



An Italian story since 1472

1H2009 Results Presentation



1H2009 Results Highlights

- ❑ Net income above €332mln
- ❑ Good commercial flows: Direct funding +6.2% (+7.8% Commercial Network); Loans: +3.7%; Wealth Management flows at €12bn (+64% YoY)
- ❑ Strong cost containment: Operating cost: -7.9% YoY and C/I at 59.7% (vs 66.1% in December 2008)
- ❑ BAV commercial relaunch: Direct funding double digit growth and +2,550 new current account
- ❑ NPL Growth (QoQ): 2.9% with coverage increased 60bps vs 1Q09
- ❑ Tier 1 at 5.8% (+20bps vs 1Q09); 7.3% including T-Bond



Volumes and Margins

MPS commercial strength confirmed:

- ❑ Direct Funding (Commercial Network): +7.8% YoY
- ❑ WM flows at €12bn (+64% YoY)
- ❑ Loans: +3.7% YoY of which Mortgage flows above €5bn (+8.3% YoY)

BAV recap:

- ❑ Direct funding >+10%YoY, with +2,550 new current accounts, and Loans flat YoY
- ❑ WM flows from BAV branches*: +175% YoY
- ❑ Net profit (pre PPA) at €42mln

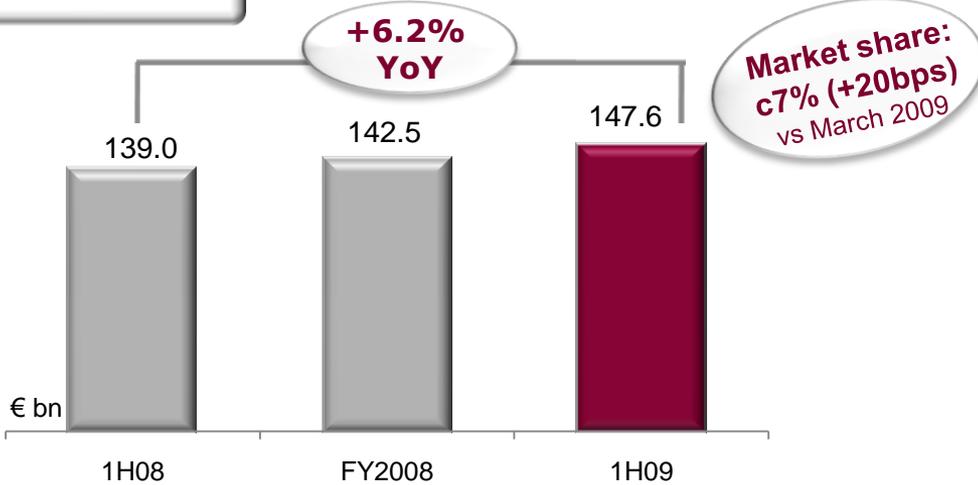
A snapshot on July flows:

- ❑ Bancassurance +42% vs 2Q monthly avg; Mortgages +49%
- ❑ Mutual funds net inflows: +€145mln

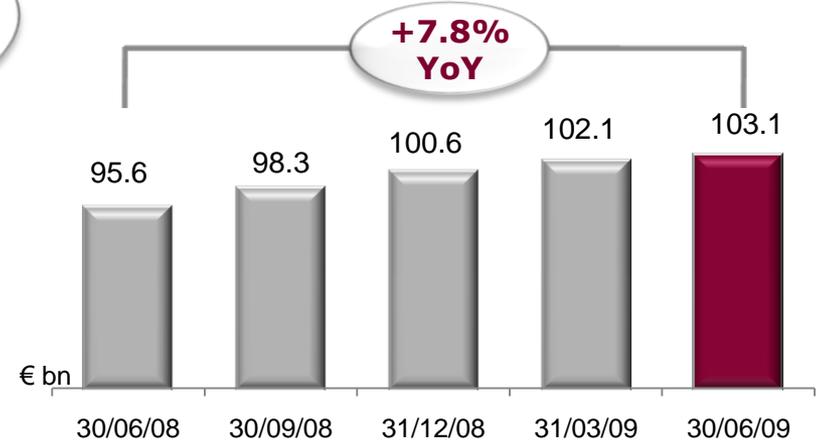
* 600 former branches BAV incorporated in MPS + 400 “new” BAV branches

Direct Funding Volumes

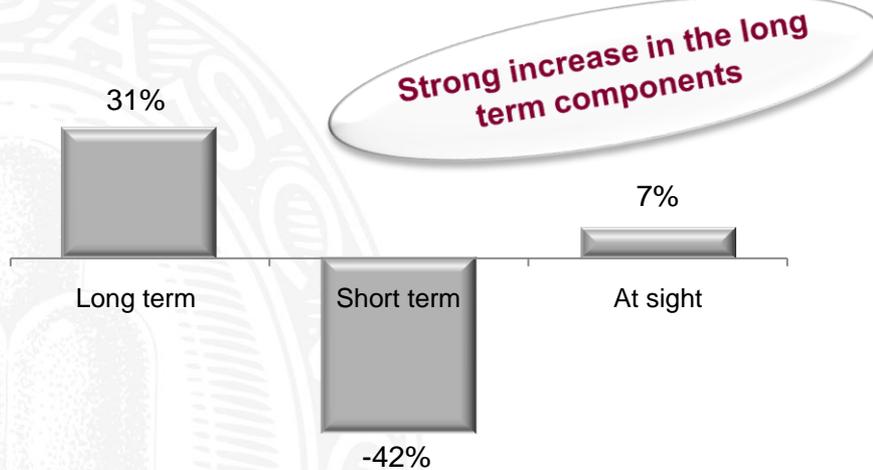
Direct Funding



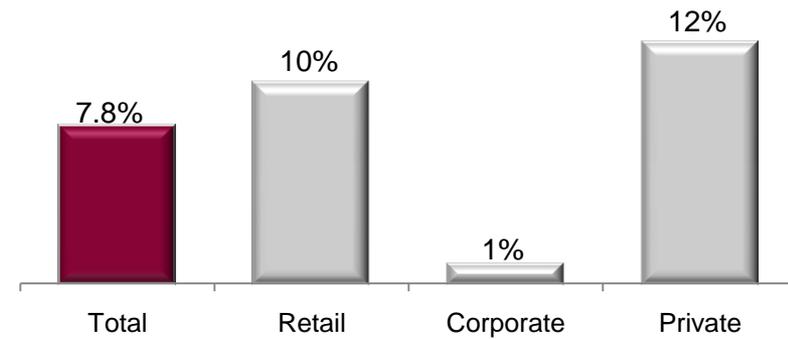
Direct Funding (Commercial Network)



Direct Funding by Maturity: YoY evolution (Commercial Network)

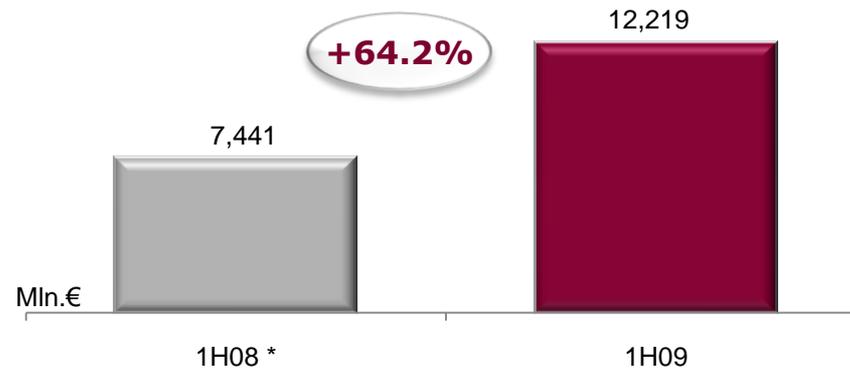


Direct Funding growth (Commercial Networks)

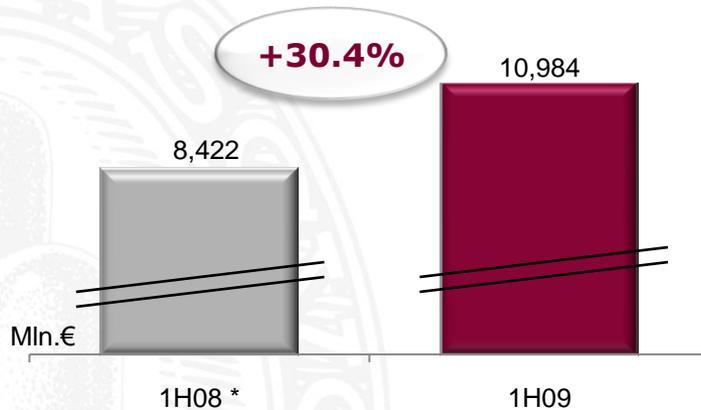


Retail: +€600mln
From 30th June to 10th August

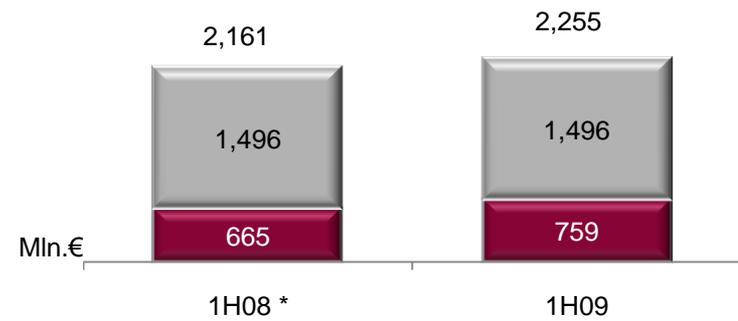
WM Flows (Bonds, Bancassurance and Mutual Funds)



Bonds



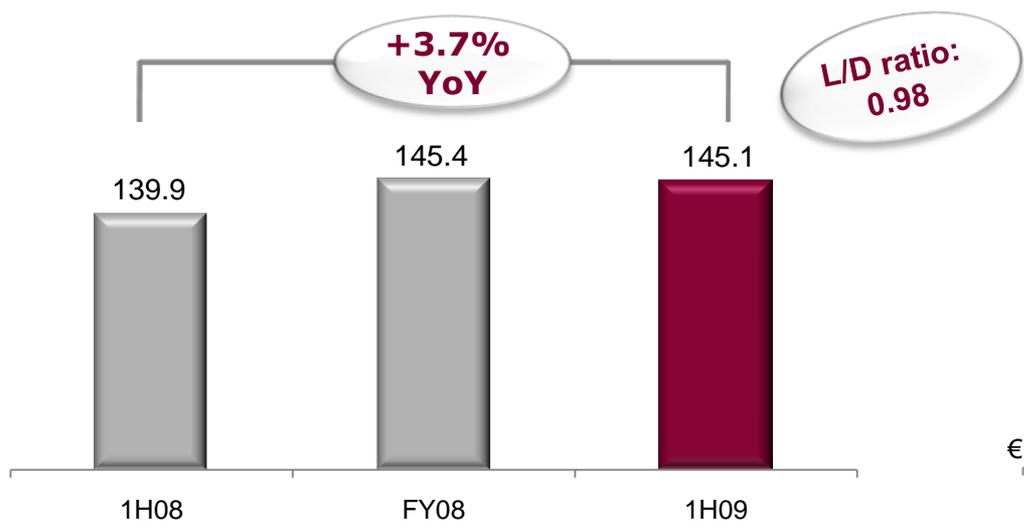
Bancassurance



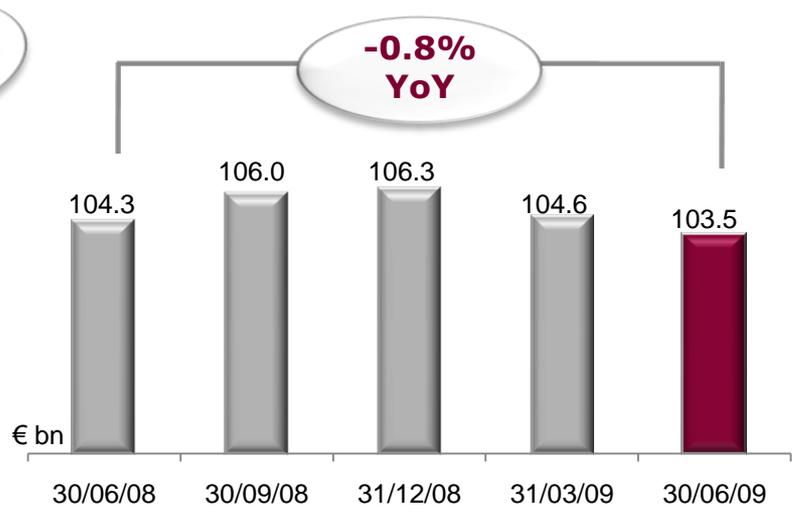
■ Traditional

■ Unit linked & Index linked

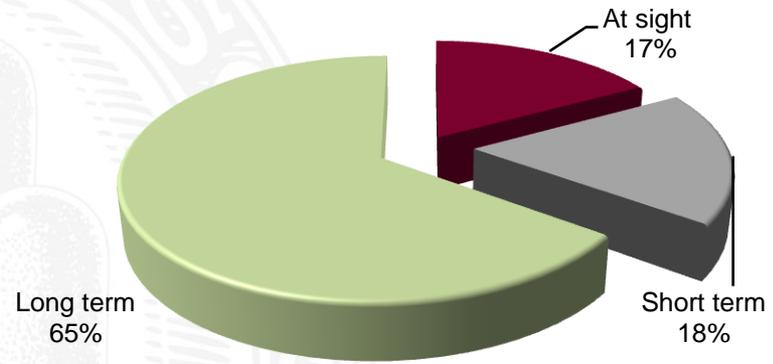
Total Lending



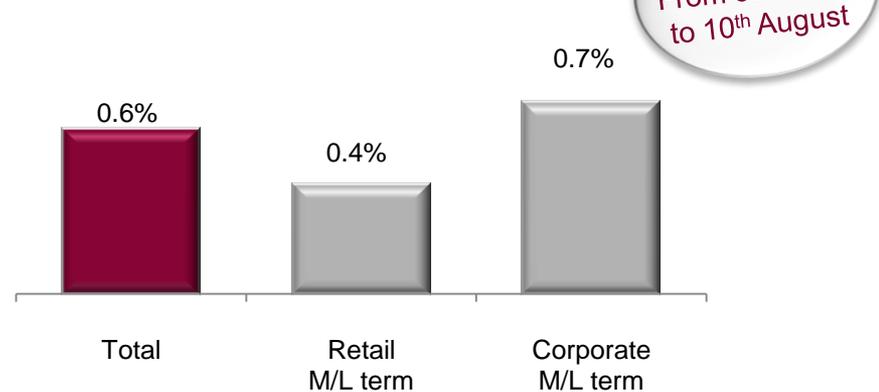
Lending (Commercial Network)



Lending Breakdown by Maturity (Commercial Network)

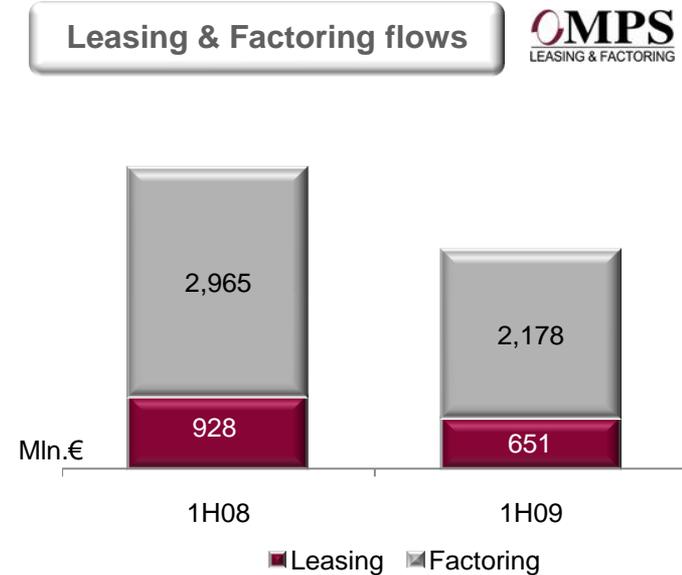
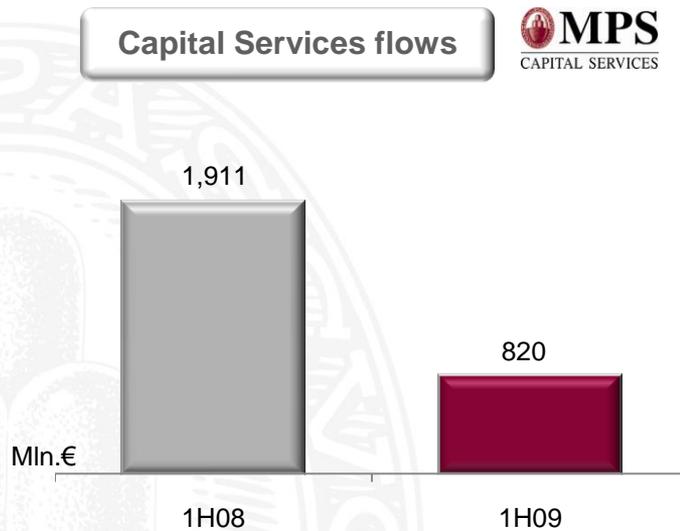
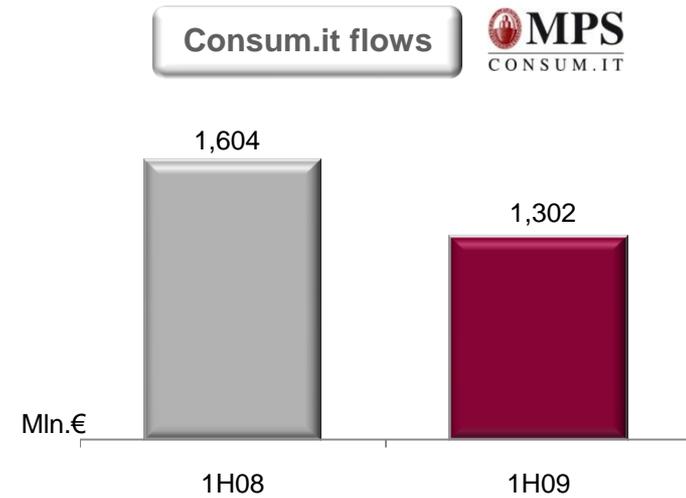
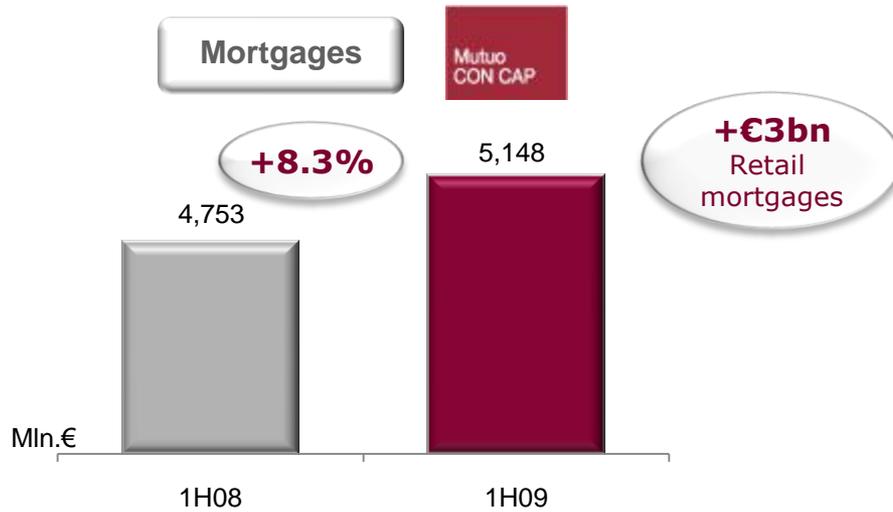


M/L term lending growth (Commercial Network)

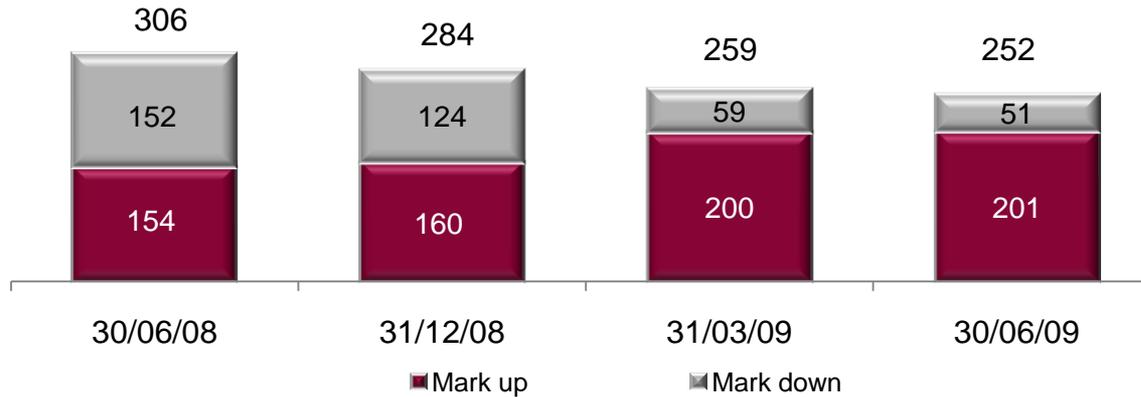


* Including BAV

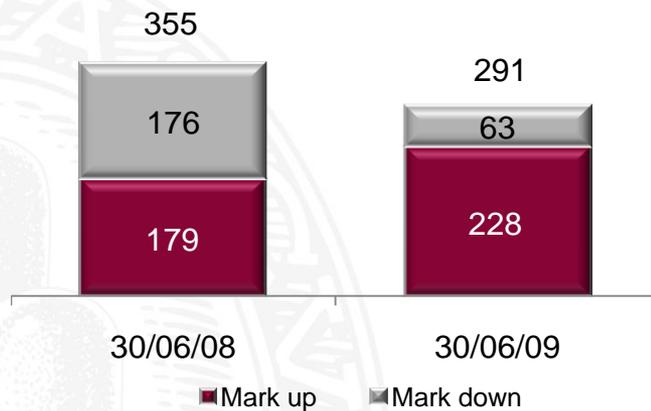
Lending flows



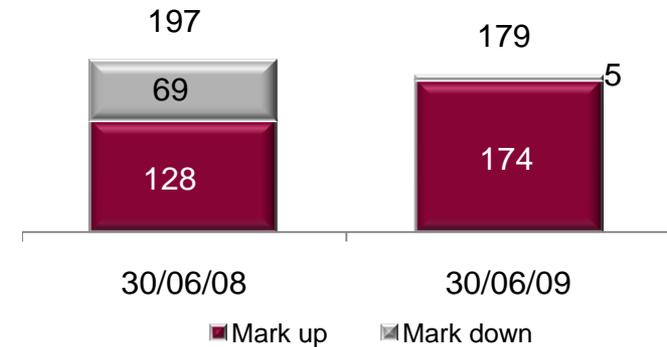
Total spread (avg) (Commercial Network) (bps)

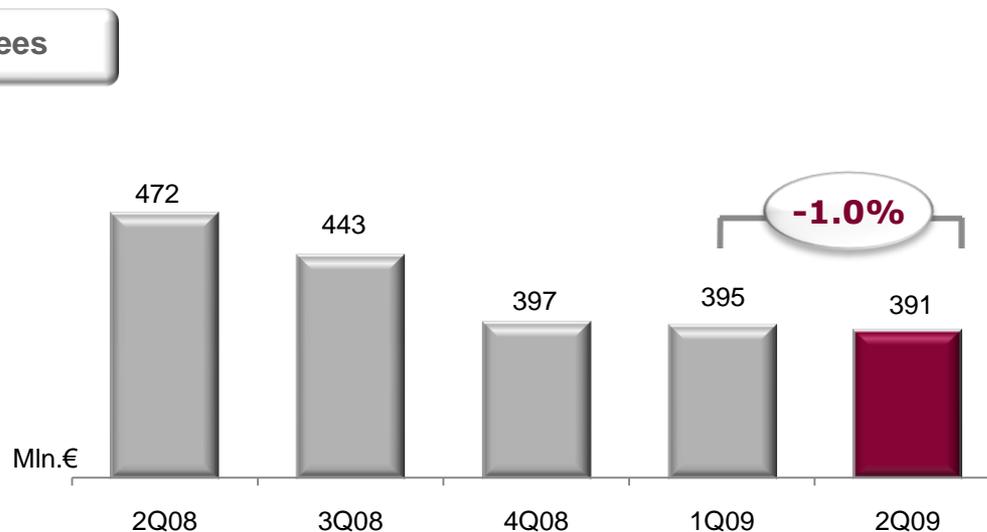
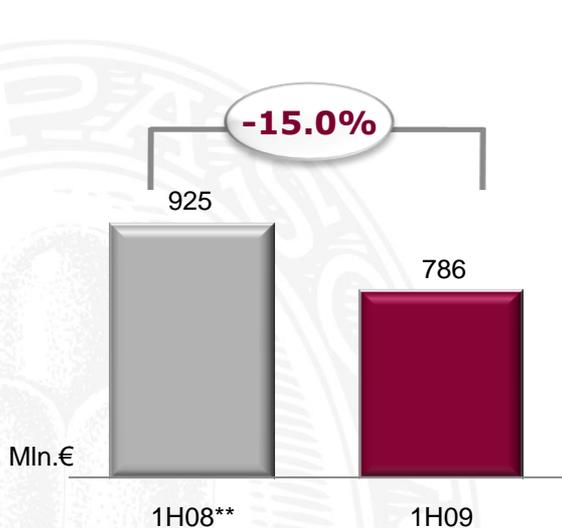
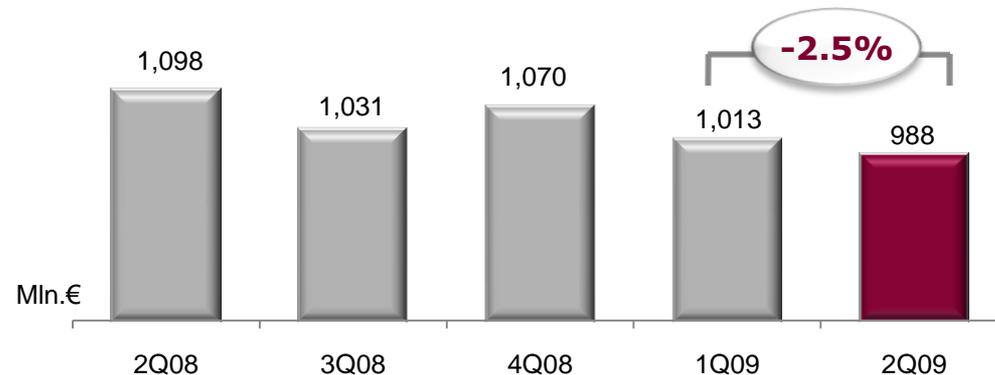
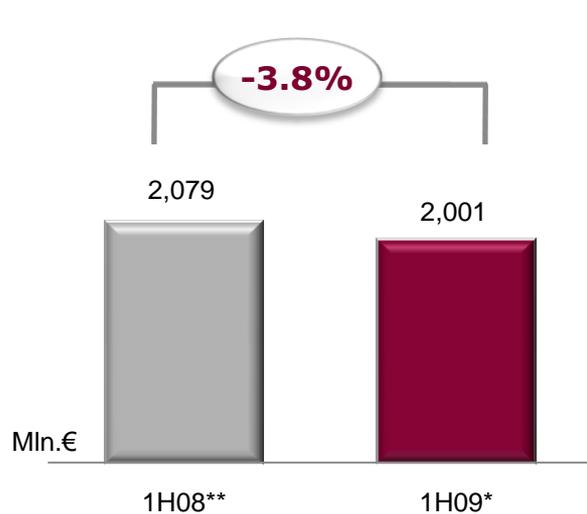


Retail spread YoY evolution (bps)



Corporate spread YoY evolution (bps)





* Junior Notes contribution (€18 mln) stable vs 1H08

** Restated

New Products recently launched

MUTUO "MPS PROTEZIONE" a tasso variabile con CAP

Introduced
in February

€250 mln



AXA MPS Double Prestige

DOUBLE PRESTIGE /

€412 mln



AXA MPS Investimento Sicuro

€328mln



Corporate Time Deposit

Introduced
in June

€250 mln
in 3
months



Contoonline & Depositoonline

Introduced
in April

>8,000
requests



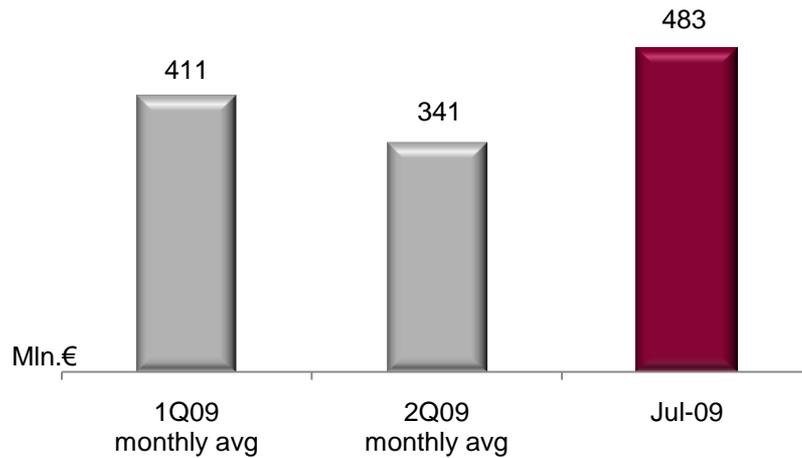
AXA MPS Campaign: "Pensarci Prima è meglio"

>28,400
policies

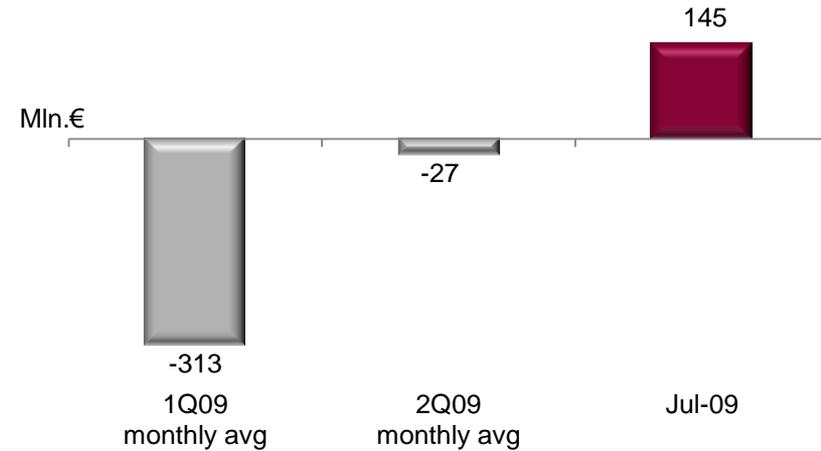


Good commercial pick up in July

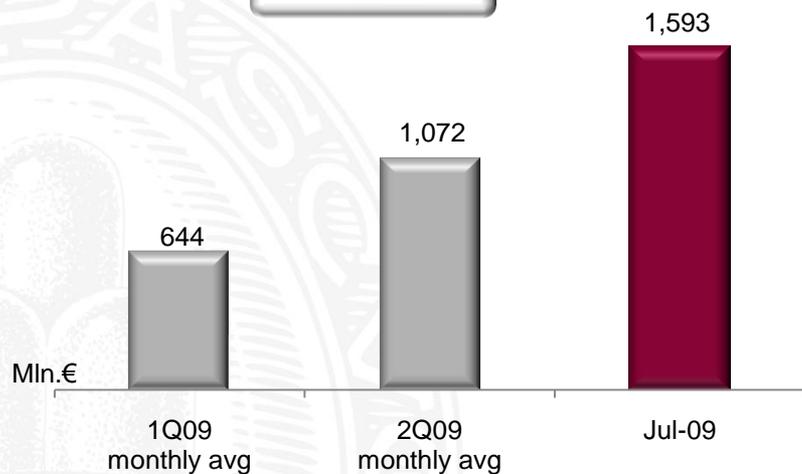
Bancassurance



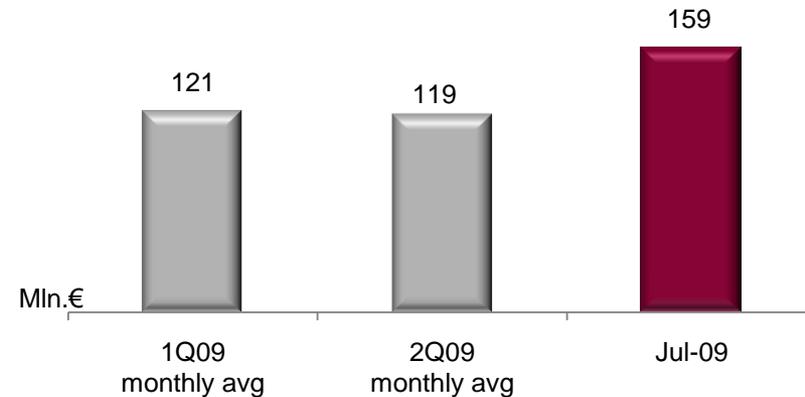
Mutual funds



Mortgages



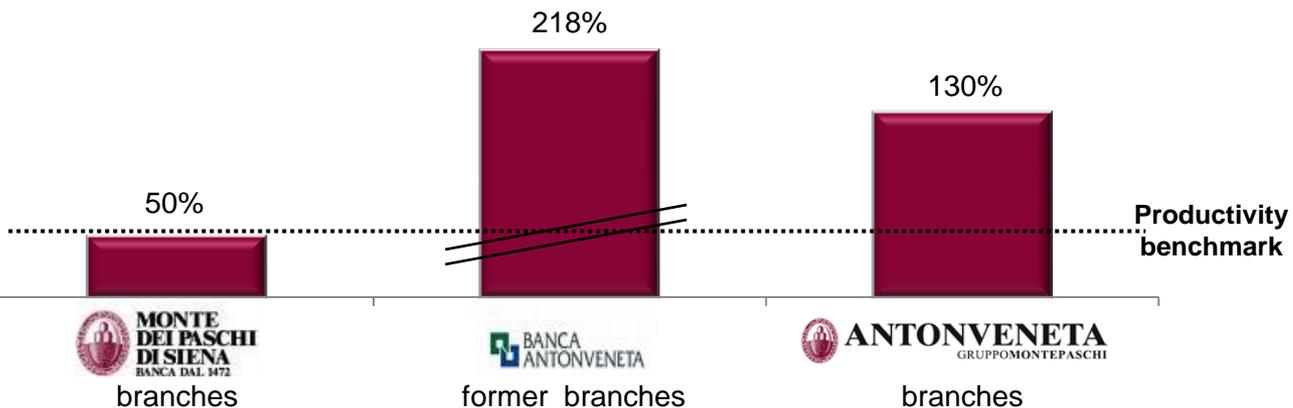
Corporate Credit products*



* Specialised credit loans (MPS Capital Services) and Leasing

Bridging the productivity gap among branches

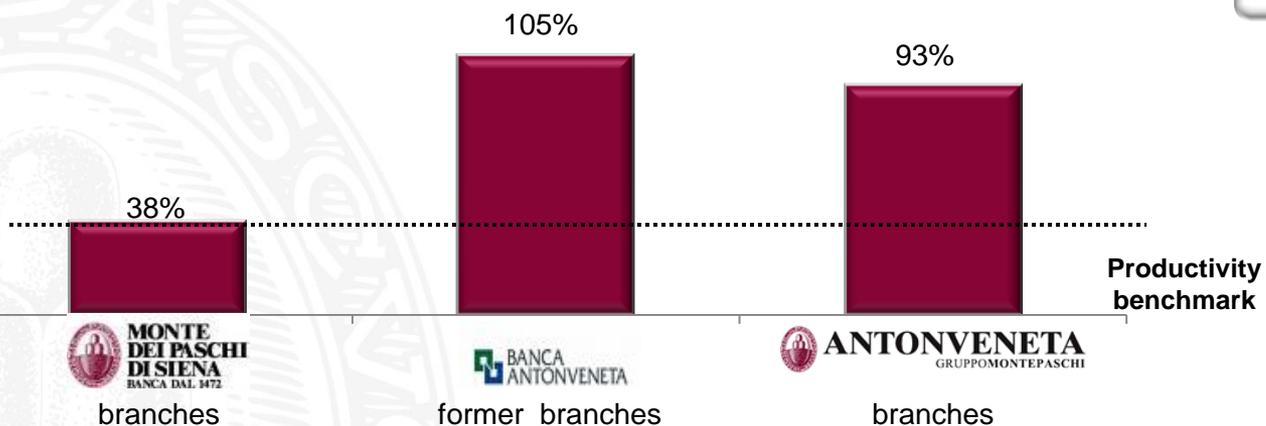
1H09 WM flows YoY evolution



Former branches



2Q09 Mortgages QoQ evolution



ANTONVENETA branches



P&L (€ mln)

	1H09
NII	231.9
Fees and other revenues	80.2
Total Revenues	312.1
LLP	69.7
Operating Cost	165.4
Net Profit (pre PPA)	42.2

Asset quality indicators (30.06.09 vs 31.03.09)

Gross NPL	+5.0%
Gross Watchlist	-4.6%
Gross Restructuring	+3.4%
PD stable over the period	

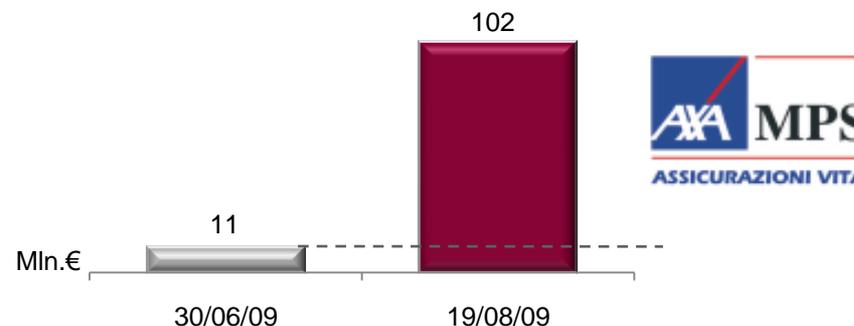
Commercial flows

Bond	+1,200mln
Mortgages	+880mln
New current accounts (as of 31 July)	+2,550
Bancassurance New production	+102mln

Key indicators

	1H09
C/I	53%
Direct funding growth (YoY)	Double digit
Loans growth (YoY)	Flat

Bancassurance flows

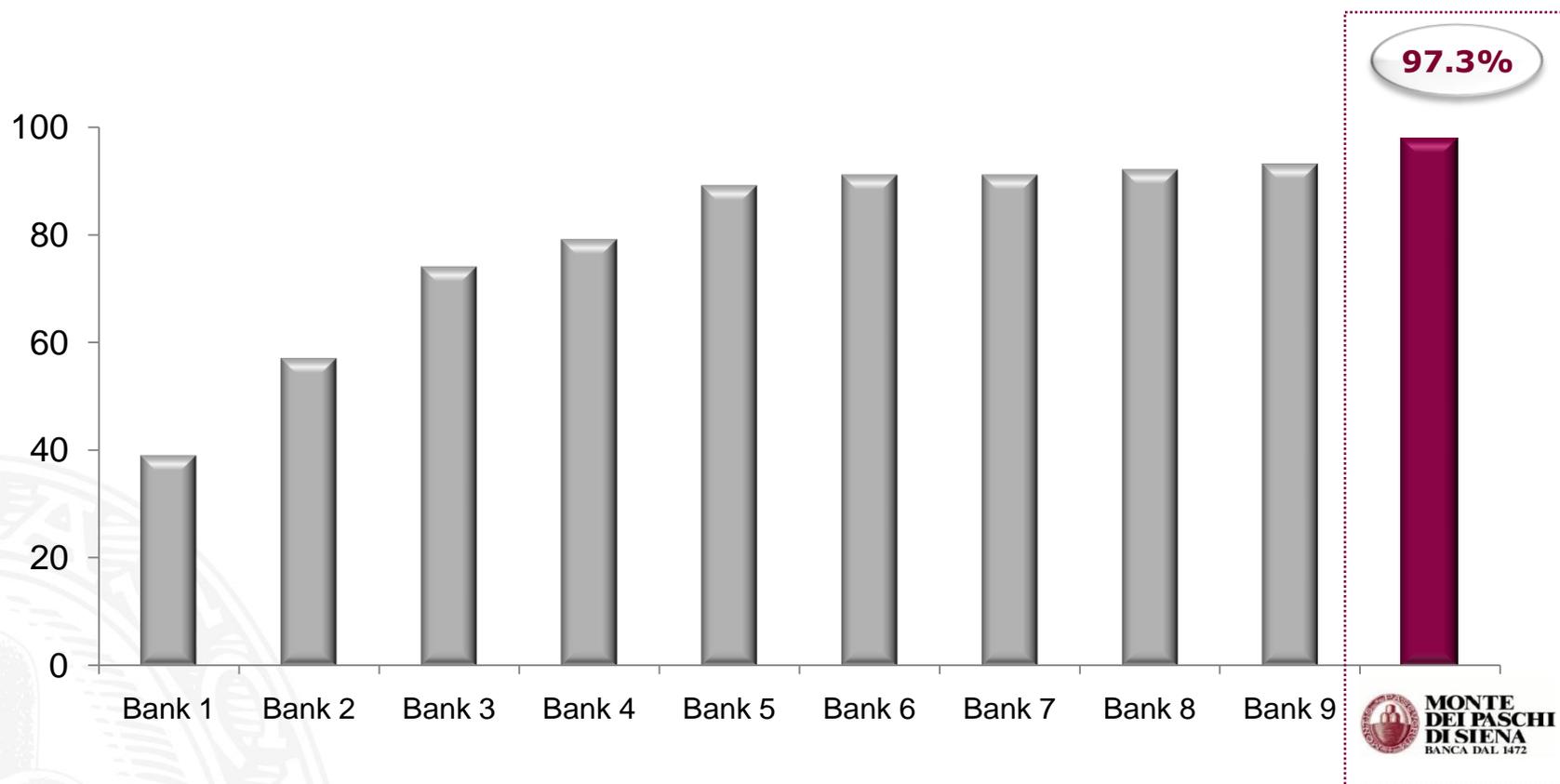


Recurring revenues in MPS: One of the highest levels in EU

An Italian story since 1472
1H09 Results Presentation



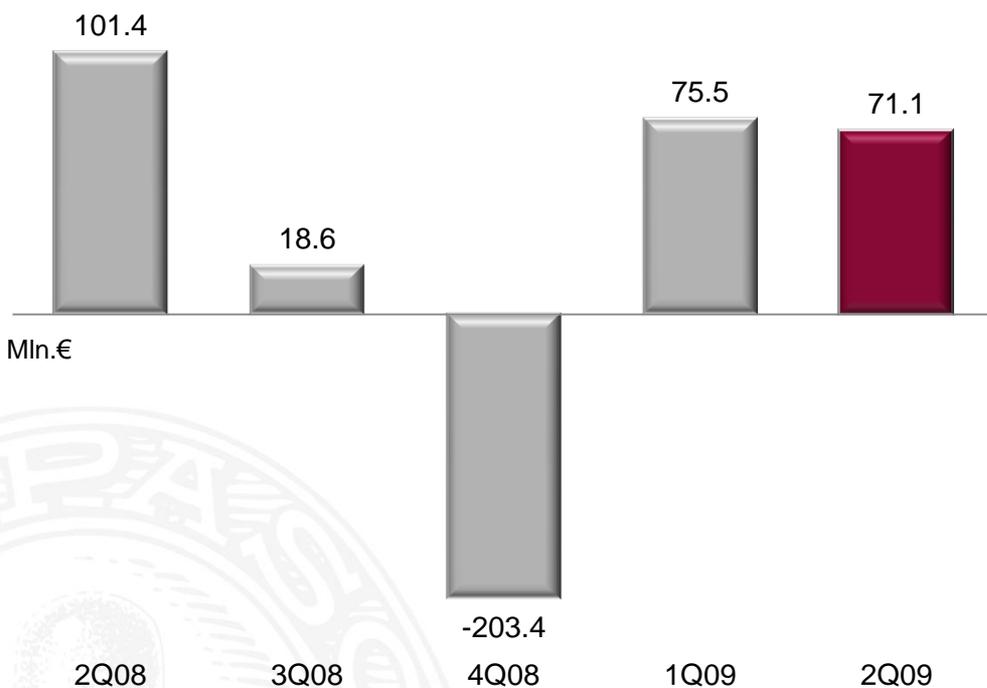
Recurring commercial revenues
(% of total revenues)*



* 1H09 figures. Analysis includes the following banks:



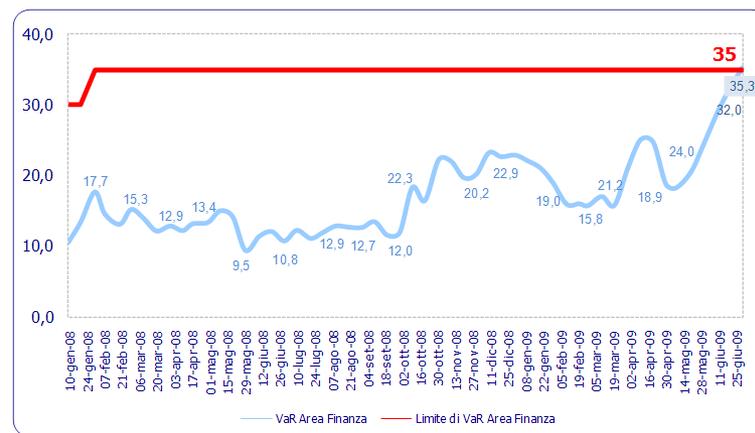
Other revenues



2Q09 Other revenues details (€ mln)

Dividends and other income from equity investments	45.4
Net results from trading/valuation of fin. Asset and Net gains from hedging	25.7

VaR



Costs

Cost reduction trend still on:

- ❑ Total operating costs: -7.9% YoY and -3.2% QoQ
- ❑ C/I at 59.7% vs 66.1% at Dec 08

Personnel and Other Admin Expenses

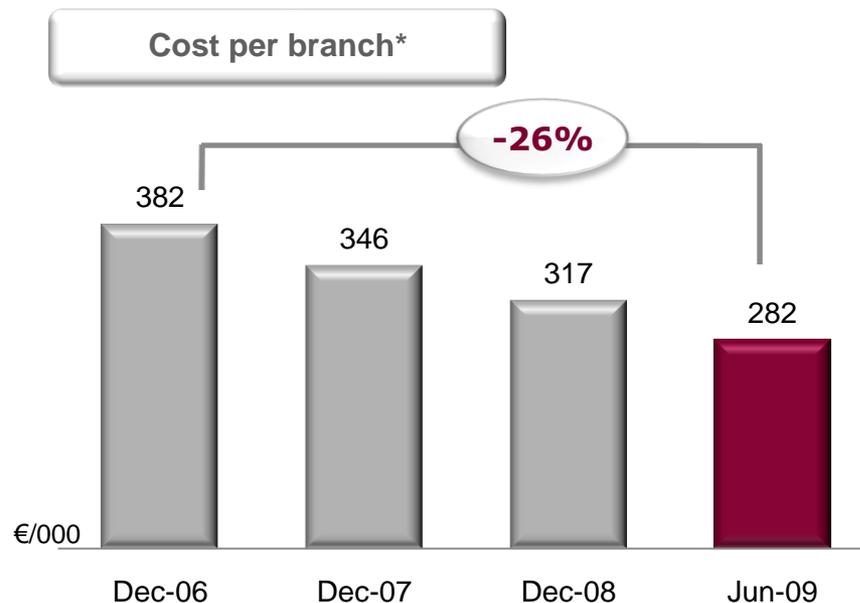
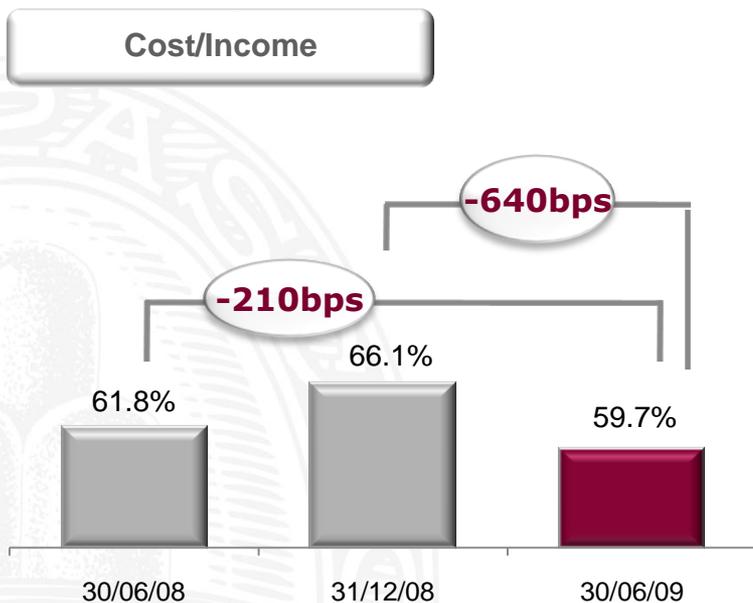
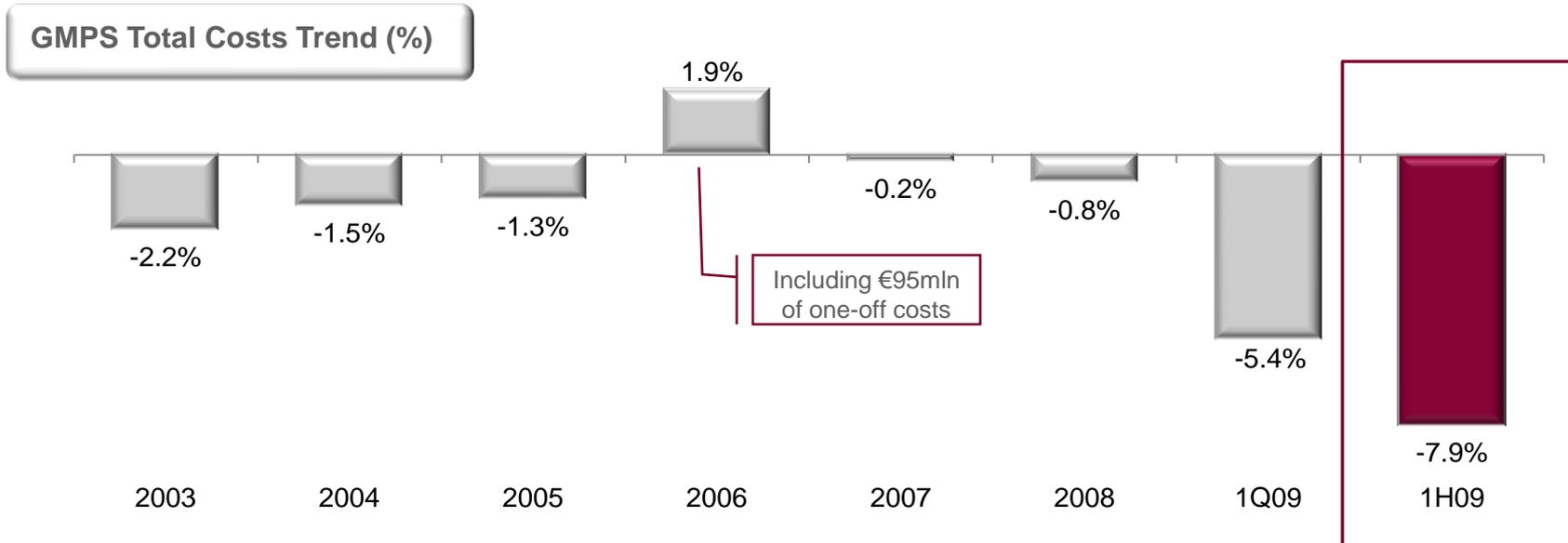
- ❑ Net leavings above BP targets : 1,520 since Dec 2007, of which ~420 in 1H09
- ❑ Other Admin Expenses: ~80% of the 2009 BP target reached, mainly thanks to ICT cost reduction

Integration costs:

- ❑ €32m in 1H09, of which €22m related to FY09 early retirement scheme
- ❑ >60% of planned integration costs reached

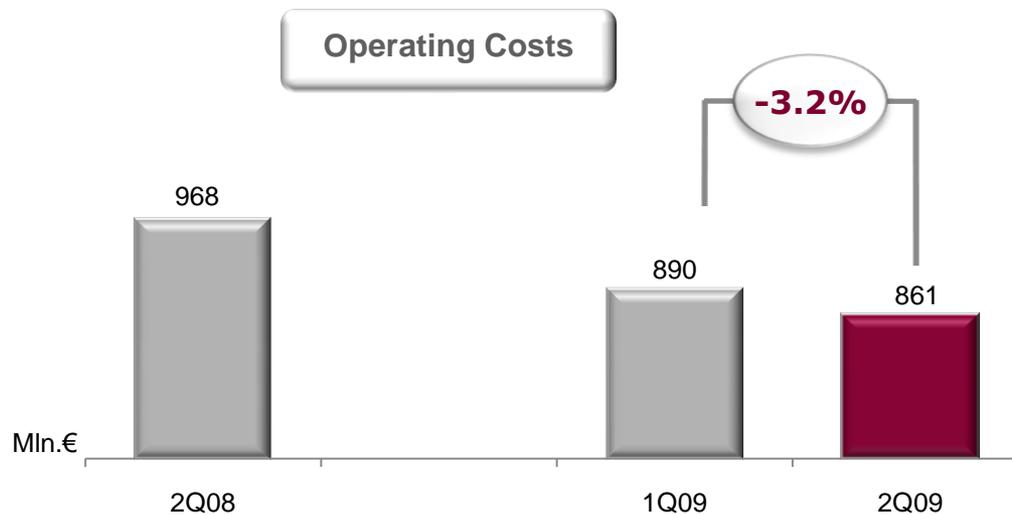
**New guidance for 2009 cost cutting:
from -3% to -4/5%**

A confirmed track record in cost cutting

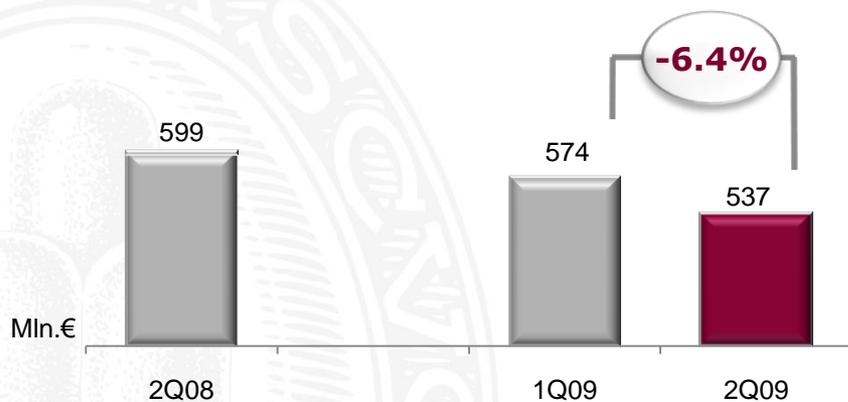


* Quarterly average. 2006 and 2007 figures don't include BAV

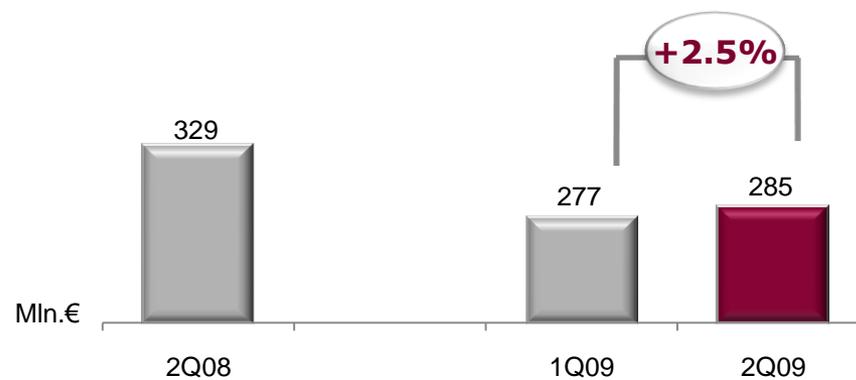
Strong and sustainable reduction of costs



Personnel Costs

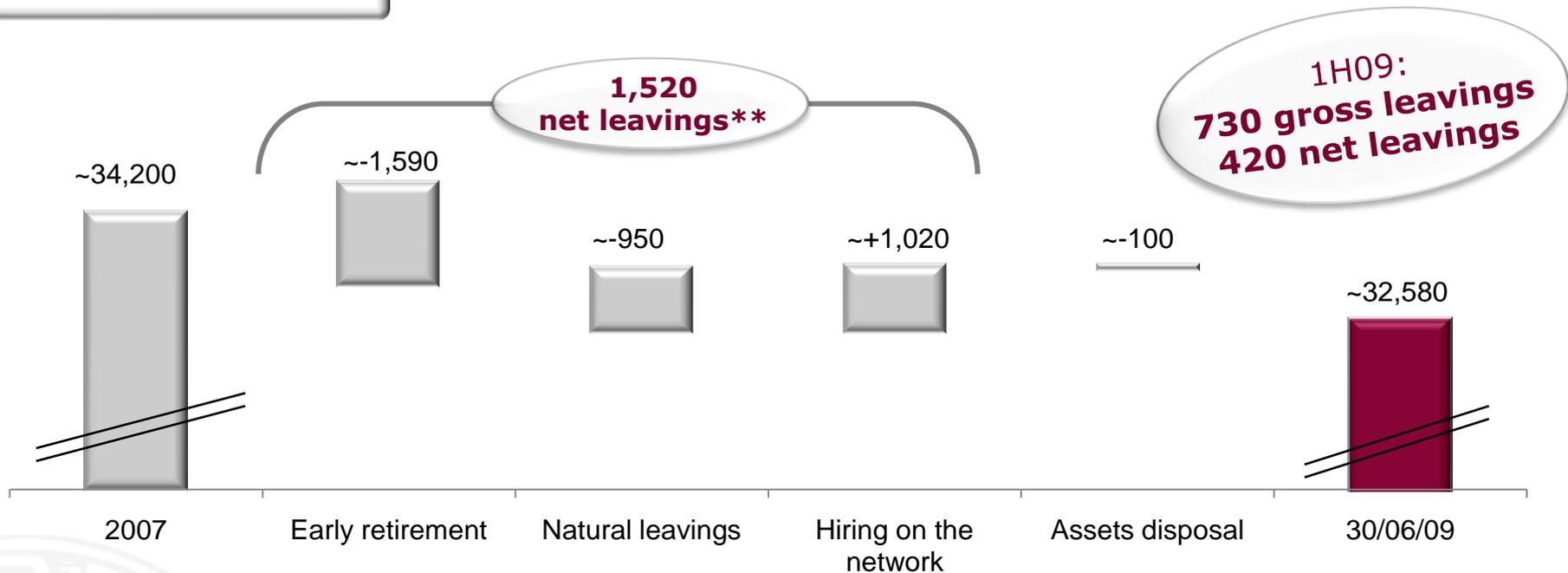


Other Administrative Costs



Headcount reduction ahead of schedule

Headcount reduction*



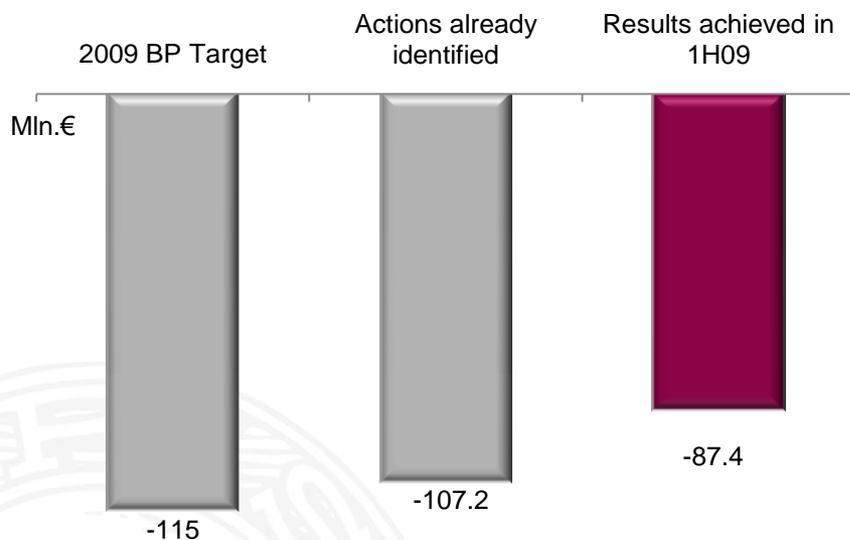
**75% of 08-11 BP net leavings reached...
... 100% expected by year end**

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

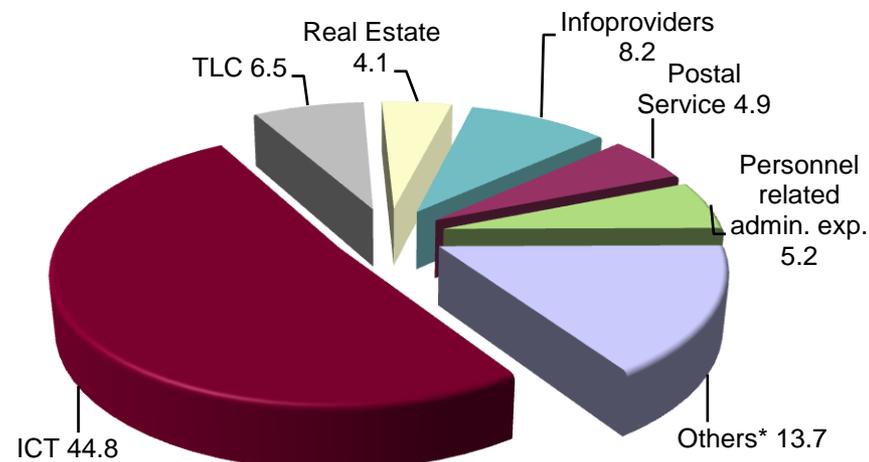
** Pre asset disposal

Other Administrative Expenses synergies

2009 Other Admin expenses: results achieved and actions identified vs 2009 BP Target



Savings Breakdown (%)



~80% of 09 BP target reached

* Includes: logistic, legal, cadastral surveys, security, insurance.

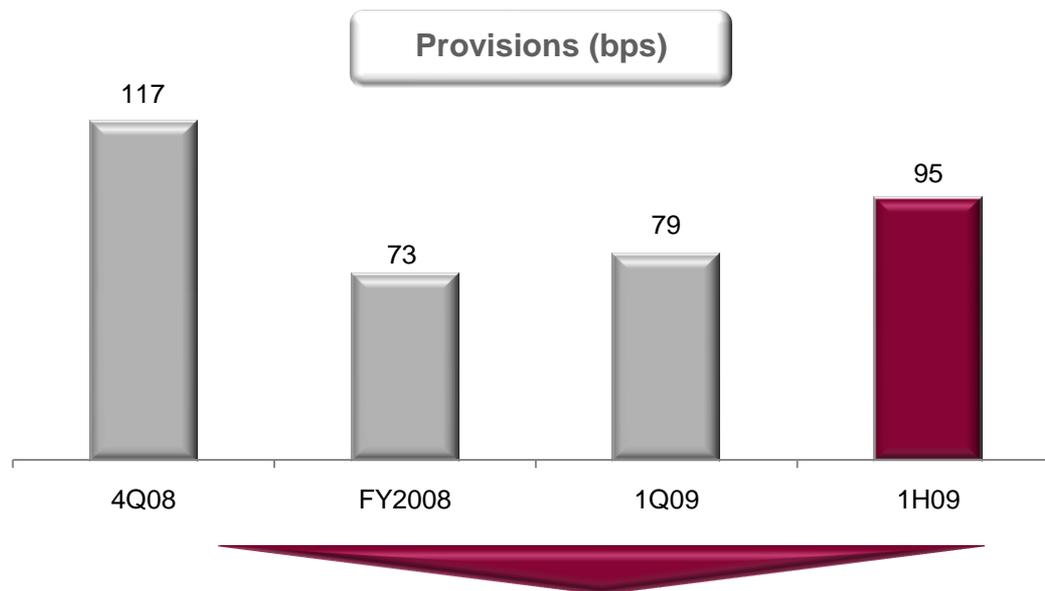
Asset quality

Cost of Credit and NPL flows:

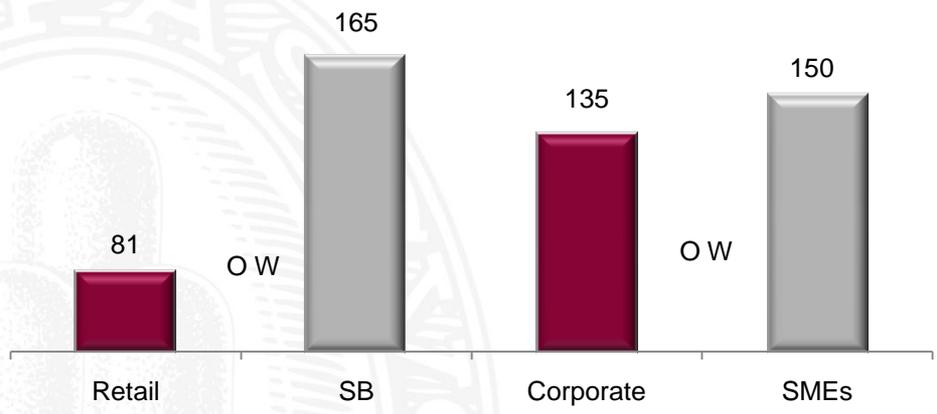
- ❑ 1H09 LLP at 95bps
- ❑ Net NPL Growth (QoQ): 2.9% with coverage up 60bps vs 1Q09
- ❑ Distribution, manufacturing, services and building are the sectors with highest provision levels

After the strong pick up of NPLs in April, flows went back to normal in May and June

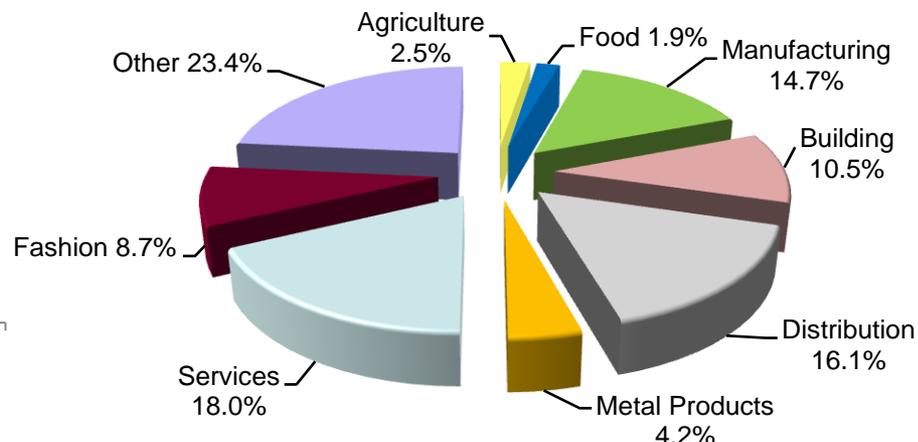
Provisions affected by market turmoil



Breakdown by type of customers* (bps)



Breakdown by economic sector**



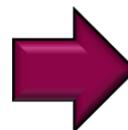
* Provision calculated on Commercial Network loans

** Figures estimated on the basis of NPL flows

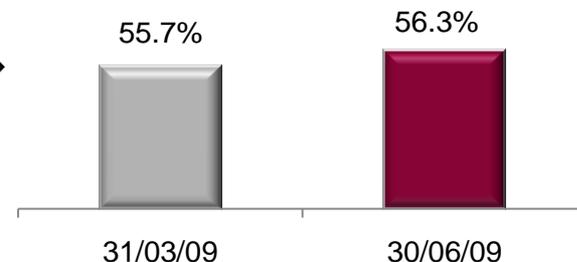
NPL and watchlist stocks and recovery flows

NPL, Watchlist and Restructuring stocks (€ mln)

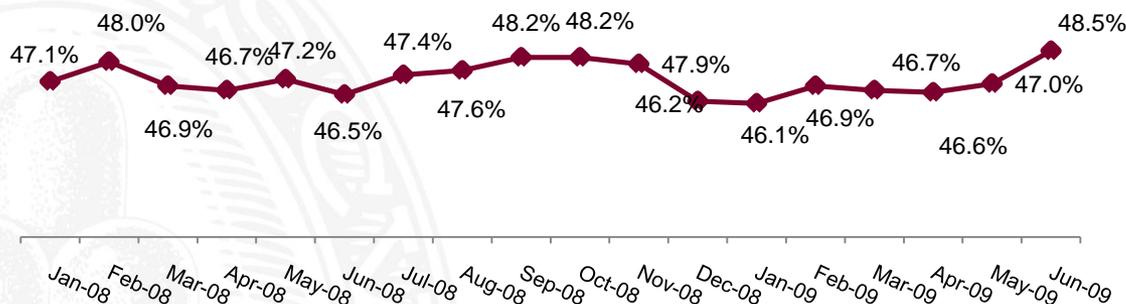
	Gross	Net
NPL	9,395	4,107
Change vs March 09	+4.2%	+2.9%
Watchlist*	4,530	3,723
Change vs March 09**	c17%	c19%
Restructured	703	677
Change vs March 09	+9.6%	+10.1%



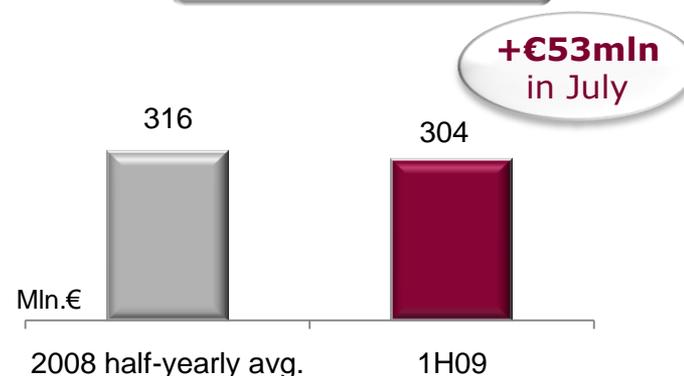
NPL Coverage



Drawn/Undrawn ratio

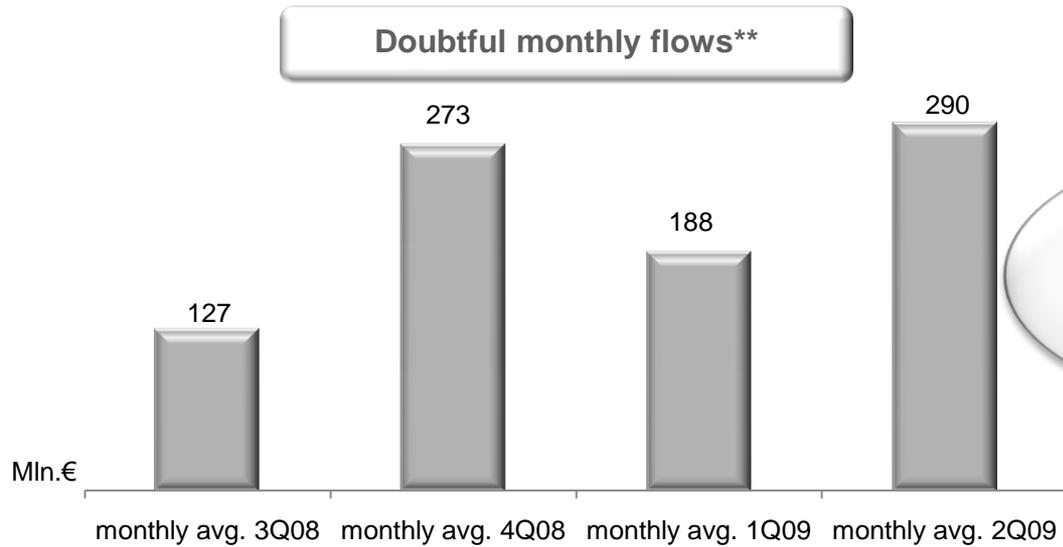


Recovery Flows



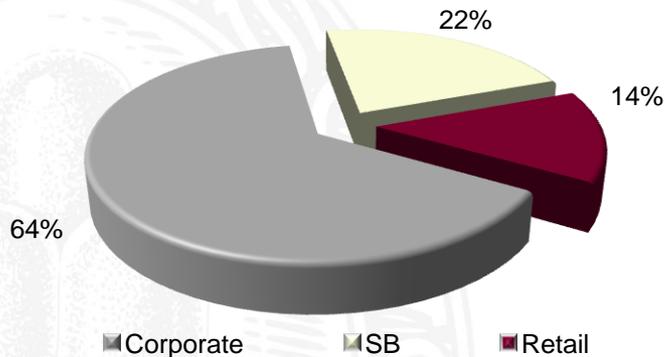
* The exposure includes refinancing of a leveraged buyout of SAECO worth approx. €540mln; the loan was disbursed entirely by BAV which has received guarantees and cash collaterals from the other banks participating in the transaction. Therefore, the direct share of risk borne by GMPS amounts to approx. €40mln. The exposure was entirely paid off in July.

**The change vs March 09 is calculated excluding SAECO position. Watchlist coverage (including SAECO position) is 17.8%

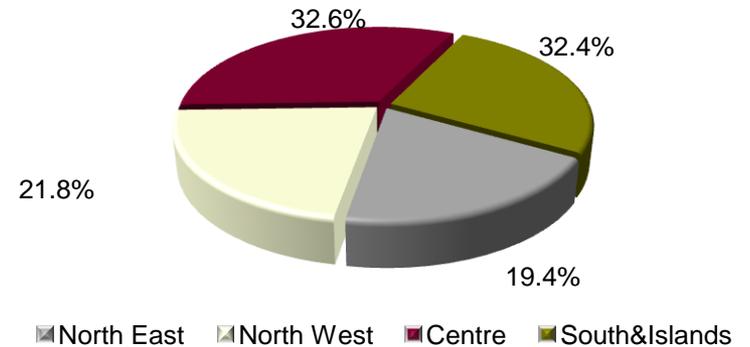


After the pick up in April (>€500mln) monthly flows stabilized at €150mln

Doubtful flows: breakdown by type of customer



Doubtful flows: breakdown by geographical areas



* Watchlist and "Partite in amministrazione speciale"

** ex MPS Capital Services and Biver

Liquidity

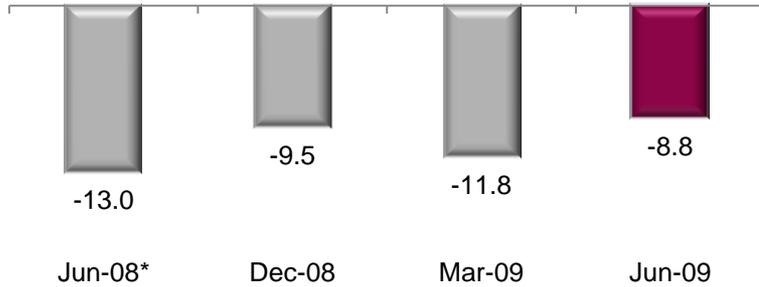
Liquidity position under control:

- ❑ Counterbalancing capacity at €12.5bn (as of mid August)
- ❑ Interbanking exposure reduced to €8.8bn (vs €11.8bn in March)
- ❑ €2.5bn wholesale maturity in 2009
- ❑ One of the lowest CDS levels in the European banking market

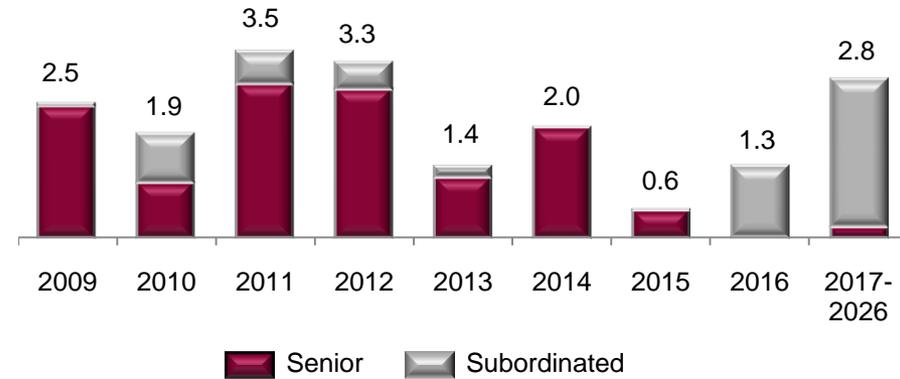
BMPS rating and outlook confirmed by Fitch in August 2009

Liquidity Position Under Control

Interbanking Exposure (€ bn)

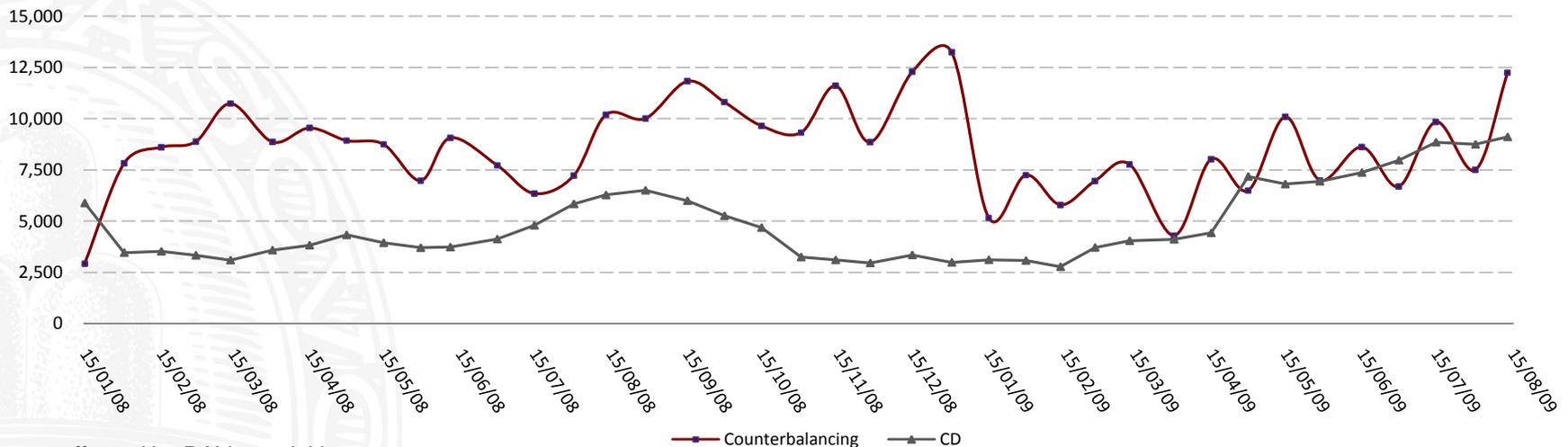


Bond Maturity (€ bn)



□ € 2.5 bn wholesale maturity in 2009

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

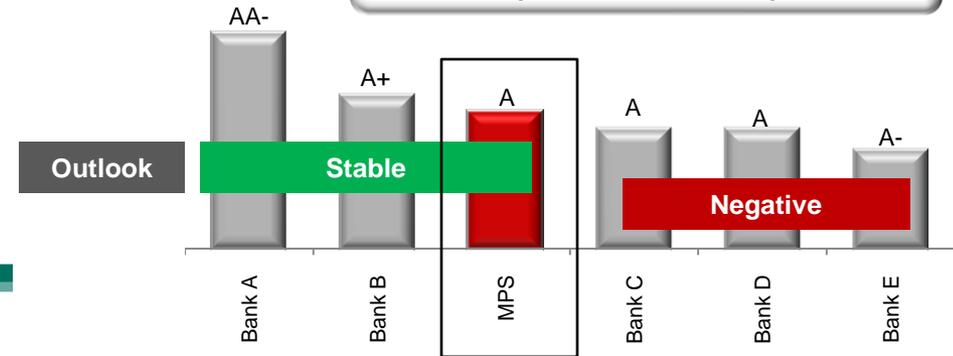
A low risk profile, as recently confirmed by rating agencies ...

BMPS rating and outlook confirmed by Fitch in August 2009



Banks

Fitch Rating on top 6 Italian Banks (IDR and outlook)



Italy
Credit Analysis

Banca Monte dei Paschi di Siena SpA

Ratings

Foreign Currency Long-Term IDR	A
Short-Term IDR	F1
Individual Rating	B/C
Support Rating	2
Support Rating Floor	BBB+
Sovereign Risk	
Foreign-Currency Long-Term IDR	AA-
Local-Currency Long-Term IDR	AA-

Outlooks

Foreign-Currency Long-Term IDR	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

Rating Rationale

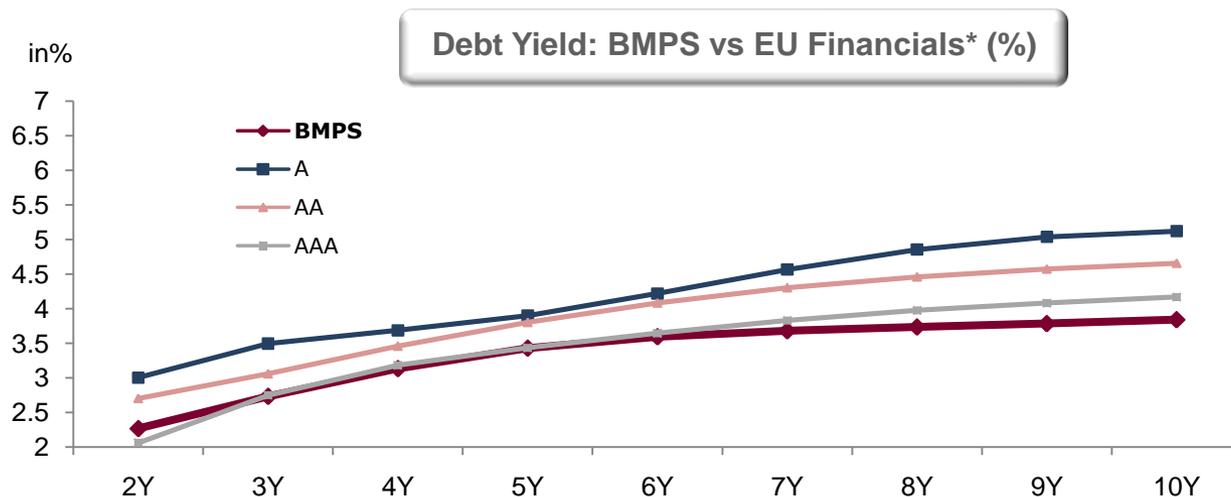
- Banca Monte dei Paschi di Siena SpA's (MPS) ratings are based on its strong franchise, adequate performance with potential for further improvements and good risk management. They also reflect its relatively weak asset quality and capitalisation following the acquisition of Banca Antonveneta (ANTV).
- Following the acquisition of ANTV, completed in 2008, MPS has increased its presence in the wealthy north of Italy and strengthened its domestic market share. The bank has a particularly strong franchise in the region of Tuscany, which gives it access to a broad and stable customer funding base and a client base predominantly composed of SMEs, small businesses and retail customers.
- The group's structure has been rationalised, with the previously relatively large subsidiary bank structures now centralised at the parent bank. This should allow significant cost savings, as should the swift integration of ANTV, which was merged into MPS at end-2008, following which its distribution network was spun-off into a new legal entity, also called Banca Antonveneta.

Fitch upgraded MPS Gestione Crediti Banca

Fitch Upgrades MPS Gestione Crediti Banca to 'RSS2-'/'CSS2-'

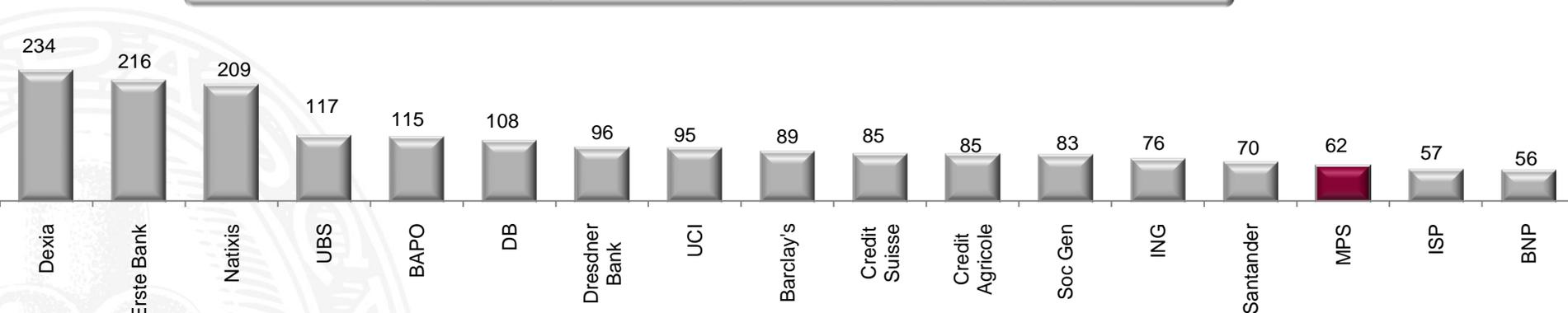
Fitch Ratings-London-10 August 2009: Fitch Ratings has today upgraded Monte dei Paschi di Siena Gestione Crediti Banca's (MPSGCB) Italian Residential and Commercial Mortgage Special Servicer ratings to 'RSS2-' and 'CSS2-' from 'RSS3+' and 'CSS3+', respectively.

... and by the fixed income market



■ In line with AAA financial
■ One of the lowest CDS levels in the European banking market

CDS (5Y senior): MPS vs European banks (25/8/09)(bps)



* Difference between return curves by BMPS compared to return curves for the European financial industry broken down by rating classes. The curves show the return of underlying bonds and therefore it is possible to monitor their trends with respect to trends in loans. BMPS return curve is built according to the following conditions: 1) Bonds must have at least 100 millions of amount outstanding and maturity longer than 1 year, they have to be plain vanilla excluding Sovereign Government Bonds. 2) The return is calculated using the least square method. 3) The financial industry return curves are based on the latest most traded bonds, selected according to specific criteria (ratings) and their realtime prices according to RTFI (Reuters Trading for FI). Source: Thomson Reuters

Capital

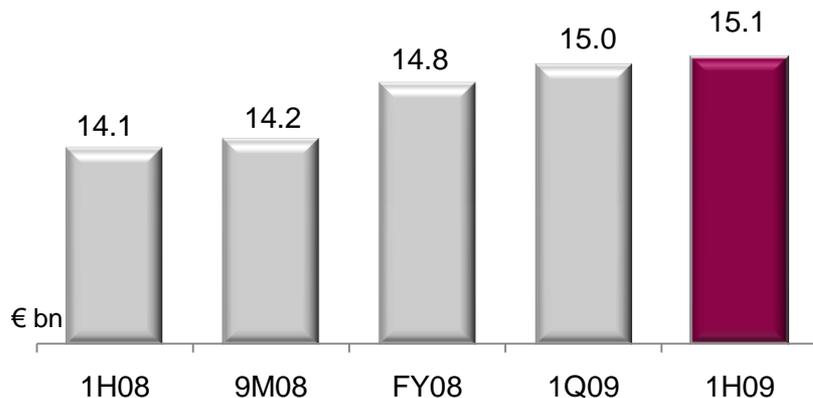
Capital position:

- ❑ Tier 1 at 5.8%: +20bps vs 1Q09, +65bps vs Dec 08
- ❑ Tier 1 at 7.3% including T-Bonds
- ❑ Further ~40bps from real estate operation when completed
- ❑ Total capital at 10.1%

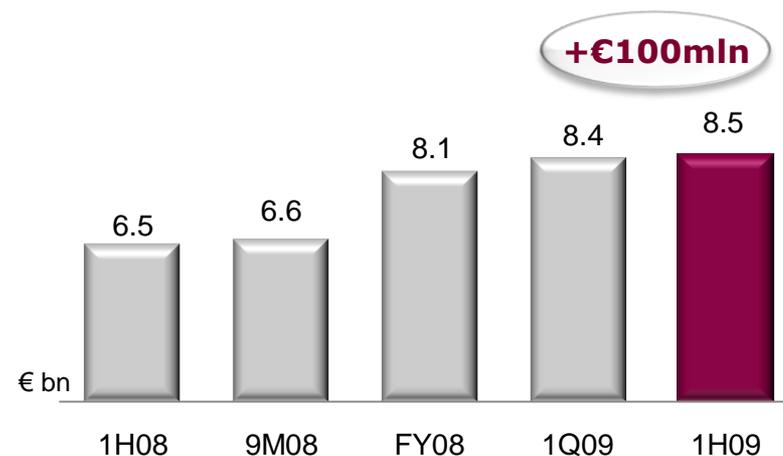
Tier 1 year-end target of 7.1% (including T-Bonds) already reached and exceeded

Monitored capital position

Book value

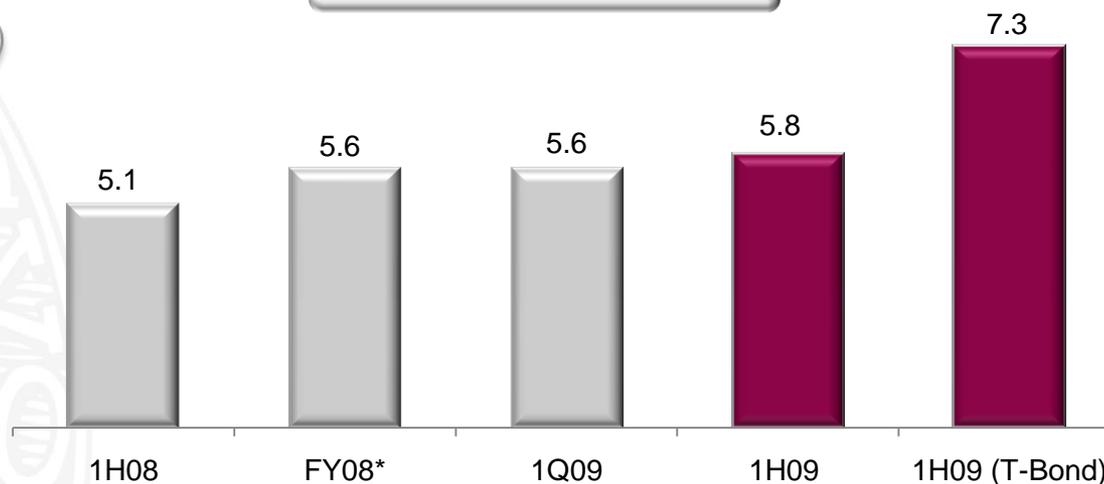


Book Value net of Goodwill



Tier 1 ratio (%) evolution

**Total capital:
10.1%**



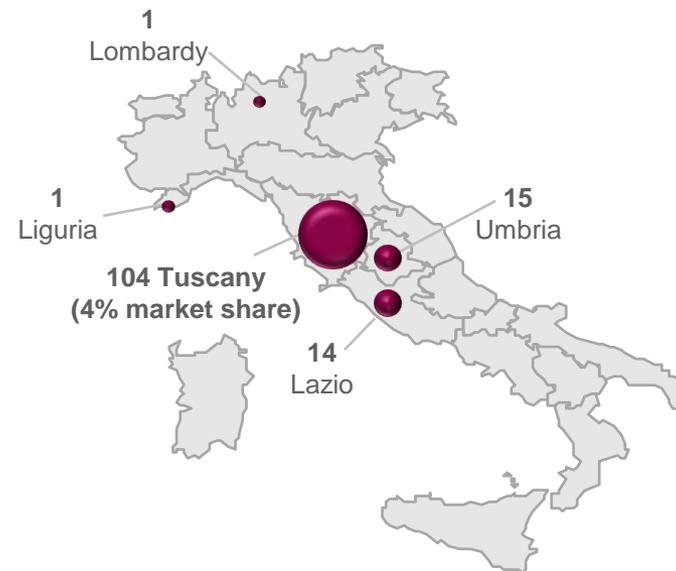
* With B2 floor at 90%

Status of Asset disposal: 1) Branches

15 Branches sold to Banca Popolare di Puglia e Basilicata



Up to 135 Branches to be disposed of



Transaction indicators

P/branch	€ 5mln
Multiple on total funding	11.2%
Impact on tier 1	5bps

15 Branches key data (as of 31/12/08) (€mln)

Net operating profit	12.8
Customer loans	317.8
Direct funding	289.8
Total funding	614.3

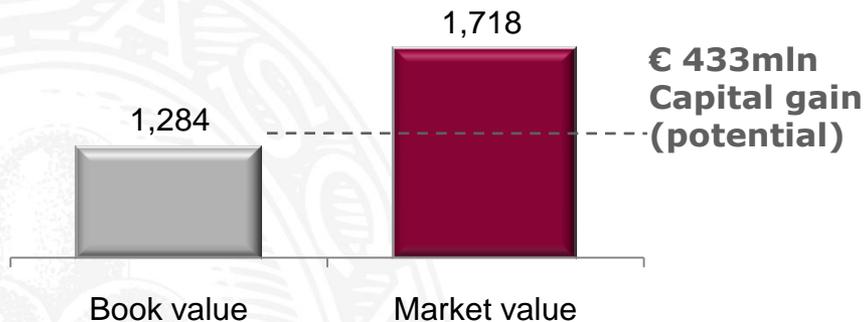
Up to 135 branches Key Data (€bn)

Loans	c 5.5
Total funding	c 7.3
Direct funding	c 2.3



- ❑ 683 branches transferred to Perimetro Gestione Proprietà Immobiliari (PGPI)

Value of the deal (€ mln)



- ❑ Impact on Tier 1: ~40 bps when fully executed

Key elements of the transaction

- ❑ € 1,675 mln MPS debt to be securitized
- ❑ 24+6 years length of lease contract

Guidelines for 2009

- ❑ **Confirmed NII guidance: better than -5%**
- ❑ **Pick up in commercial flows during the summer**
- ❑ **Increased guidance on cost cutting: -4/5% vs previous -3%**
- ❑ **FY09 LLP expected to not deteriorate vs 2Q level**
- ❑ **Tier 1 year-end target of 7.1% (including T-Bonds) already reached and exceeded**

**Thank you for your
attention**

Q&A



1H09 Profit & Loss (mln €)

	1H09	1H09/1H08*	2Q09	2Q09/2Q08*
Net Interest Income	2,000.6	-3.8%	987.5	-7.2%
Net Fees	786.1	-15.0%	391.4	-15.4%
Basic income	2,786.6	-7.2%	1,378.9	-9.7%
Trading	79.3	63.7%	31.5	-56.9%
Dividends and other revenues	67.4	n.m.	39.6	n.m.
Total Revenues	2,933.3	-4.7%	1,450.0	-10.5%
Operating Costs	1,751.1	-7.9%	861.3	-10.4%
Personnel costs	1,111.8	-6.9%	537.4	-9.8%
Other admin expenses	561.9	-10.6%	284.5	-12.8%
Loan Loss Provisions	686.7	52.1%	400.1	69.9%
Provisions on financial assets	23.0	n.m.	5.2	n.m.
Net Operating Income	472.5	-35.6%	183.4	-57.9%
Integration costs	31.9	n.m.	27.6	n.m.
Taxes	193.9	-19.6%	58.0	-59.9%
Gains from asset disposals	195.5	n.m.	1.7	n.m.
Purchase Price Allocation	69.5	n.m.	36.3	n.m.
Net income	332.1	n.m.	31.5	n.m.

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Declaration

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

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