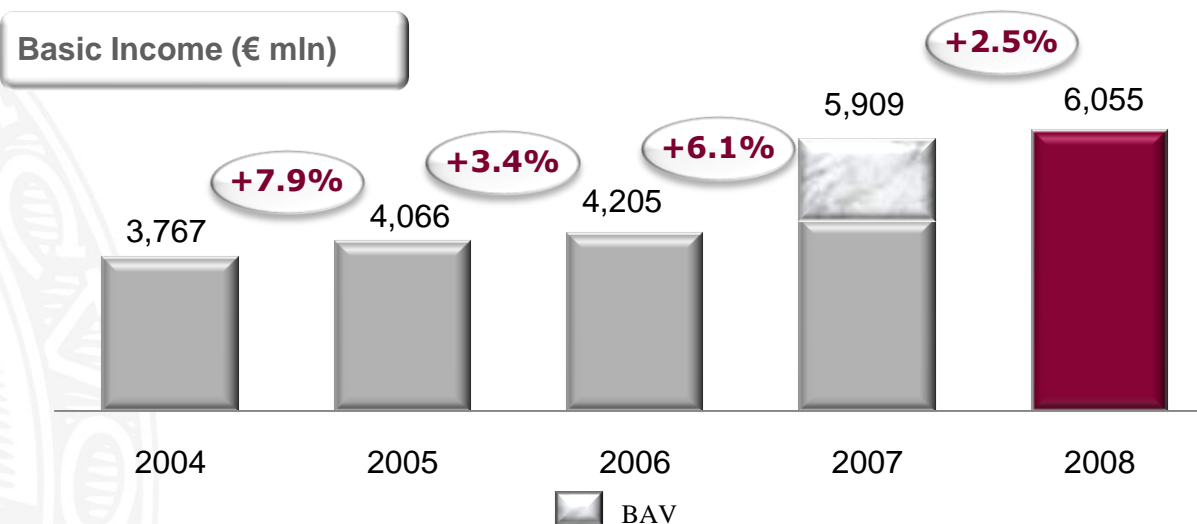
* Including Bav

... combining restructuring actions with increasing recurring revenues

Structural reorganisation actions

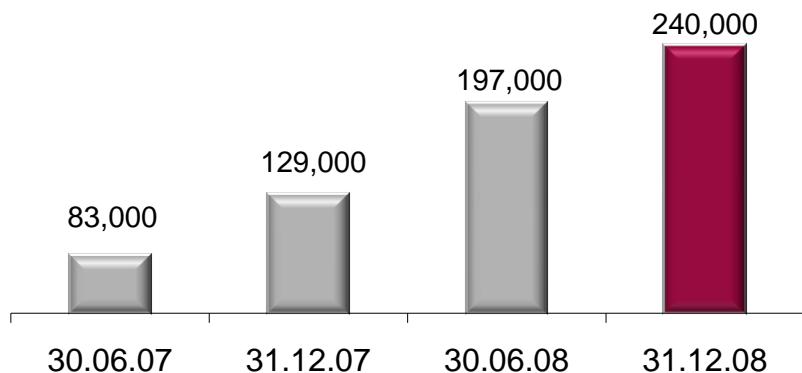


Recurring revenues growth

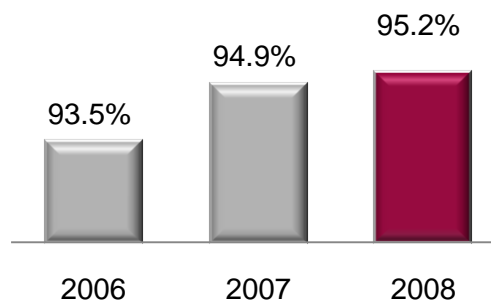


Last but not least: an increase in quantity and quality of our customer base

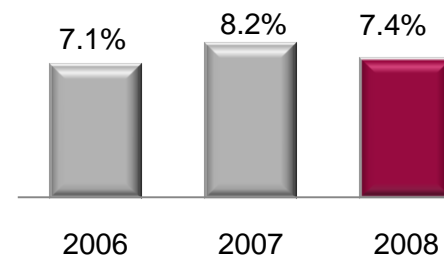
Net new clients*



Retention Rate

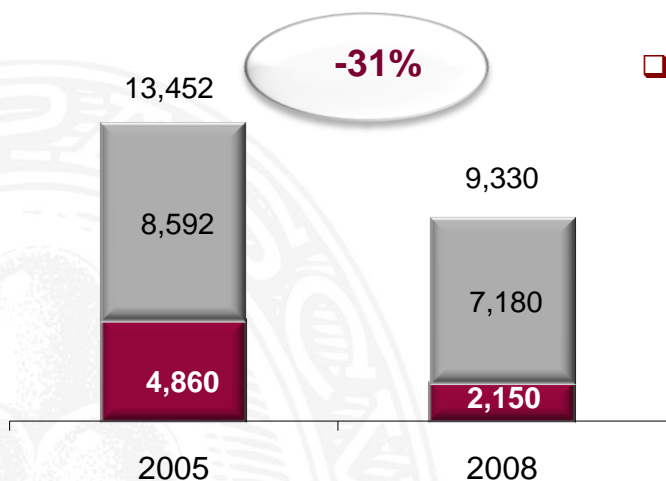


Acquisition Rate



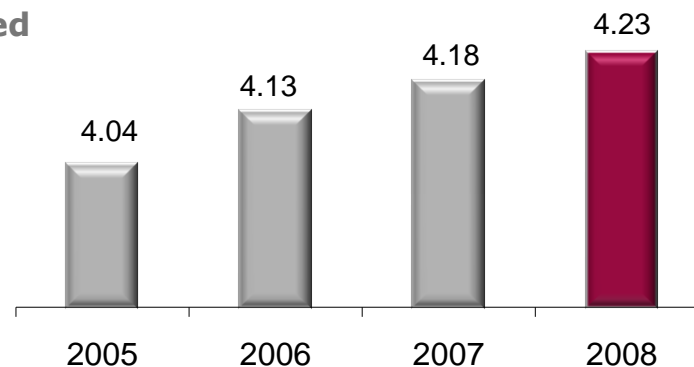
BMPS: Reduction in number of claims

- Total claims: decreasing trend
- Claims on investment products: reduced 50%



- Claims on investment products
- Other types of claims

Cross Selling Index**



*Operative clients of BMPS, BAM, BT and B.Personale; ex BAV

** For customers with current account.

2008 Results Highlights



FY2008 and 4Q08 GMPS Results*

An Italian story since 1472
2008 Results Presentation



Profit & Loss (mln€)	2008	2008/2007	4Q08	4Q08/4Q07	4Q includes:
Net Interest Income	4,268.7	+8.2%	1,069.9	+3.9%	-€21mln Fees reclassification (ex one-off, €418mln)
Net Fees	1,786.6	-9.0%	397.4	-19%	
Basic Income	6,055.3	+2.5%	1,467.4	-3.4%	
Trading	-113.4	n.m.	-167.5	n.m.	-€167mln Portfolio/Derivatives MtM
Dividends and other revenues	10.6	n.m.	36.0	n.m.	
Total Revenues	5,952.5	-8.6%	1,264.0	-26.3%	-€44mln Bancassurance
Operating Costs	3,931.6	-0.8%	1054.9	+3.3%	
Personnel costs	2,449.2	-0.6%	652.4	+2.8%	-€151mln Goodwill impairment -€391mln Financial activities impairment
Other admin expenses	1,325.9	-0.7%	365.8	+7.4%	
Loan Loss Provisions	1,065.2	+20.4%	424.0	+10.7%	
Provisions on financial assets	+5.3	+46.4%	-3.2	n.m.	
Net Operating Income	960.9	-42.5%	218.1	-29.6%	
Income on equity investments	175.8	n.m.	-0.9	n.m.	+€1,190mln Fiscal benefit from goodwill detaxation
Integration costs	-321.9	n.m.	-162.2	+42.3%	
Goodwill & fin. activities impairment	-542.3	n.m.	-399.6	n.m.	
Taxes	844.7	n.m.	1,245.8	n.m.	
Gains from asset disposal	70.9	n.m.	5.0	n.m.	
Purchase price allocation	-66.8	n.m.	-35.7	n.m.	
Net Income	953.0	n.m.	281.9	-46.7%	
Net Income accounting **	922.8	n.m.			

*Including BAV since January 2008

** Including BAV since June 2008

Main non-recurring items

GMPS Net non-recurring (€ mln)		1Q08	2Q08	3Q08	4Q08	2008
Positive Non-recurring:						
Capital gains from Asset Disposal (B.Depositaria, Finsoe, Fontanafredda)	Profit/Loss from participations	-	200	-23	-1	176
Fiscal benefit from goodwill detaxation	Taxes				1,190	1,190
Total Positive Non-recurring		-	200	-23	1,189	1,366
Negative Non-recurring:						
Portfolio Mark-to-Market	Profit/Loss from trading	25	(+)81	2	167	113
Provisions on Hopa/Fingruppo	LLP		54			54
Write-off of Hopa	Goodwill & fin. Act. impairment	92	31			123
Write-off on Italease, Sorin and other	Goodwill & fin. Act. impairment				93	93
Write-off on stakes	Goodwill & fin. Act. impairment	(+)9	9	10	160	170
Bancassurance contribution	Dividends from equity investment	(+)7	3	(+)9	44	30
Goodwill impairment	Goodwill & fin. Act. impairment				150	150
Generic provision for potential legal disputes	Net provisions for risk and liabilities				140	140
Integration charges	Integration charges		138	21	162	322
Total Negative Non-recurring		101	154	24	916	1,195

Revenues, Volumes and Margins

Resilient core profitability:

- ❑ Basic Income +2.5% YoY, driven by NII (+8.2% YoY)

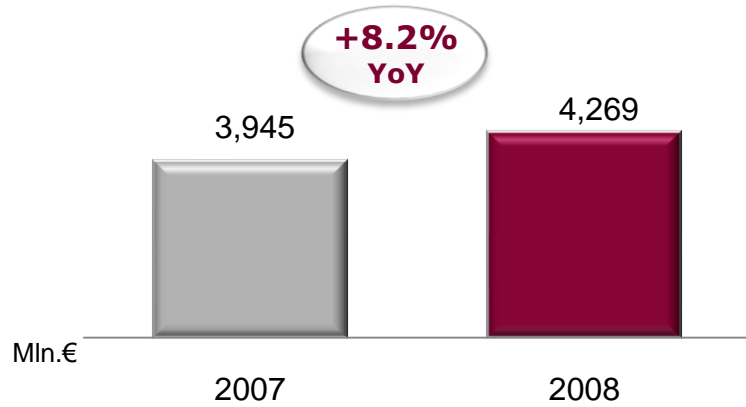
The strength of MPS commercial network:

- ❑ Loans +6.9% and Direct deposits +3.6 YoY, with a recomposition towards M/L term funding
- ❑ Increased customer base: 110,000 net new customers in 2008

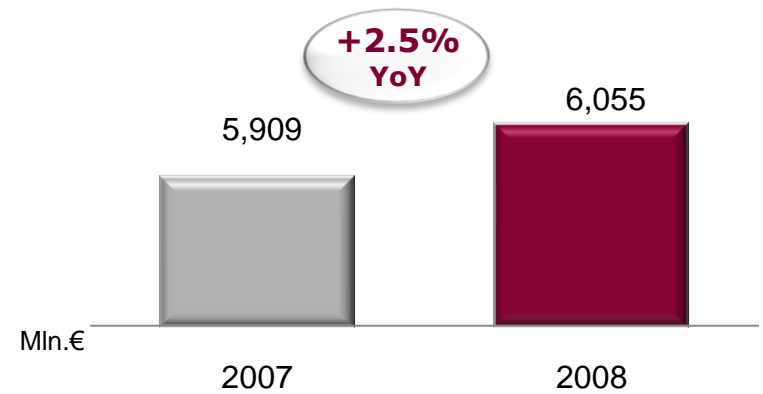
2009 First evidence:

- ❑ Commercial direct funding +9.8% YoY and Loans flat (as of 28 February 2009)
- ❑ Wealth Management flows: +€4.7bn (as of 5 March 2009)

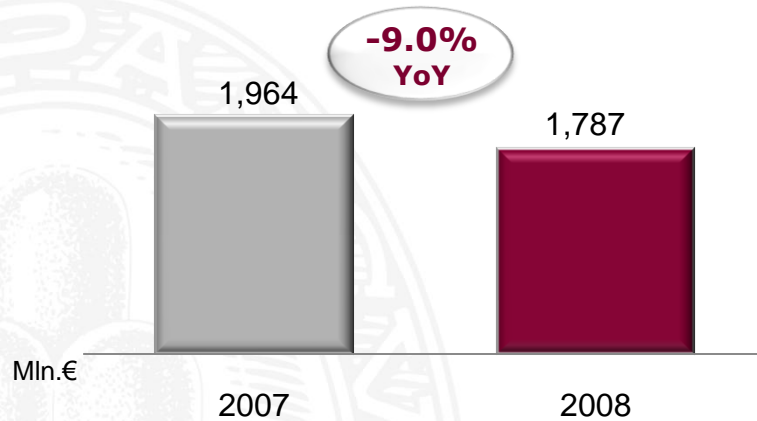
Net Interest Income



Basic Income

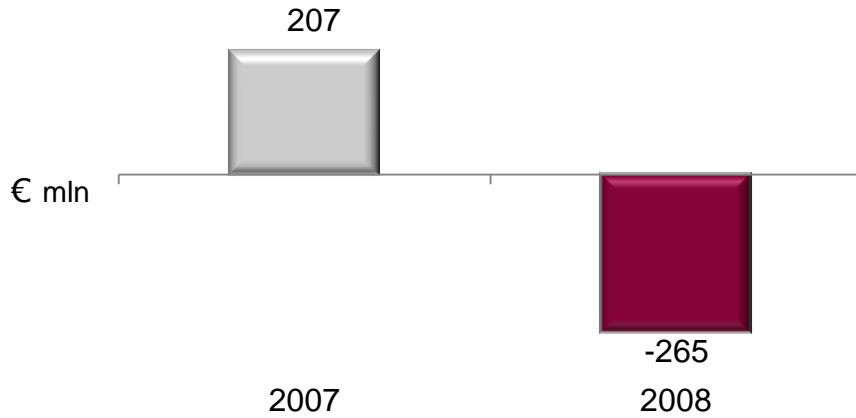


Net Fees

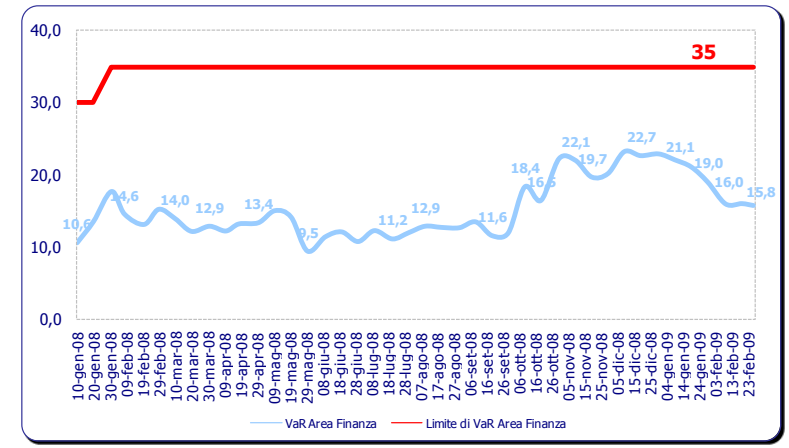


Market activities impacted by economic turmoil with some sign of recovery in February 2009

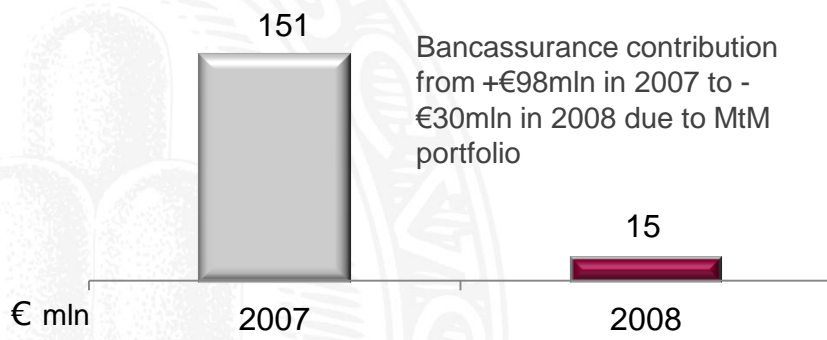
Trading profit and losses



VaR



Dividend from equity investment



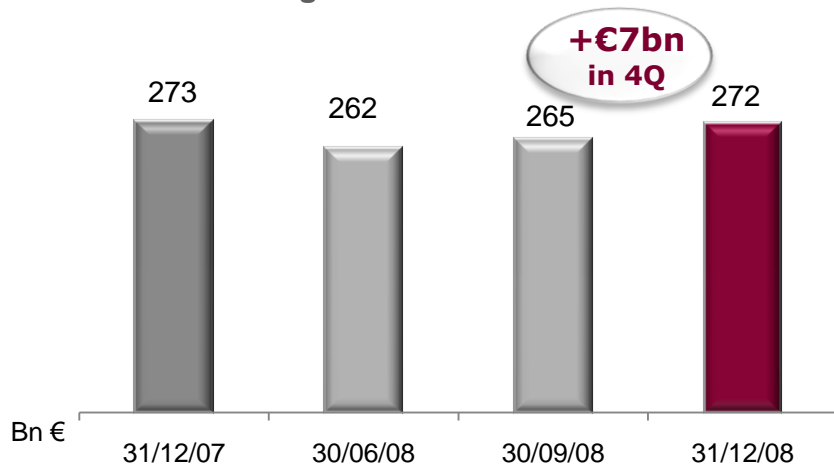
First evidence of 2009 (as of 28 February):

- Good pick up in net Bancassurance flows

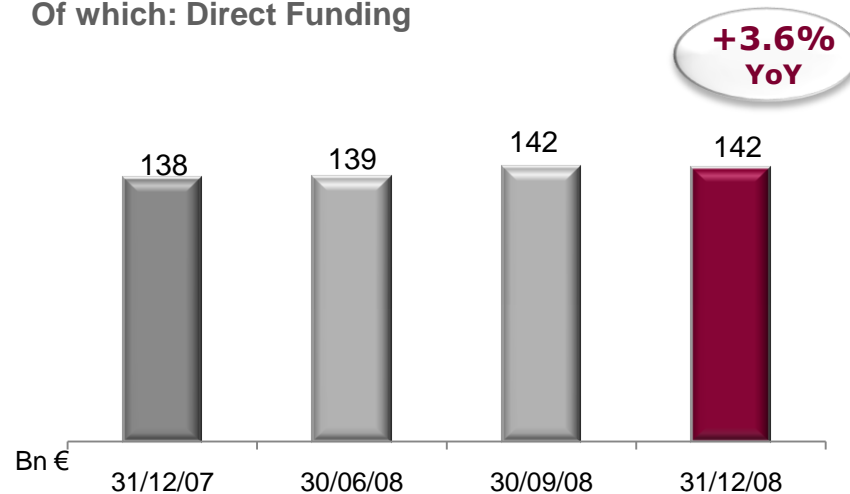


Funding Volumes: direct deposits drive growth

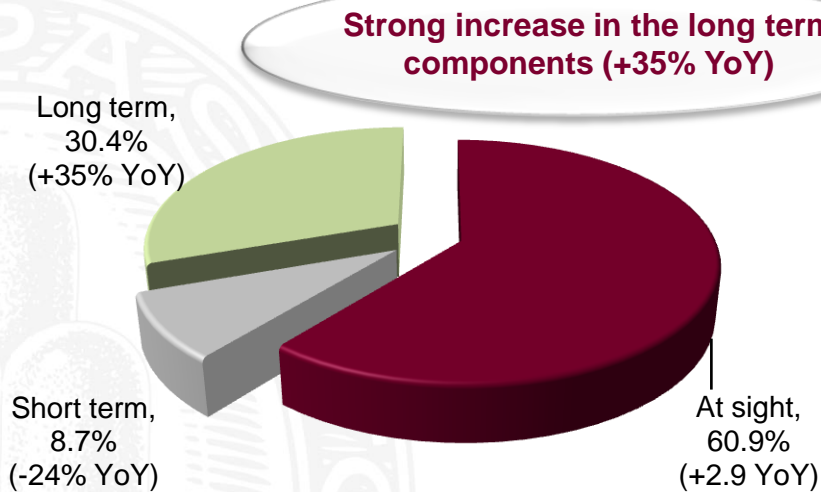
Total Funding



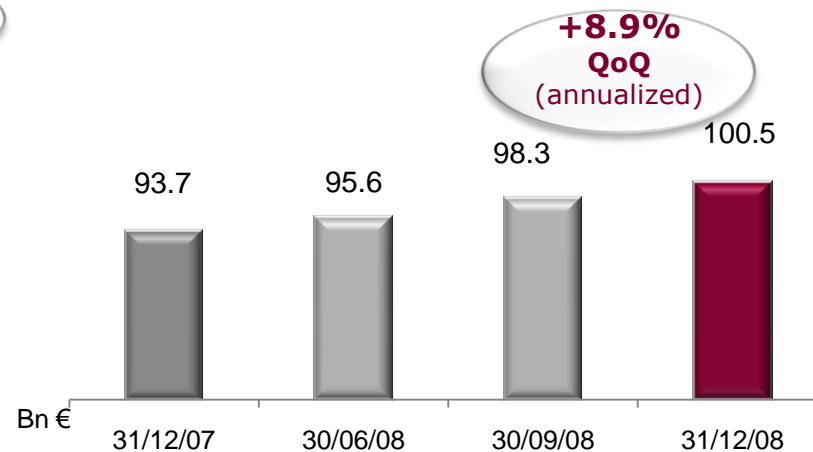
Of which: Direct Funding



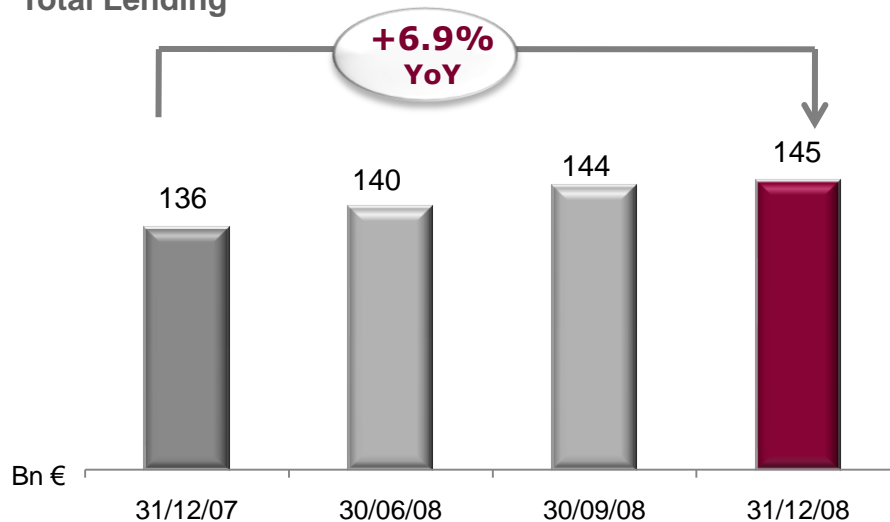
Direct Funding Breakdown by Maturity (Commercial Network)



Direct Funding (Commercial Network)



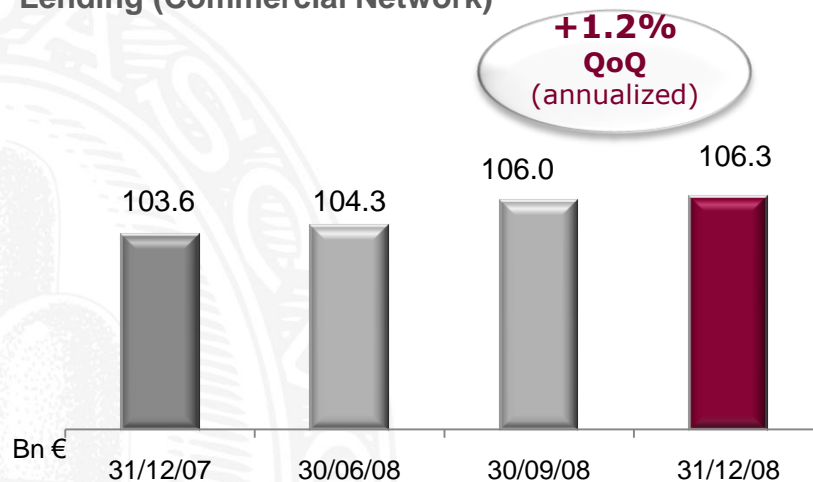
Total Lending



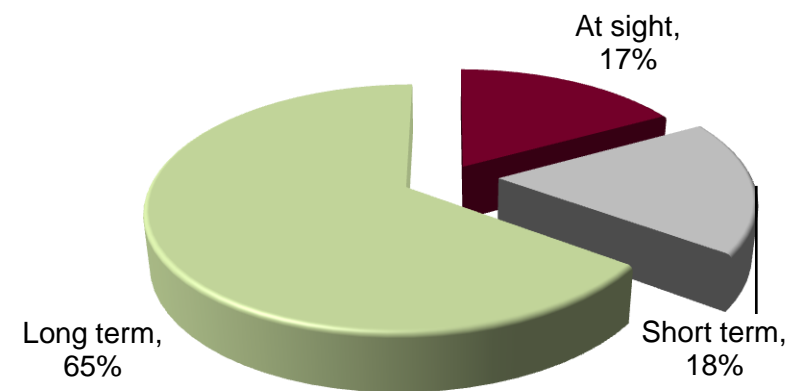
Of which:

- ▣ Retail Loans: +5.7% YoY
- ▣ Corporate Loans: +4.0% YoY
- ▣ Private loans: +7.4% YoY

Lending (Commercial Network)



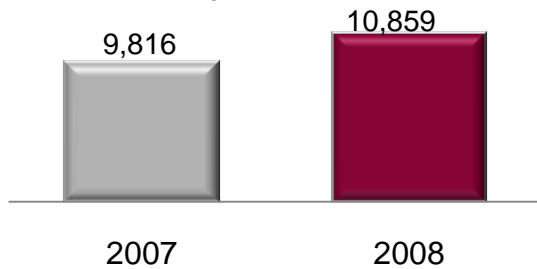
Lending Breakdown by Maturity (Commercial Network)



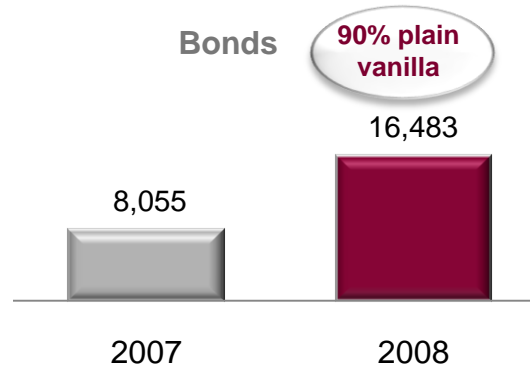
Funding and Lending flows

Funding flows (€ mln)

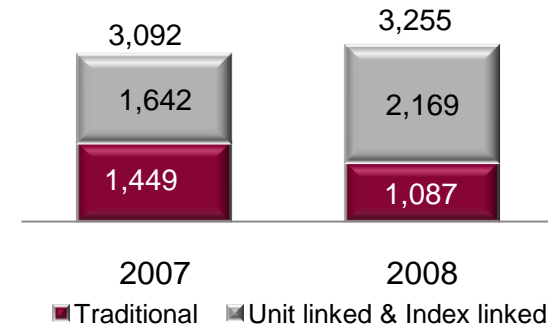
WM Flows (Bonds, Bancassurance and Mutual Funds)



Bonds

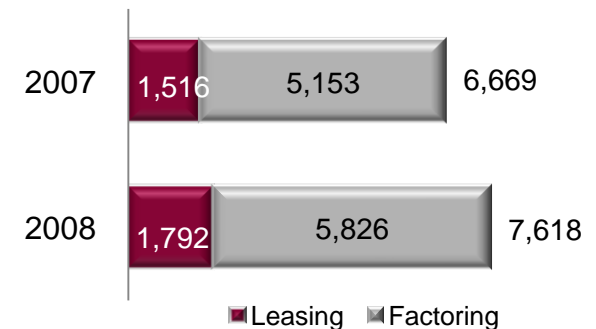
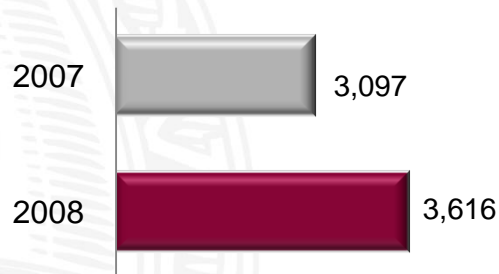
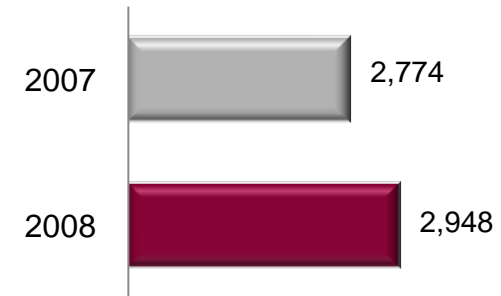
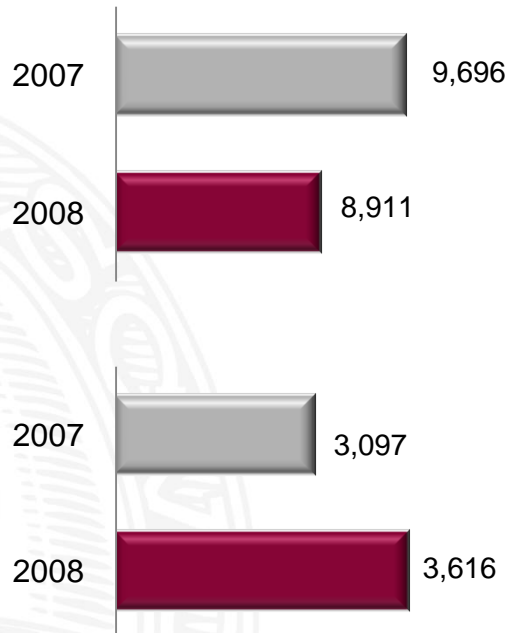


Bancassurance



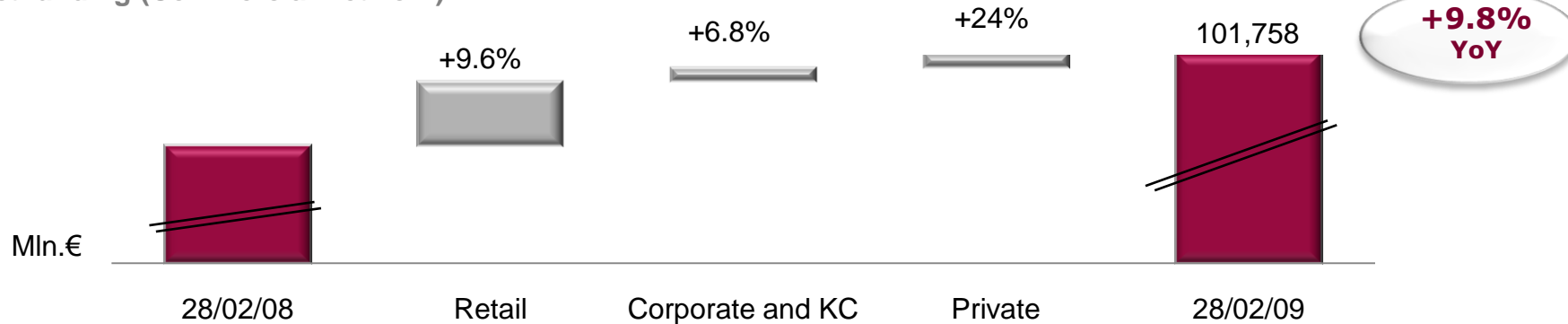
Lending flows (€ mln)

Mortgages (Commercial Network – ex BAV)

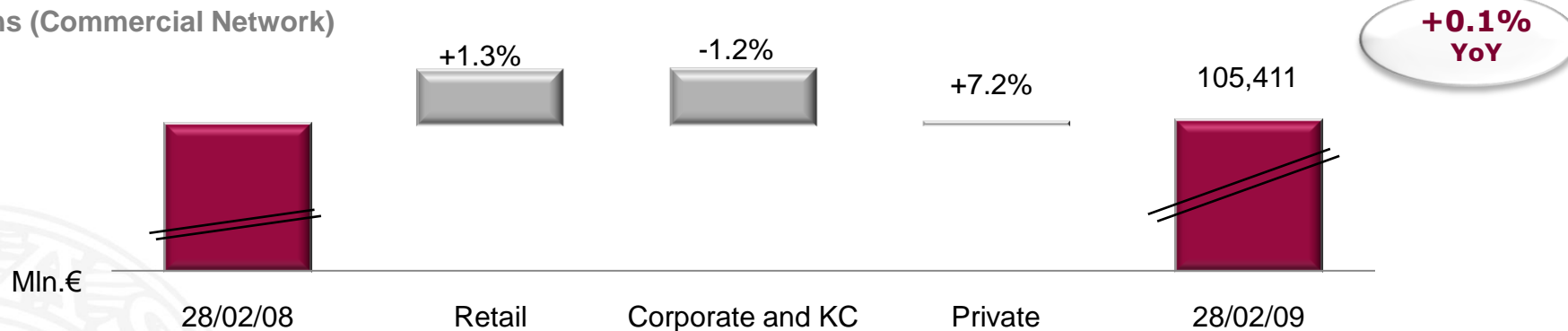


First evidence of 2009: good direct funding flows ...

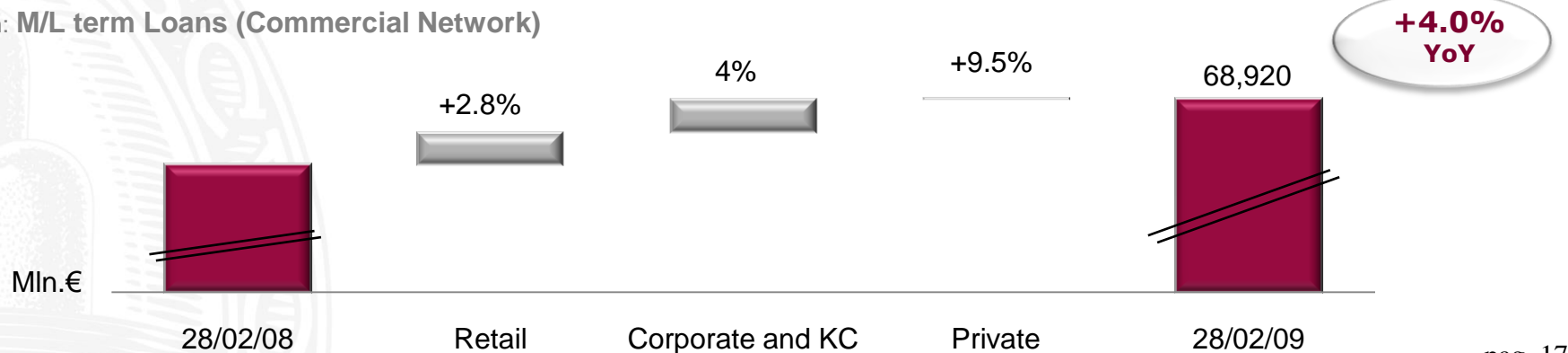
Direct funding (Commercial Network)



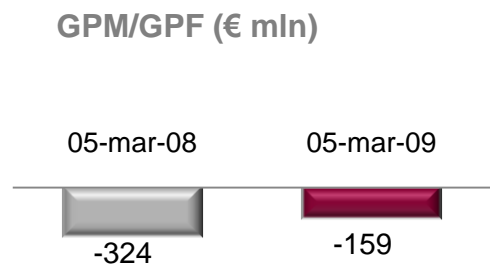
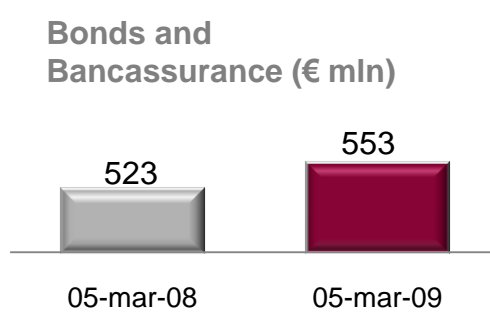
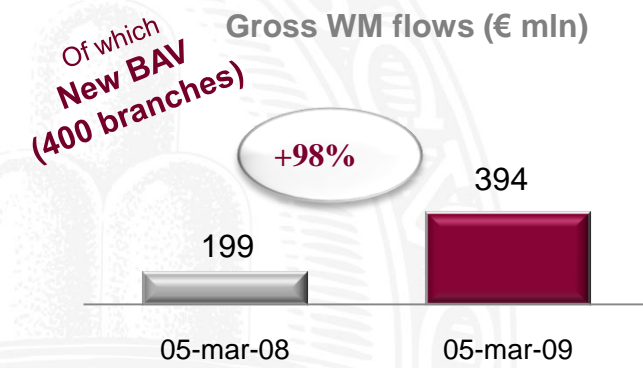
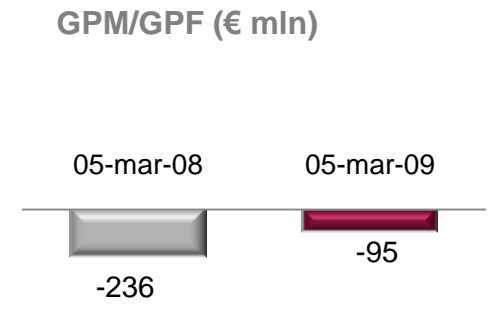
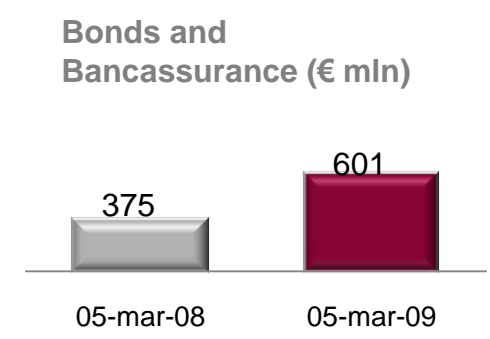
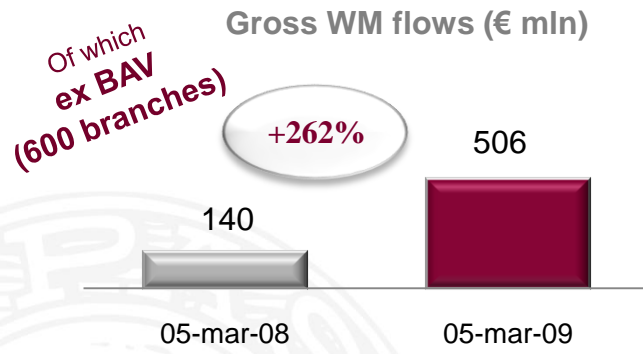
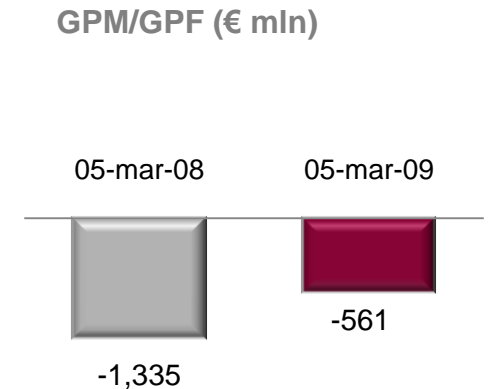
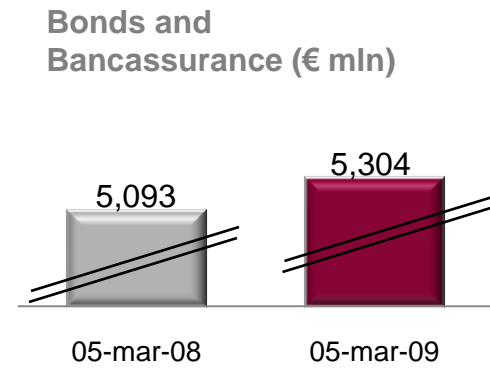
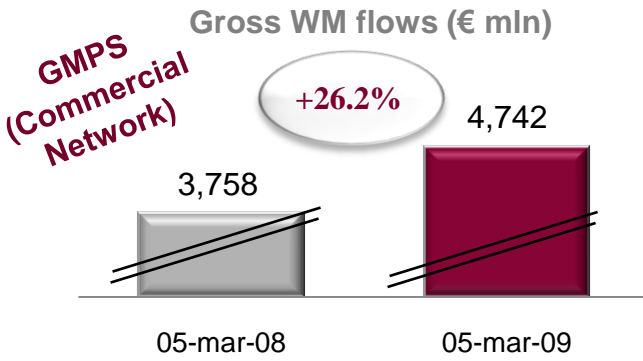
Loans (Commercial Network)



Of which: M/L term Loans (Commercial Network)

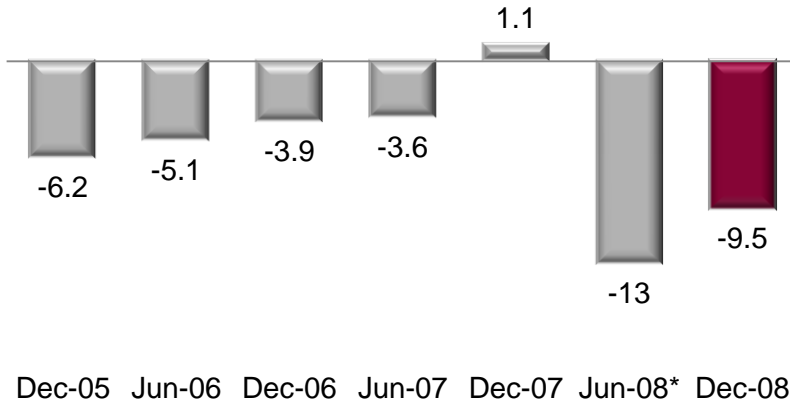


... and good performance of WM flows

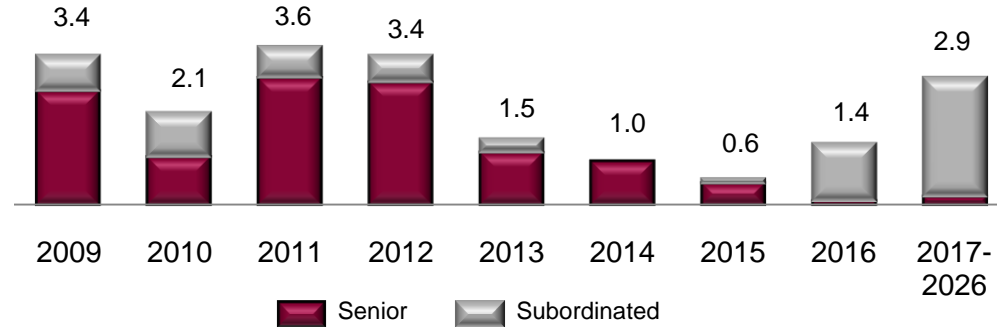


Liquidity Position Under Control

Interbanking Exposure (€ bn)



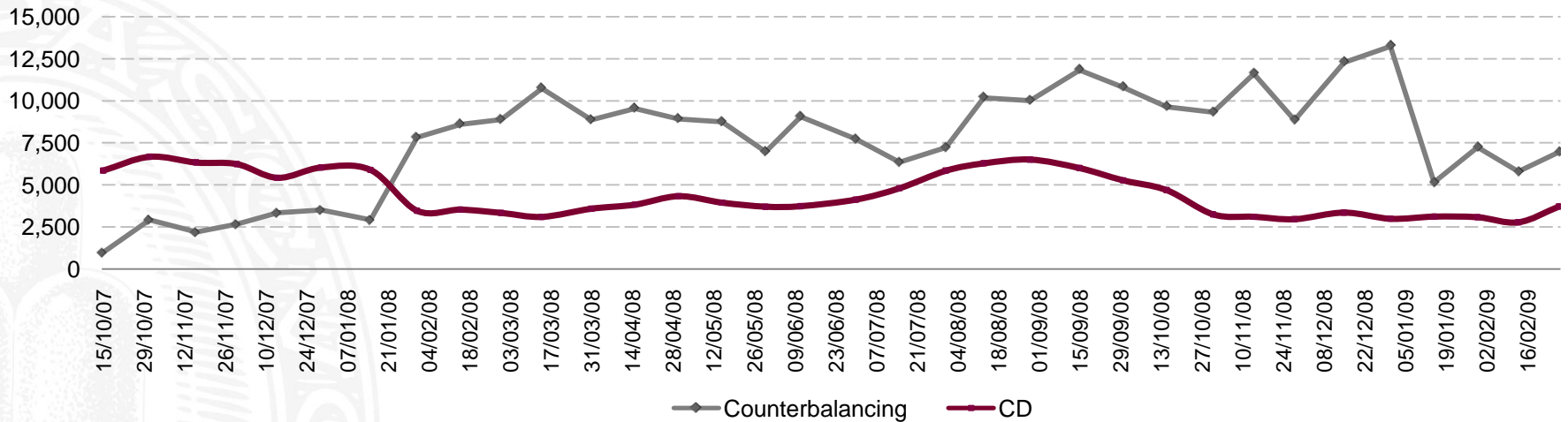
Bond Maturity (€ bn)



Dec-05 Jun-06 Dec-06 Jun-07 Dec-07 Jun-08* Dec-08

□ c €3.4bn wholesale maturity in 2009, most of which in 2H

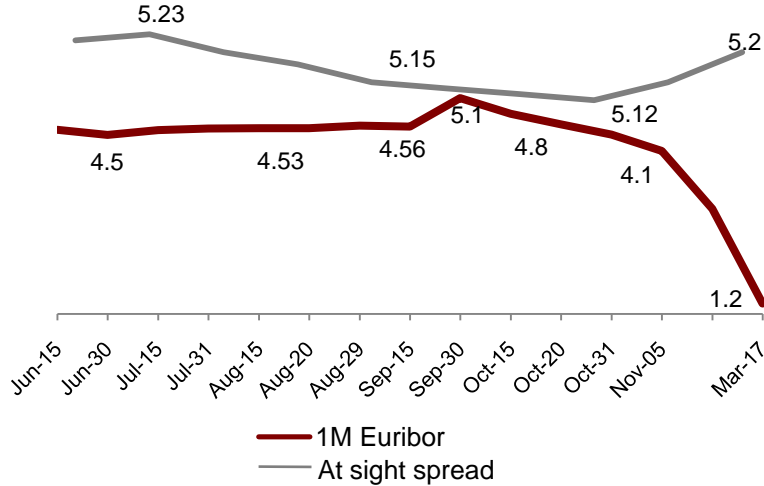
CD Programme and Counterbalancing Capacity** (€/mln)



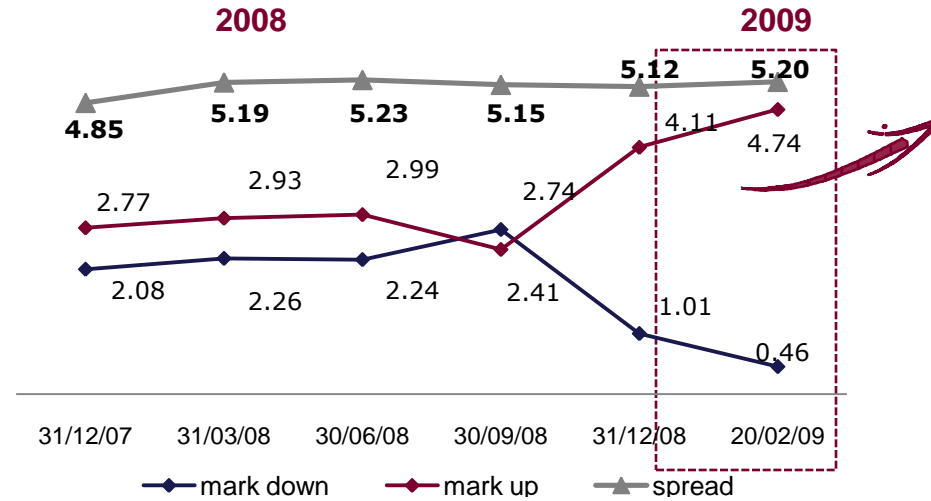
* Exposure affected by BAV acquisition

** The Counterbalancing capacity is the total amount of assets immediately disposable in order to face liquidity needs

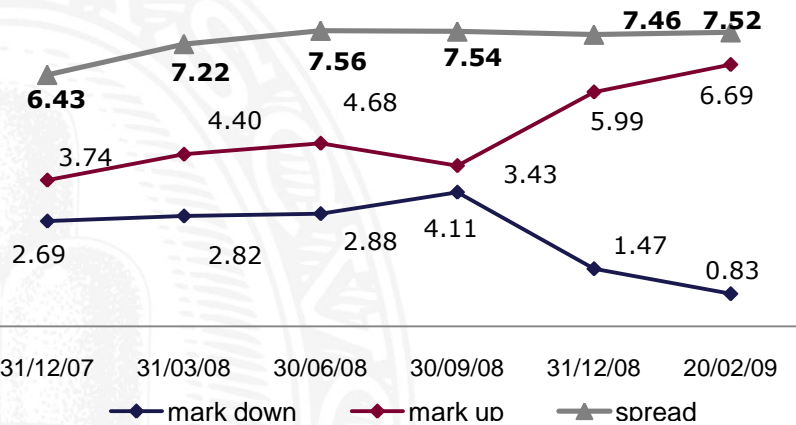
Short term rates (M Euribor) and MPS at sight spread



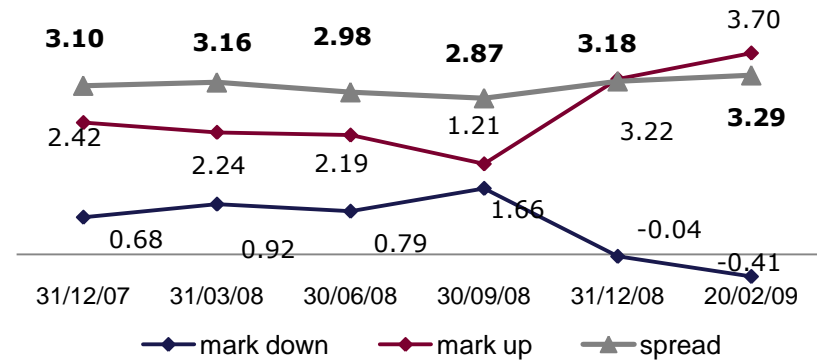
GMPS Commercial network : at sight Mark up and Mark down



Retail GMPS Commercial network : at sight Mark up and Mark down



Corporate GMPS Commercial network : at sight Mark up and Mark down



Costs

Personnel:

- ❑ Headcount reduction: 1,100 net exits (more than 1,800 gross exits) with total annual cost reduction €135 mln
- ❑ Expected reduction of personnel vs 2011BP target: -2,000 net exits (vs -1,200 planned), with a further cost reduction of 2.5%
- ❑ One-off for early retirement: approx €180mln, of which €50 mln about exits 2009 for early retirement

Other Admin Expenses:

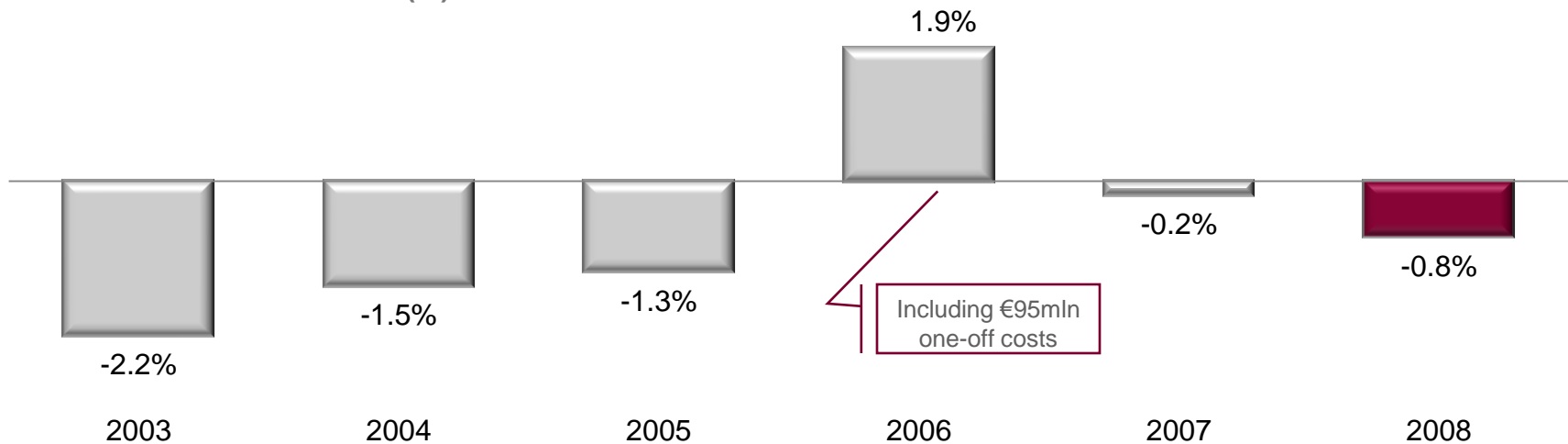
- ❑ 2008 BP target exceeded and actions to meet 2009 BP target of 52% already identified

Integration costs:

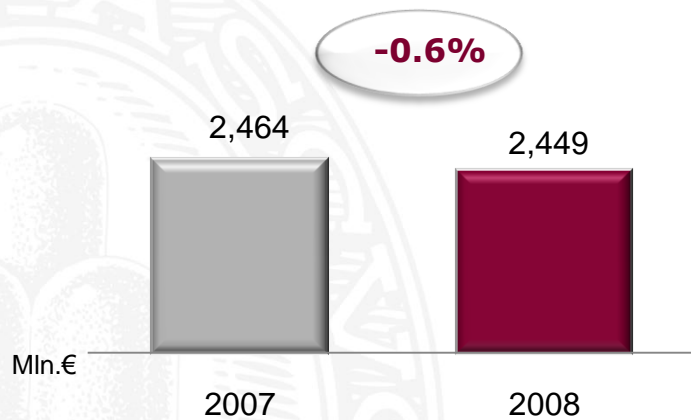
- ❑ € 322mln in 2008, 56% of total integration costs

A confirmed track record in cost cutting

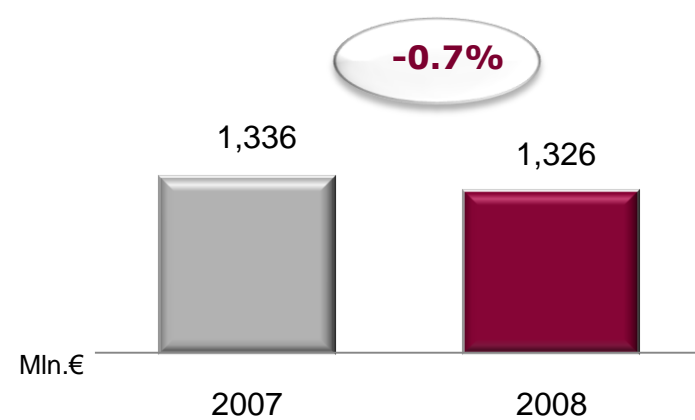
GMPS Total Costs Trend (%)



Personnel Costs

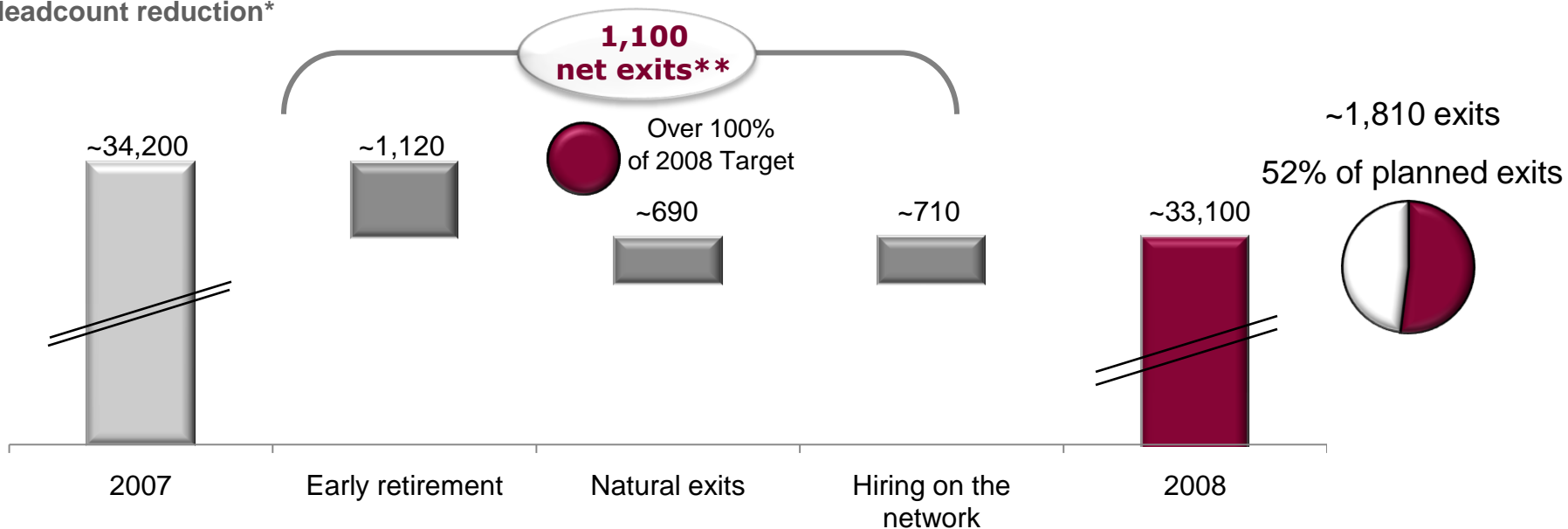


Other Administrative Costs

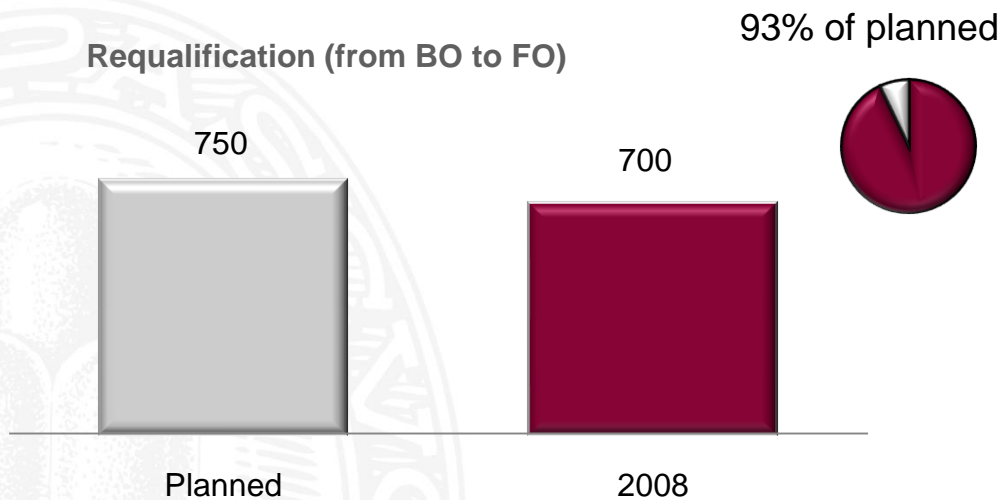


Headcount reduction ahead of schedule

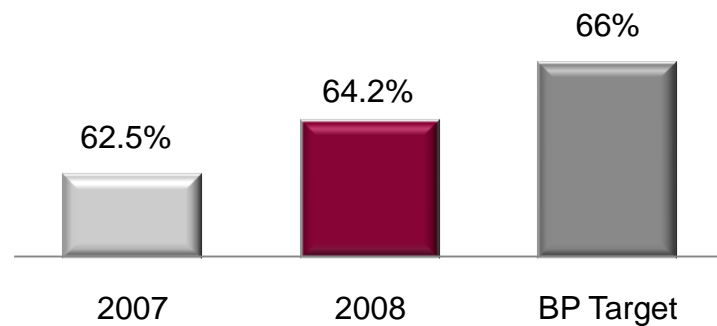
Headcount reduction*



Requalification (from BO to FO)



Front office / Total staff

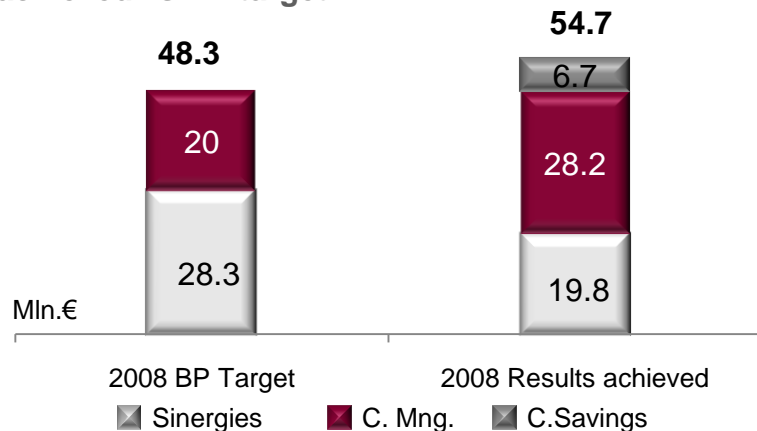


* FTE. 2007 figures include Antonveneta (9383) and Biver (696)

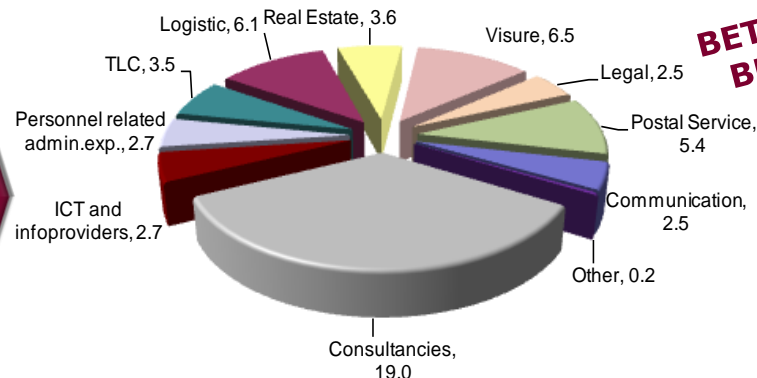
** Pre asset disposal; 1,300 net exits post asset disposals (SGR, Intermonte)

Admin. expenses: 2008 BP target fully achieved

2008 Other Admin expenses: Results achieved vs BP target

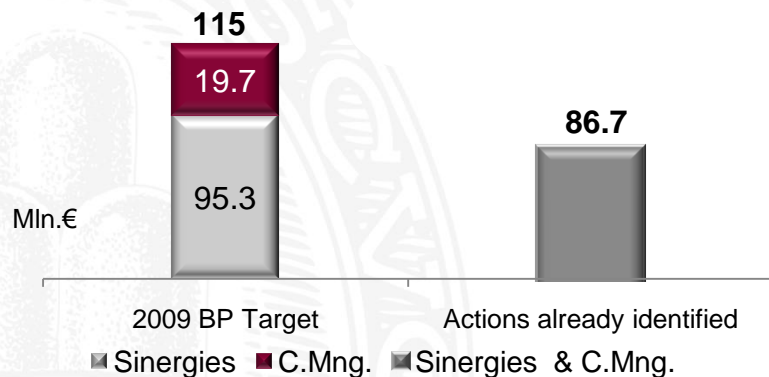


Savings achieved in 2008 (€mIn)

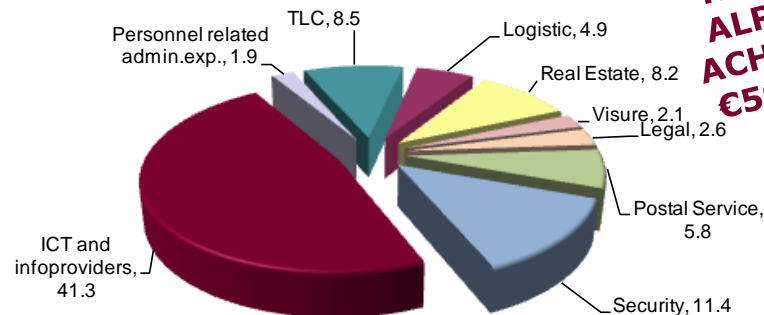


2008
BETTER THAN BP TARGET

2009 Other Admin expenses: Actions already identified vs BP target



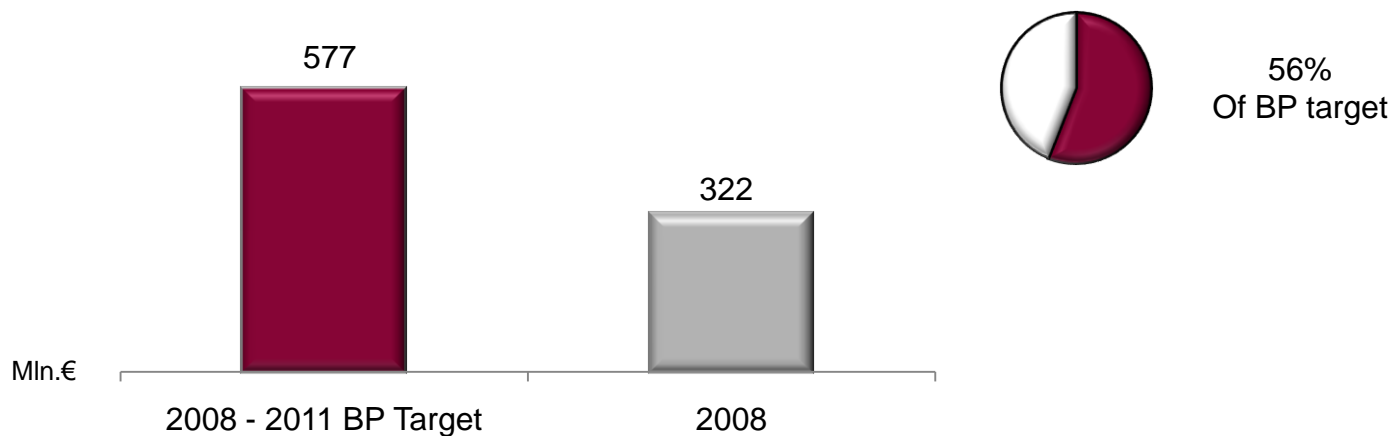
Savings already identified (€mIn)



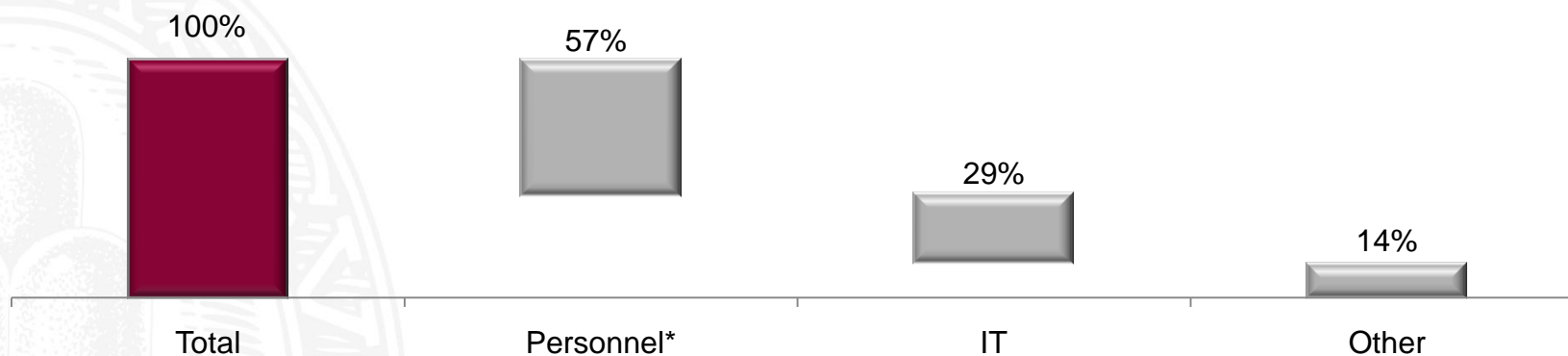
2009
52% of 2009 BP target

RESULTS ALREADY ACHIEVED: €59.8 mln

Integration costs



2008 Integration cost details



* € 178 mln for early retirement for ~ 1420 staff (of which 1,120 who left the Group in 2008 and ~ 300 that will leave in 2009) + € 7 mln for BAV IT Integration task force

Costs: 2009 guidance

- ❑ Staff costs: -3%
- ❑ Other Admin Expenses: estimated >€100mIn savings
- ❑ At least total cost base: -3%

Asset quality

Cost of Credit:

- ❑ LLP at 73bps (70 bps net of Hopa/Fingruppo) affected by the difficult economic situation mainly in 4Q
- ❑ Impaired Loan Flows normalized in the first 2 months of 2009

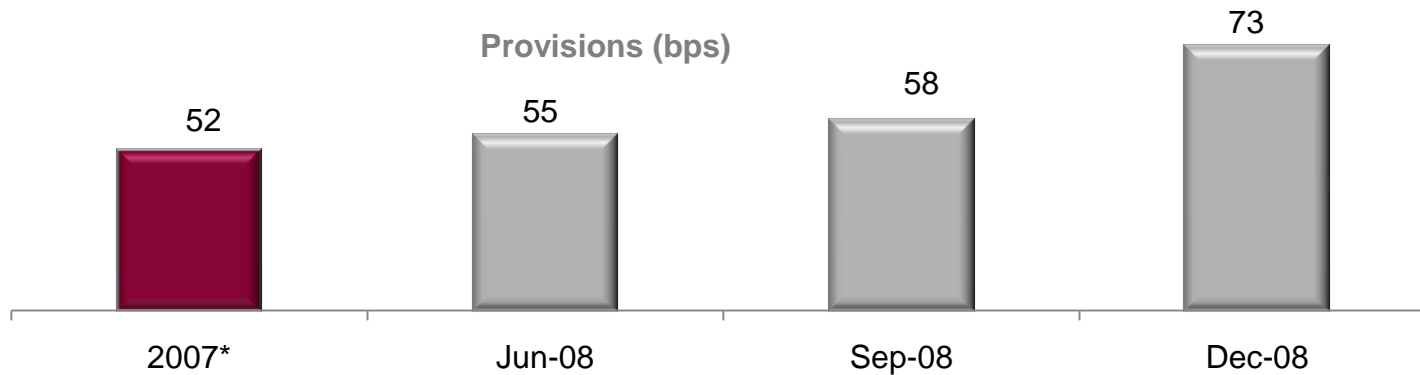
Well Diversified Loan book:

- ❑ Increased exposure in North Italy (from 33% to 43%)
- ❑ Low concentration (top 10 customers account for 4.6% of loan book) and limited exposure to Real Estate

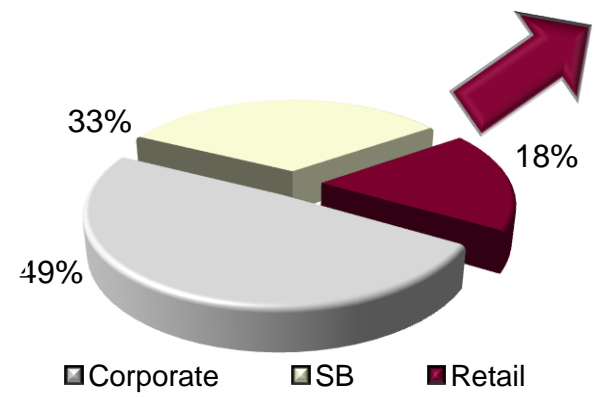
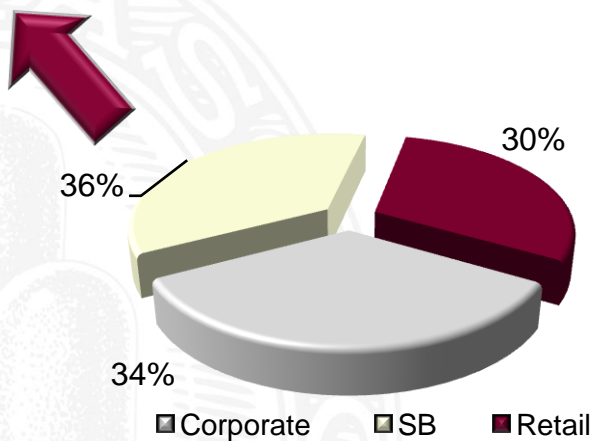
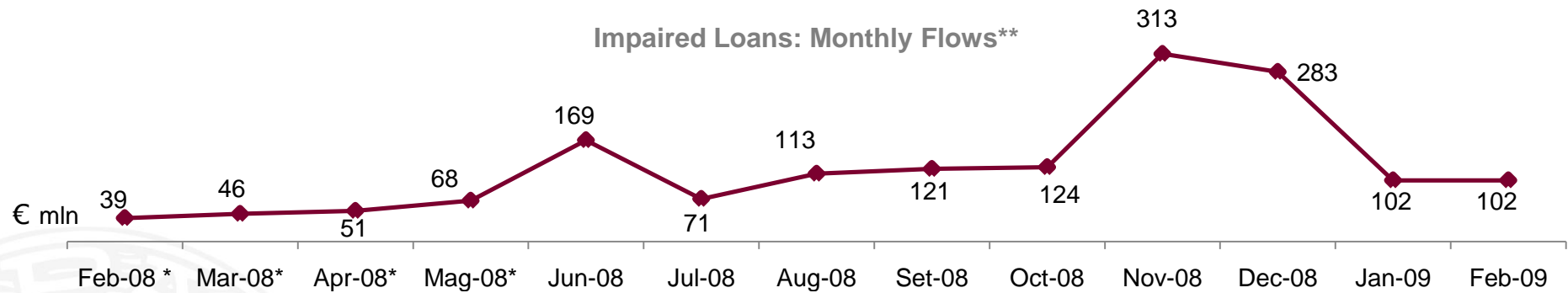
Good Level of Collateralization:

- ❑ Fully guaranteed loans/Loans ratio at 52% (vs 39% avg competitors)

Provisions affected by market turmoil



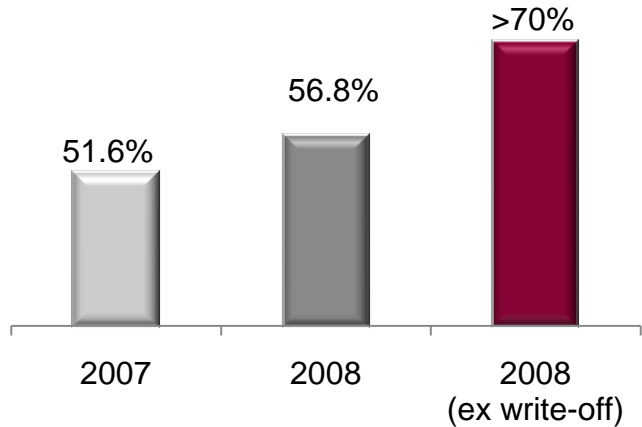
Impaired Loans: Monthly Flows**



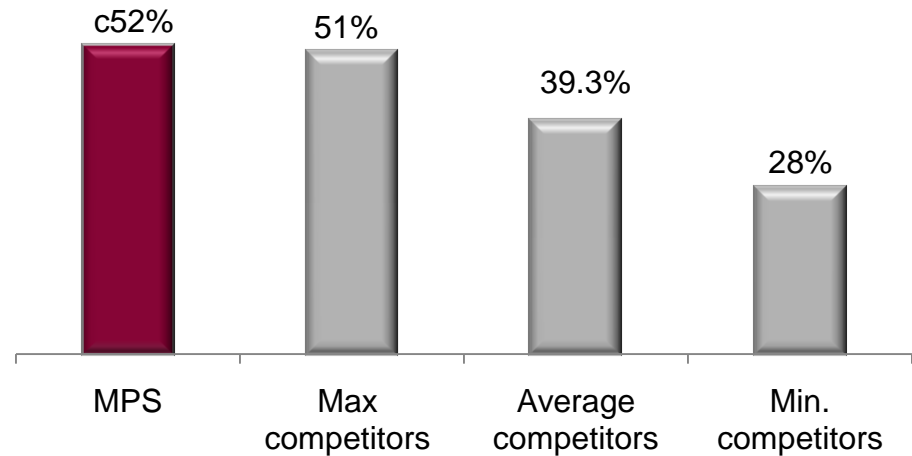
* Ex BAV
** Ex MPS Capital Services and Biver

Good level of coverage and collateral

NPLs Coverage

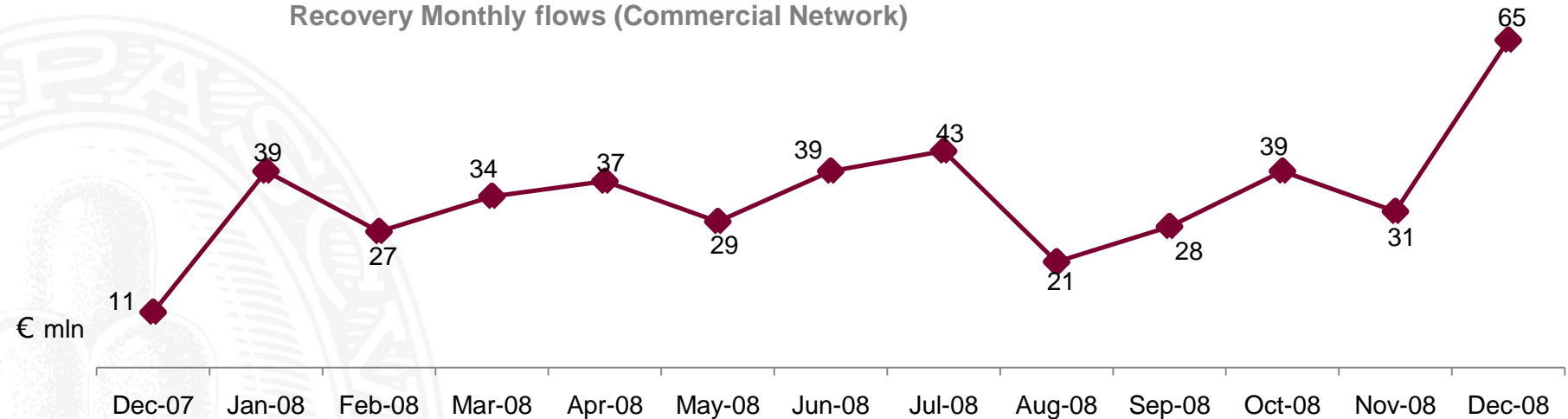


Fully guaranteed /total loans*



Source Mediobanca: Competitors: Bpel, Creval, Bp, Credem, Bpm, Isp, Carige, Uci, Ubi. For GMPS figures at 30.12.2008

Recovery Monthly flows (Commercial Network)



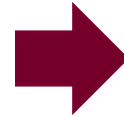
* Guaranteed exposures to customers (totally guaranteed)/total loans A.3.1

Fears of the market...

... MPS answers



Loan
Concentration

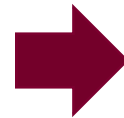


**LOW
CONCENTRATION**

Top 10
customers:
€6.7 bn
(4.6% of total loans)



House Market
collapse

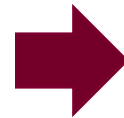


**LOW
EXPOSURE**

Top 20 Real Estate
clients:
€1.5 bn



Crisis of emerging
markets

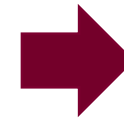


**NO
EXPOSURE**

Emerging markets:
€0.7bn
(No exposure to Argentina
and Ukraine)



Commercial real
estate continues to
dominate credit
quality fears

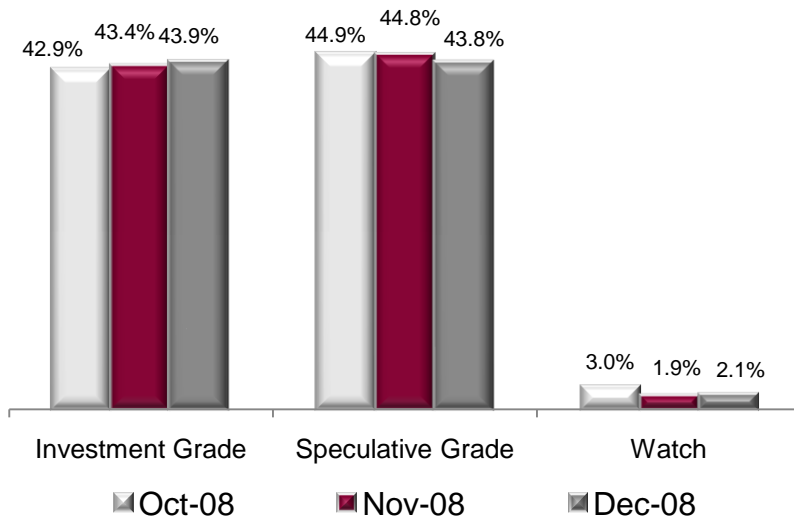


**LOW
EXPOSURE**

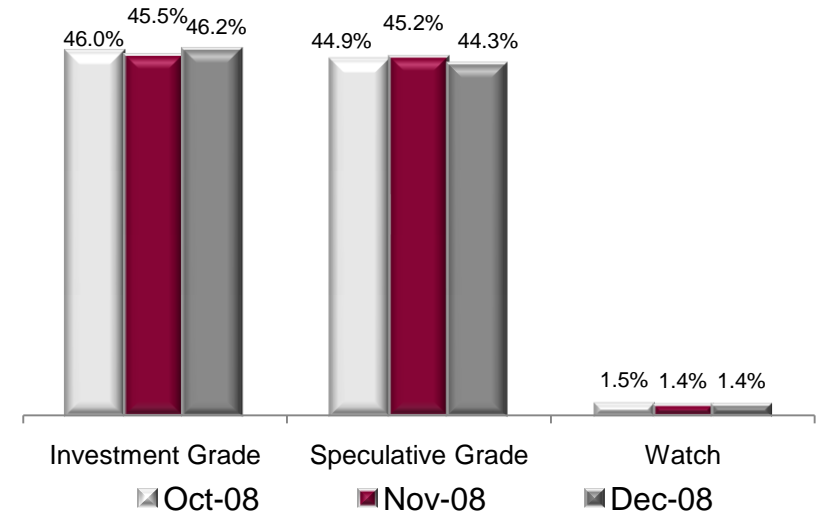
Commercial Real
Estate:
~2%
of total loan book

Rating distribution and corporate lending utilisation

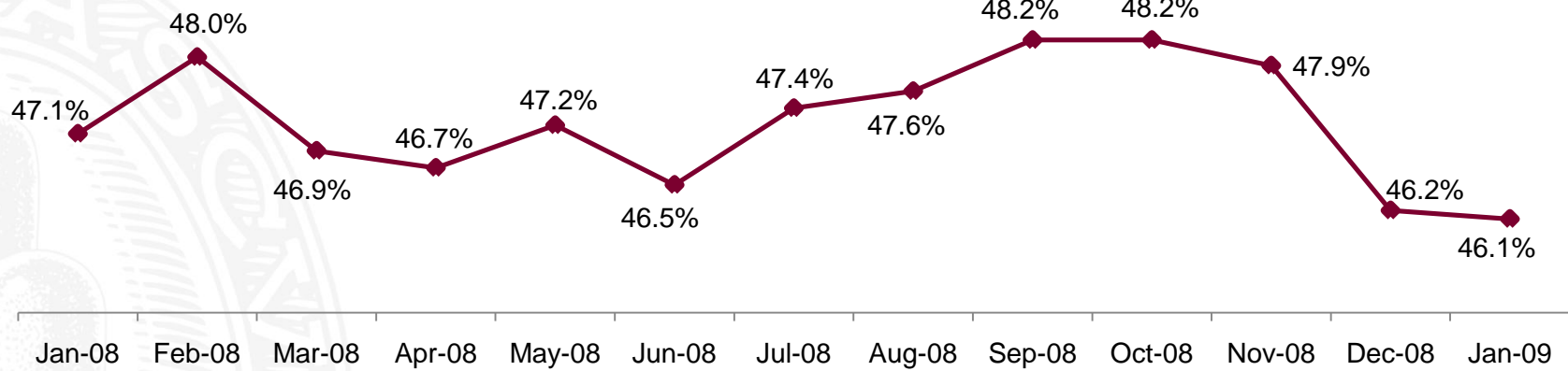
Risk trends by volumes



Risk trends by use



Drawn/Undrawn ratio



Capital

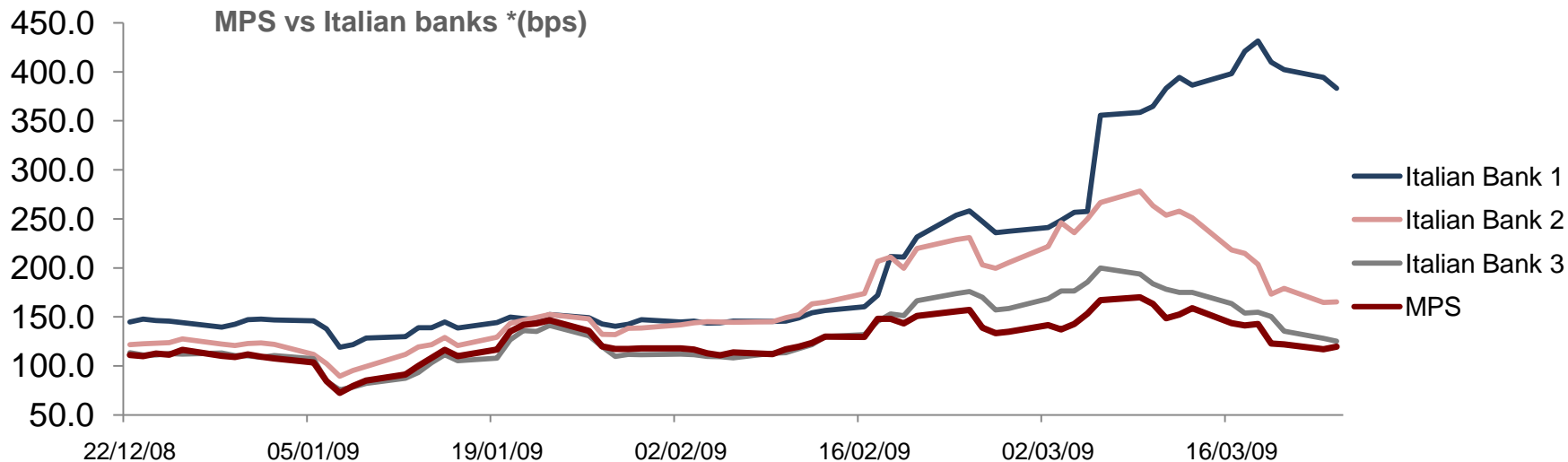
Tier 1:

- ❑ Tier 1 at 5.6% pre T-Bonds and with B2 floor at 90%
- ❑ Management Board approved resolution to further bolster Group capital ratios and start procedures for the issue of €1.9 billion of subordinated debt instruments (“Tremonti Bonds”) to be subscribed by the Ministry for Economy and Finance and qualifying as Core Tier 1 capital
- ❑ Further improvement of more than 100bps from Asset Disposal

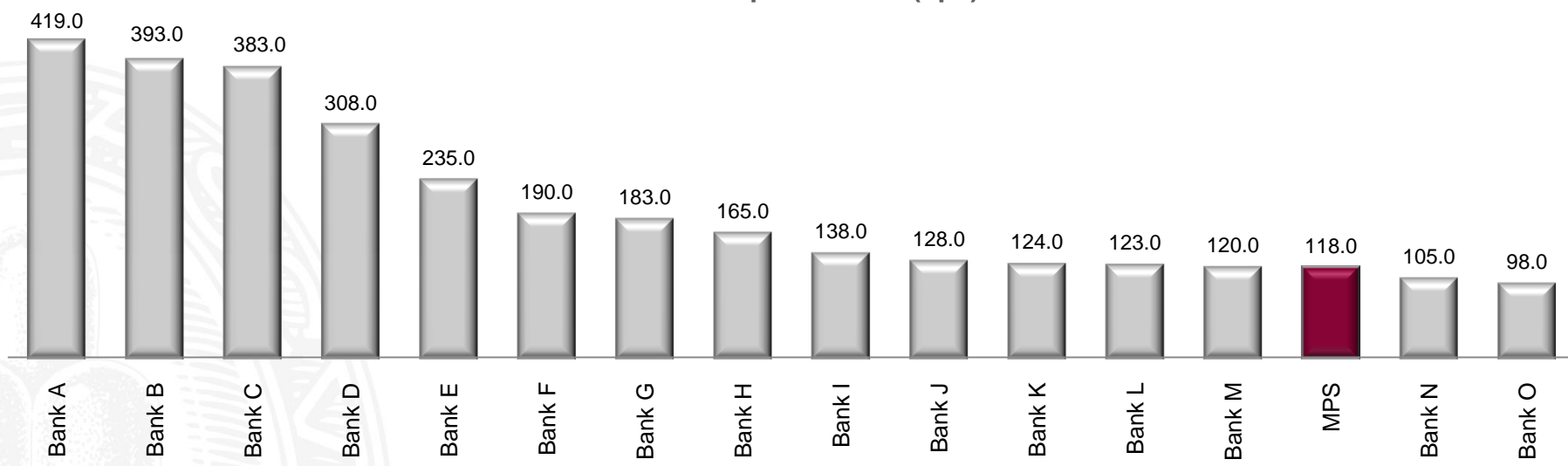
Tangible Book Value

- ❑ Tangible Book value, pre T-Bonds, increased Q/Q by 24% at E1.2 per share

Low risk profile: CDS trend

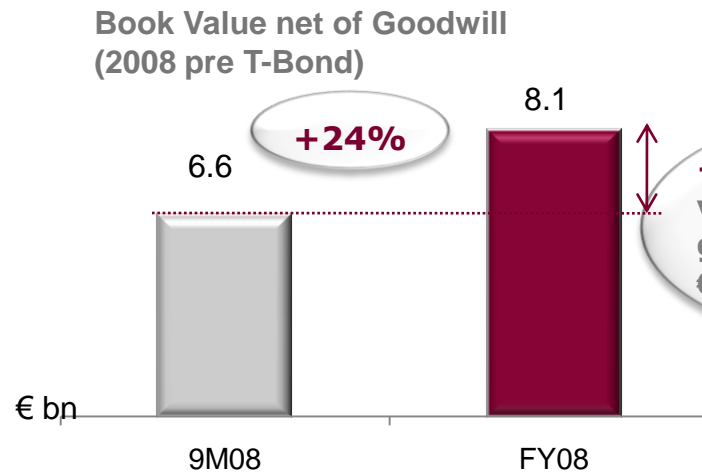
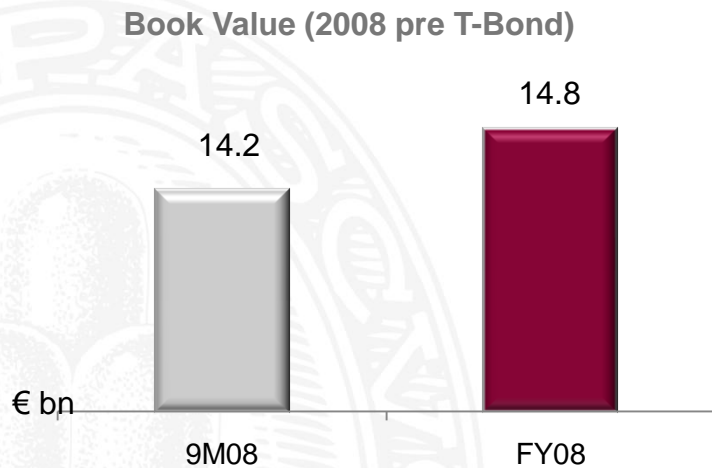
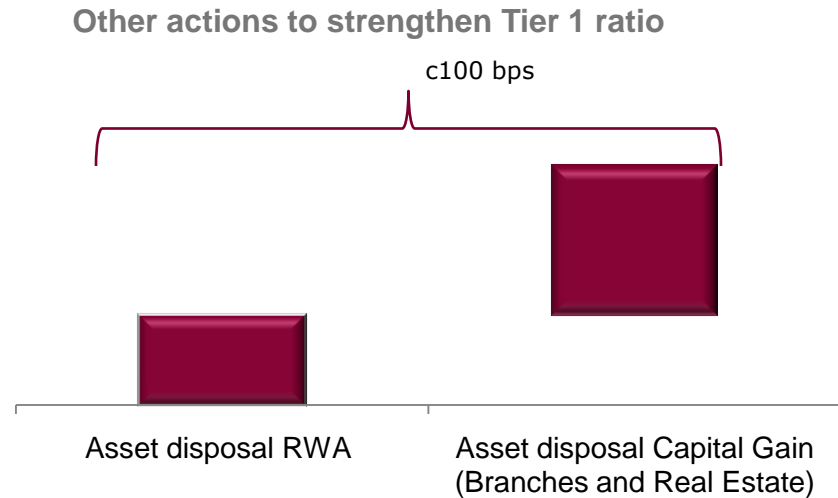
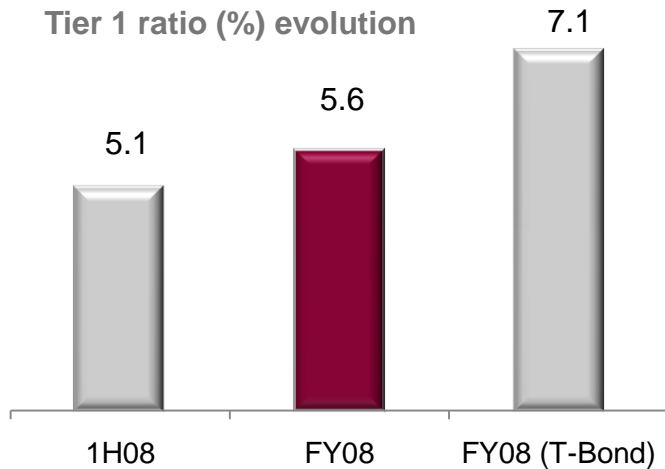


MPS vs European banks (bps)



* Price at 24/03 /09: Bloomberg.

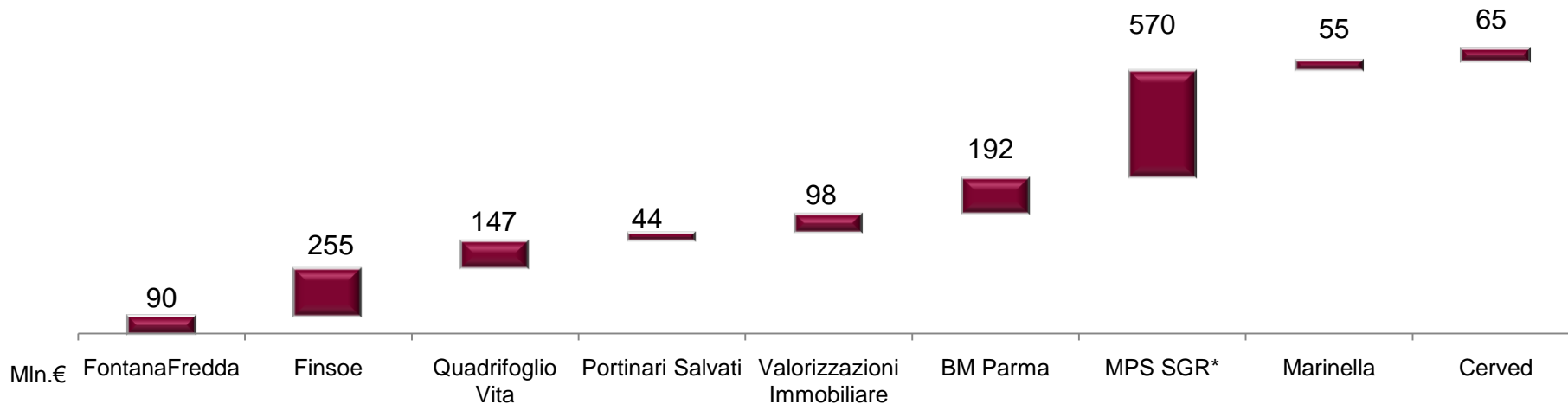
Monitored capital position



BV per Share: €2.1
TBV per Share: € 1.2

+€1.5bn: €0.6bn book value increase + €0.9bn goodwill reduction (ow €0.6bn PPA)

Asset disposals completed: Cash inflows



Next Asset disposals

150 Branches

Asset

- ☐ € 7bn Total funding (57% direct, 43% indirect)
- ☐ € 4.5 bn Loans
- ☐ ~1,000 staff
- ☐ 280,000 customers
- ☐ ~€ 5bn RWA

MPS Real Estate

**Asset Disposal
Flows will be
used for
T- Bond
repayment**

* Subject to Regulatory Authorization

Guidelines for 2009

- ❑ Protecting Interest Margin
- ❑ Recovering Bancassurance Contribution to P&L
- ❑ Expediting Synergy Delivery
- ❑ Total Cost Reduction of at least 3%
- ❑ Credit Cost Increase vs 2008 but Confidence about Collateral and Coverage Quality

**Thank you for your
attention**

Q&A



Annexes



Strong support to our customer base: “Combatti la crisi” initiatives

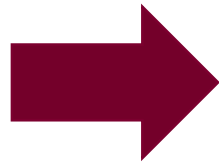
An Italian story since 1472
2008 Results Presentation



The Programme Targets both new and old customers and includes the following actions

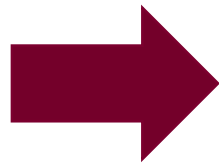


Mortgage payment holiday



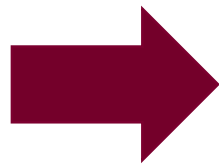
- Private mortgage holders experiencing difficulties are granted a **freeze on their repayments from 6 to a maximum of 12 consecutive months**. This involves temporary freezing mortgage repayments as well as **rescheduling repayment plans**

CPI Insurance Policy “Mutuo Sicuro Plus”



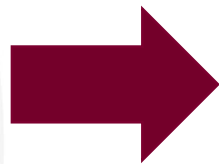
- This policy - jointly developed with AXA MPS – offers various guarantees including payment of a maximum of 12 monthly installments if mortgage holders lose their jobs.

MPS Protection



- This is a **variable rate mortgage** based on the Euribor index **with a capped rate**. Customers benefit from much lower initial payments than fixed rate mortgages while being guaranteed that their repayments will not exceed a pre-set amount should mortgage rates go up.

Personal Loan Repayment Holiday



- Customers with personal loans are offered a **freeze on their repayments for up to 6 months**.

GRUPPOMONTEPASCHI

Research, Intelligence & Investor Relations

Piazza Salimbeni, 3
53100 Siena

Tel: +39 0577-296477

Investor Relations Team:

Alessandro Santoni (Head)

Elisabetta Pozzi

Simone Maggi

Email: Investor.Relations@banca.mps.it

Declaration

In accordance with section 2, Article 154-bis of the Consolidated Law on Finance (TUF), the Financial Reporting Manager Daniele Pirondini, declares that the accounting information contained in this presentation corresponds to documentary records, ledgers and accounting entries.

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