GRUPPOMONTEPASCHI

# PRESS RELEASE[1]

# Montepaschi Group 9M 2008 results approved

*Net income at EUR 640.9 mln inclusive of integration charges in the amount of EUR 159.7 mln [2]*
*Net Income (exc PPA) 672.0 mln€ (-16.8% yoy)*
*Basic income up 4.5% yoy, costs down 2.2% yoy*
*Operating income up 1.8% yoy*
*More flows of new customers*
*Banca Antonveneta showed significant signs of a turnaround and posted a recurring net income of approx. EUR 165 mln*

## ♦ Montepaschi Group positioning in the current market scenario

***Further evidence of the Montepaschi business soundness and brand power:***

- Direct funding + 14.6% yoy, with 85% of total Group funding coming from Retail Banking customers. Loans were up 9.7% yoy
- Funding was close to EUR 1 bln during the "black week" (Oct. 7-15 2008) with 13,000 new customers in the month of October alone

***Further evidence of a strict cost-cutting policy:***

- Total synergies from the Antonveneta integration amounted to EUR 45 mln; administrative expense synergies in the amount of approx. EUR 170 mln have been detected and will be achieved in 2009
- Almost one third of the Group investments and restructuring called for by the 2008-2011 Business Plan have been completed. In the first nine months of 2008 integration charges amounted to EUR 159.7 mnl and Group headcount was reduced by 1,240 employees.
- The merger by incorporation of BAM and Antonveneta IT integration were completed.

## ♦ Montepaschi Group main P&L/operational highlights in the first nine months of 2008:

- Basic income: +4.5% year on year
- Operating charges: -2.2% year on year
- Asset quality still under control. Provisioning rate at 58 bps (54 bps net of non-recurring items)
- Market shares: Leasing +130 bps vs. end 2007; Consumer Credit +30 bps vs. end 2007; Bancassurance +230 bps vs. end 2007

## ♦ Antonveneta results:

- 9M 2008 recurring net income: EUR 165 mln
- Operating charges: -7.8% yoy
- Direct funding: +9.4% yoy; loans: +6.6% yoy
- Q3 2008 net income: EUR 61.1 mln (vs EUR 37.1 mln in Q3 2007)
- Q3 operating income: +29.5% yoy

[1] When analyzing results at Sept. 30th 2008, please be advised that contributions by Banca Antonveneta are limited to 4 months only, since the acquisition was performed on May 30th 2008. Therefore, in order to make a proper comparison of trends possible, comments to 9M 2008 results also include restatements based on an assumed contribution of Banca Antonveneta since the beginning of the year (hereinafter called "on a like-for-like basis").

[2]Net income after PPA. Integration charges also include Antonveneta charges as of Sept. 30th 2008.

Siena, November 13th, 2008 – The Board of Directors of Banca Monte dei Paschi di Siena Spa has approved the accounts as of September 30th, 2008. The Antonveneta contribution was only included since June 2008, because the acquisition was performed on May 30th, 2008.

## <u>Montepaschi Group consolidated results - Highlights</u>

In the first nine months of 2008 the Montepaschi Group posted a good commercial performance. Constantly improving customer relationships resulted in an expansion of the Group's market share in all main business segments at a time when the Group was in the middle of a major restructuring process.

**With respect to operations and income, capital and commercial aggregates were on the increase**. Volumes grew significantly, as did market share and core revenues. Evidence for that can be found in an increase of Group **basic income (+4.5%)**.

More specifically, an analysis of **consolidated total revenues** on a like-for-like basis highlights the following:

- **Interest income** grew by 9.7% over the same period of 2007, with a QoQ growth of 7.9% vs. Q3 2007. Despite benefiting from a positive contribution of commercial aggregates, Q308 values were impacted both by the posting to the accounts of interest expenses associated to the issue of approx. EUR 54 mln's worth of UT2 bonds and by an increase in interbanking rates which worsened the Group's cost of funding, at least on a temporary basis (a recovery from the latter occurred as early as the month of October, following a decline in short-term rates). Furthermore, Q2 08 included a number of non-recurring items (interest on junior note coupons in the amount EUR 18 mln).

- **Fees were down 5.7% from the first nine months of 2007,** with a decline in asset management fees and an increase in fees from traditional services, both for the Group (+3.8% yoy) and for individual business segments (with special emphasis on Corporate Banking, which was up 8.8% yoy).

- **Net income from trading/valuation of financial assets** stood at +EUR 49.2 mln. The marginal contribution of Q3 to that was negative, whereas Q2 2008 was positive by EUR 81 mln.

In that respect, the Monte Paschi Group availed itself of an amendment to IAS 39 and IRS 7 issued by IASB on October 13th, 2008, based on which some financial assets other than derivatives may be restated and moved from items "valued at fair value" to other categories under particular circumstances. The valuation of said items at 30/09/08 retained prices would have entailed P&L writedowns in the amount of EUR 58 mln.

Total revenues also include **dividends, similar income and profit/losses from equity investments. Their contribution was down compared to Sept. 30th 2007,** which however benefited from a ~EUR 26.4 mln capital gain following the partial disposal of the Finsoe stake, as well as from a positive contribution (~EUR 78.4 mln) by the Group's insurance companies (in the first nine months of 2008, that contribution amounted to approx. EUR 13 mln).

As a whole, **consolidated total revenues** were down by 2.3% on a like-for-like basis, partially reflecting a lower contribution by the finance business, which was affected by the negative performance of financial markets.

Highlights on costs associated to lending and financial assets include the following:

-  **Net provisions and adjustments of impaired loans grew by 27.9% on a like-for-like basis, mainly driven by writeoffs (EUR 54 mln) associated to the Fingruppo/Hopa stake,** resulting in a provisioning rate of approx. 58 bps (approx. 54 bps when purged of Fingruppo/Hopa writeoffs).

-  **Net provisions and adjustments of impaired financial assets** amounted to EUR 105.4 mln as a consequence of a EUR 94 mln writedown of the Hopa stake (of which EUR 10.6 mln to be ascribed to Banca Antonveneta) that caused the unit value of the shares owned by the Group to decrease to EUR 0.10**.**

**Net financial and insurance income (loss) amounted at EUR 3,384.9 mln,** (-8.8% yoy on like for like basis). This aggregate also includes the negative economic impact of the Lehman Brothers collapse, with bond and financial asset write-downs in excess **of EUR 35 mln**.

**Operating charges were down 2.2% on a like-for-like basis.**

More specifically:

-  **Personnel expenses** showed a downward trend **(-1.8%)** despite the increase caused by the renewal of the collective labour agreement (with the new salary tables effective since January 1st, 2008).

-  **Other administrative expenses** decreased by 3.5% notwithstading the project costs associated to the development of the new Group Business Plan and the ongoing expansion of the distribution network.

-  **Net value adjustments to tangible and intangible assets grew by 2.5%.**

As a result of the above, **net operating income** was down 23.3% (–10.2% when purged of Hopa-related charges).

Finally, a contribution to net income also came from **the disposal of real-estate investments** (EUR 27.8 mln from two properties sold by MP Banque and Banca Toscana in the first part of the year), **profit from equity investments** amounting to approx. EUR 176.8 mln (mainly from the sale of Banca Depositaria to the Intesa-San Paolo Spa Group on May 14th, 2008, resulting in a capital gain of approx. EUR 198 mln) and the disposal of the Fontanafredda and Finsoe stakes (which resulted in a profit of approx. EUR 30 mln and a loss of approx. EUR 35 mln, respectively). Other non-recurring items include **charges in the**

**amount of EUR 78.3 mln** (EUR 21.4 mnl in Q3 alone) as the cost associated to the Antonveneta integration into the Montepaschi Group as of today.

Finally, **income taxes** amounted to EUR 378.3 mln, resulting in a "face" tax rate of about 35.6% (or 30.6% when purged of non-deductible interest expenses), whereas **profit (loss) from asset groups due for disposal after taxes** amounted to –EUR 1.6 mln.

The consolidated **net income** of the Montepaschi Group before Purchase Price Allocation (PPA) stood at EUR 672 mln (EUR 640.9 mln after PPA). Q3 net income amounted to EUR 118.7 mln, but would actually stand at approx. EUR 170 mln when purged of the non-recurring negative items mentioned above.

Moving to individual Group business units, satisfactory results were posted by Banca MPS as well as by its subsidiaries Banca Toscana, Gruppo Banca Antonveneta (described in more detail below) and Biverbanca.

**Banca MPS**

- Net income: EUR 613.4 mln

**Banca Toscana**

- Net income: EUR 115.4 mln

**Biverbanca**

- Net income:  EUR 26.9 mln

With respect to *Segment Reporting* obligations under IAS 14, here follow the main highlights:

**Commercial Banking/Distribution Network:**

- total revenues: +1.6% year on year
- net operating income: -2.2% year on year
- customer loans: +10.6% year on year

**Private Banking/Wealth Management:**

- total revenues: -14.0% year on year
- net operating income: -46.9% year on year
- direct funding: + 6.9% year on year

**Corporate Banking/Capital Markets:**

- total revenues: +5.2% year on year
- net operating income: -4.9% year on year (but +3.3% when purged of Hopa/Fingruppo writedowns)
- customer loans: +10.2% year on year

## Antonveneta results

Antonveneta's 9M results show significant evidence of commercial recovery and asset quality (especially since Q2 08). Here follow the main highlights:

- **Interest income: EUR 815.9 mln** (+2.4% over the first nine months of 2007).
- **Net fees: EUR 382.6 mln** (compared to EUR 402.6 mln in the first nine months of 2007).
- **Basic income: EUR 1,222.6 mln, basically unchanged vis-à-vis 2007.**
- **Operating charges: EUR 765.7 mln, down 7.8% from the first nine months of 2007. In Q3 2008 operating charges decresed by 11.3% compared to Q3 2007.**
- **Provisions for and value adjustments to loans: EUR 155.4 mln (vs. EUR 153.6 mln in the first nine months of 2007). NPLs coverage at 69%.**
- **Provisions for and value adjustments to financial assets: EUR 39.1 mln (vs. EUR 3.8 mln at Sept. 30th 2007),** inclusive of a EUR 10 mln writedown of the Hopa stake.
- **Integration charges: EUR 84.6 mln**
- **Net income stood at EUR 137.6 mln, with recurring income at approx. EUR 165 mln.**.
- **Commercial volumes:** loans +6.6%, direct funding +9.4% over the first nine months of 2007.

## Capital aggregates

In the first nine months of 2008 the commercial operations of the Montepaschi Group (lending and asset management) resulted in a significant increase of the main capital aggregates and associated market shares.

**Direct funding** exceeded EUR 142 bln, with indirect funding at approx. EUR 123 bln.

With respect to total funding, total stocks would be up by more than **EUR 7 bln** from June 2008 if purged of the impact of declining financial asset prices caused by the present market crisis.

More specifically, in the first nine months of the year the Montepaschi Group alone (inclusive of Biverbanca but not of Antonveneta) placed approximately **EUR 9 bln's worth** of savings products (vs. EUR 7.9 bln in the same period of 2007), broken down as follows: insurance premiums **EUR 2.8 bln**; linear/structured bonds **EUR 10.1 bln** (+83.4% yoy); mutual funds/Sicavs/individual portfolio management approx. –EUR 4 bln.

Antonveneta direct funding amounted to EUR 25 bln, up 9.7% from the end of last year.

**Customer loans exceeded EUR 144 bln**.

Furthermore, the Montepaschi Group lending business (inclusive of Biverbanca, but not of Antonveneta) posted a significant growth, and its market share also grew considerably. **Mortgage loans** stood at approx. EUR 5.6 bln (-24.6% yoy) and **consumer credit** was up **11.3% year on year.** Mps Capital Services Banca per le imprese grew by 16.7% yoy and turnover factoring increased by 17.3%.

Significant evidence of a market share expansion also came from the major business segments: leasing was up 130 bps from the end of 2007, bancassurance grew by 230 bps and consumer credit increased by 30 bps.

With respect to credit quality, the Montepaschi Group closed the first nine months of 2008 with a EUR 6.7 bln net exposure to impaired loans. On a like-for-like basis, the impaired loans/total loans ratio was 4.66%, whereas the NPL & watchlist loans/total loans ratio, purged of any writedowns, was 3.68%, up from 3.01% at December 31st 2007, mainly driven by the posting of Hopa/Fingruppo-related to "doubtful loans".

Loan loss provisions were up from the end of last year and accounted for 43.4% of total gross exposure. More specifically, they accounted for 57.9% (vs. 51.6% at Dec. 31st 2007) of gross NPLs, whose coverage by commercial banks is usually 60% on average. This increase in NPL coverage is associated to an increase in risk provisions and above all to Banca Antonveneta, whose gross NPL coverage rate is approx. 69%, partially as a consequence of a different write-off policy.

Tier I ratio stood at 5.2%, with the minimum Risk Weighted Assets floor at 95% of the RWAs determined according to Basle 1 as required by the Bank of Italy. The minimum floor will be brought down to 90% for the years leading to June 2010. With such a threshold value, the Group Tier I ratio would stand at 5.5%. More capital management and RWA-streamlining measures are being taken in order to strenghten Group capital ratios. A further contribution might come from actions expected to be taken by the Italian Government to support the banking sector, as well as from possible measures involving the Group's stake in the Bank of Italy.

This press release will be posted on the MPS Group Web site: www.mps.it

**For further information please contact:**

**Press Relations**

Tel. +39 0577.299927

*ufficio.stampa@banca.mps.it*

**Investor Relations, Research & Intelligence**

Tel: +39 0577.296477

*investor.relations@banca.mps.it*

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

# MONTEPASCHI Group restatement criteria

*As usual, the financial schedules below were restated according to operational criteria. If not otherwise indicated, values are in millions of euros. More specifically, the main changes to the P&L account were aggregations of items and restatements aimed at making performance trends more easily understandable.*

## Highlights at 09/30/2008

■ **INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS**

| MPS GROUP | | Historical Data | | |
|---|---|---|---|---|
| • INCOME STATEMENT FIGURES (in millions of euros) | **09/30/2008** | **09/30/2007** | **% Chg** | **% Chg (*)** |
| Income from banking activities | 3,922.9 | 3,278.7 | 19.6 | 4.5 |
| Financial and insurance income (loss) | 4,009.6 | 3,630.1 | 10.5 | -2.3 |
| Net operating income | 941.3 | 1,198.6 | -21.5 | -23.3 |
| Net profit (loss) for the period | 640.9 | 718.1 | -10.8 | n.s. |
| • BALANCE SHEET FIGURES AND INDICATORS (in millions of euros) | **09/30/2008** | **09/30/2007** | **% Chg** | |
| Direct funding | 142,425 | 101,714 | 40.0 | |
| Indirect funding | 122,897 | 101,474 | 21.1 | |
| *of which: assets under management* | *50,122* | *48,494* | 3.4 | |
| *of which: assets under custody* | *72,774* | *52,980* | 37.4 | |
| Customer loans | 144,496 | 100,375 | 44.0 | |
| Group net equity | 14,185 | 7,897 | 79.6 | |
| • KEY LOAN QUALITY RATIOS (%) | **09/30/2008** | **12/31/2007** | | |
| Net non-performing (*) loans/Customer loans (a) | 2.22 | 1.88 | | |
| Net watchlist loans/Customer loans | 1.46 | 1.13 | | |
| • PROFITABILITY RATIOS (%) | **09/30/2008** | **12/31/2007** | | |
| Cost/Income ratio | 60.9 | 58.4 | | |
| R.O.E. (on average equity) | 6.8 | 17.5 | | |
| R.O.E. (on year-end equity) | 9.7 | 19.8 | | |
| Net adjustments to loans / Year-end investments | 0.58 | 0.52 | | |
| • CAPITAL RATIOS (%) | **09/30/2008** | **12/31/2007** | | |
| Solvency ratio | 9.5 | 8.9 | | |
| Tier 1 ratio | 5.2 | 6.1 | | |

(a) detrmined using Bank of Italy's prudential filters .(°) Estimates include expected benefit from asset disposal in accordance with IFRS5 (Banca Monte Parma and MPS Sgr)

| • INFORMATION ON BMPS STOCK | **09/30/2008** | **12/31/2007** | |
|---|---|---|---|
| Number of ordinary shares outstanding | 5,492,986,286 | 2,457,264,636 | |
| Number of preference shares outstanding | 1,131,879,458 | 565,939,729 | |
| Number of savings shares outstanding | 18,864,340 | 9,432,170 | |
| Price per ordinary share: | | | |
| average | 2.12 | 4.65 | |
| low | 1.66 | 3.61 | |
| high | 2.95 | 5.34 | |
| • OPERATING STRUCTURE | **09/30/2008** | **12/31/2007** | **Abs. Chg** |
| Total head count - year-end | 33,482 | 24,863 | 8,619 |
| Number of branches in Italy | 3,094 | 2,094 | 1,000 |
| Financial advisor branches | 163 | 139 | 24 |
| Number of branches & rep. offices abroad | 39 | 35 | 4 |

(*) Variations result from a restatement of P&L values at 30/09/08 and 30/09/07. 2008 data were restated by aggregating Antonveneta's first five months results as well. With respect to the P&L impact of the acquisition, the amounts used were those actually posted to the accounts (4 months only). Data at 30/9/07 include Antonveneta figures restated according to the operational criteria of the Montepaschi Group, and they take any changes to the consolidation perimeter into account. With respect to the P&L impact of the acquisition, the amounts posted in 2008 were also preserved at 30/09/07.

**MPS GROUP**

■ **RECLASSIFIED BALANCE SHEET** (in millions of euros)

| ASSETS | 09/30/2008 (°) | 09/30/2007 historical data | % chg | 12/31/2007 |
|---|---|---|---|---|
| Cash and cash equivalents | 678 | 470 | 44.1 | 821 |
| Receivables : | | | | |
| a) Customer loans | 144,496 | 100,375 | 44.0 | 106,322 |
| b) Due from banks | 17,331 | 15,089 | 14.9 | 14,858 |
| Financial assets held for trading | 25,067 | 24,956 | 0.4 | 31,052 |
| Financial assets held to maturity | 0 | 0 | n.s. | 0 |
| Equity investments | 614 | 361 | 70.0 | 820 |
| Underwriting reserves/reinsurers | | | | |
| Tangible and intangible fixed assets | 10,621 | 3,359 | n.s. | 3,532 |
| *of which:* | | | | |
| *a) goodwill* | *7,633* | *641* | *n.s.* | *941* |
| Other assets | 11,584 | 18,547 | -37.5 | 4,578 |
| **Total assets** | **210,391** | **163,158** | **28.9** | **161,984** |

| LIABILITIES | 09/30/2008 (°) | 09/30/2007 historical data | % chg | 12/31/2007 |
|---|---|---|---|---|
| Payables | | | | |
| a) Due to customers and securities | 142,425 | 101,714 | 40.0 | 113,347 |
| b) Due to banks | 25,609 | 17,573 | 45.7 | 13,743 |
| Financial liabilities from trading | 15,605 | 12,111 | 28.8 | 19,355 |
| Provisions for specific use | | | | |
| a) Provisions for employee leaving indemnities | 553 | 367 | 50.8 | 369 |
| b) Reserve for retirement benefits | 445 | 407 | 9.4 | 428 |
| c) Other reserves | 843 | 563 | 49.6 | 621 |
| Other liabilities | 10,492 | 22,476 | -53.3 | 5,226 |
| Underwriting reserves | | | | |
| Group portion of shareholders' equity | 14,185 | 7,897 | 79.6 | 8,649 |
| a) Valuation reserves | 206 | 669 | -69.2 | 650 |
| b) Reimbursable shares | | | | |
| c) Capital instruments | 79 | 71 | 10.5 | 70 |
| d) Reserves | 4,824 | 3,984 | 21.1 | 3,996 |
| e) Share premium account | 3,991 | 561 | n.s. | 559 |
| f) Share capital | 4,451 | 2,030 | 119.3 | 2,032 |
| g) Treasury shares (-) | -8 | -137 | -94.5 | -97 |
| h) Net profit (loss) for the year | 641 | 718 | -10.8 | 1,438 |
| Minority interests in shareholders' equity | 236 | 51 | n.s. | 247 |
| **Total liabilities and shareholders' equity** | **210,391** | **163,158** | **28.9** | **161,984** |

(°) Data reflect the change in the perimeter of the Group

## INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA (in millions of euros)

| MPS Group | 09/30/2008 | 09/30/2007<br>Historical Data | Not like for like change<br>Abs | Not like for like change<br>% | Like for Like Change |
|---|---|---|---|---|---|
| **Net interest income** | **2,751.3** | **2,142.5** | **608.8** | **28.4%** | **9.7%** |
| Net commissions | 1,171.6 | 1,136.1 | 35.4 | 3.1% | -5.7% |
| **Income from banking activities** | **3,922.9** | **3,278.7** | **644.2** | **19.6%** | **4.5%** |
| Dividends, similar income and profits (losses) from equity investments | 42.8 | 118.9 | -76.1 | -64.0% | -48.7% |
| Net result from realisation/valuation of financial assets | 49.2 | 234.4 | -185.2 | -79.0% | -82.3% |
| Net gain (loss) from hedging | -5.3 | -1.9 | -3.4 | n.s. | n.s. |
| **Financial and insurance income (loss)** | **4,009.6** | **3,630.1** | **379.5** | **10.5%** | **-2.3%** |
| Net adjustments for impairment of: | | | | | |
| a) loans | -519.4 | -338.0 | 181.4 | 53.7% | 27.9% |
| b) financial assets | -105.4 | -2.4 | 103.0 | n.s. | n.s. |
| **Net financial and insurance income (loss)** | **3,384.9** | **3,289.7** | **95.2** | **2.9%** | **-8.8%** |
| Administrative expenses: | -2,343.0 | -2,007.5 | 335.5 | 16.7% | -2.4% |
| a) personnel expenses | -1,529.5 | -1,304.9 | 224.6 | 17.2% | -1.8% |
| b) other administrative expenses | -813.5 | -702.6 | 111.0 | 15.8% | -3.5% |
| Net adjustments to the value of tangible and intangible fixed assets | -100.6 | -83.6 | 16.9 | 20.3% | 2.5% |
| **Operating expenses** | **-2,443.6** | **-2,091.1** | **352.5** | **16.9%** | **-2.2%** |
| **Net operating income** | **941.3** | **1,198.6** | **-257.3** | **-21.5%** | **-23.3%** |
| Net provisions for risks and liabilities and Other operating income/costs | -5.9 | -33.3 | 27.5 | -82.4% | n.s. |
| Income on equity investments | 176.8 | | 176.8 | n.s. | n.s. |
| Integration costs | -78.3 | | -78.3 | n.s. | |
| Goodwill impairment | -0.2 | -0.3 | -0.1 | -42.5% | -42.5% |
| Gains (losses) from disposal of investments | 27.8 | 0.1 | 27.7 | n.s. | n.s. |
| **Gain (loss) from current operations before taxes** | **1,061.5** | **1,165.0** | **-103.5** | **-8.9%** | **-24.8%** |
| Taxes on income for the year from current operations | -378.3 | -433.3 | -55.1 | -12.7% | -27.9% |
| **Gain (loss) from current operations after taxes** | **683.3** | **731.7** | **-48.4** | **-6.6%** | **-22.7%** |
| Gain (loss) on fixed assets due for disposal, net of taxes | -1.6 | | -1.6 | n.s. | n.s. |
| Minority interests in profit (loss) for the year | -9.7 | -13.5 | -3.8 | -28.4% | -58.0% |
| **Net profit (loss) for the year (excl. PPA)** | **672.0** | **718.1** | **-46.1** | **-6.4%** | **-16.8%** |
| Purchase Price Allocation | -31.1 | | 31.1 | n.s. | n.s. |
| **Net profit (loss) for the year** | **640.9** | **718.1** | **-77.2** | **-10.8%** | **n.s.** |

(*) 2008 data were restated by aggregating Antonveneta's first five months results as well. With respect to the P&L impact of the acquisition, the amounts used were those actually posted to the accounts (4 months only). Data at 30/9/07 include Antonveneta figures restated according to the operational criteria of the Montepaschi Group, and they take any changes to the consolidation perimeter. With respect to the P&L impact of the acquisition, the amounts posted in 2008 were also preserved at 30/09/07.

# Quarterly Evolution *(like for like basis)*

| MPS Group | (*) | | | |
|---|---|---|---|---|
| **(with Antonveneta from the start of 2008)** | **3rd quarter** | **2nd quarter** | **1st quarter** | **3rd quarter** |
| **Net interest income** | **1,031.0** | **1,097.9** | **1,069.8** | **956.0** |
| Net commissions | 443.5 | 471.8 | 473.8 | 487.3 |
| **Income from banking activities** | **1,474.5** | **1,569.8** | **1,543.6** | **1,443.3** |
| Dividends, similar income and profits (losses) from equity investments | 20.2 | 21.2 | 12.7 | 29.3 |
| Net result from realisation/valuation of financial assets | -1.6 | 80.6 | -24.9 | 31.1 |
| Net gain (loss) from hedging | 0.0 | -0.4 | -7.2 | -2.7 |
| **Financial and insurance income (loss)** | **1,493.1** | **1,671.2** | **1,524.2** | **1,501.0** |
| Net adjustments for impairment of: | | | | |
| a) loans | -189.6 | -235.5 | -216.1 | -157.3 |
| b) financial assets | -4.2 | -29.3 | -100.5 | -7.4 |
| **Net financial and insurance income (loss)** | **1,299.3** | **1,406.4** | **1,207.6** | **1,336.4** |
| Administrative expenses: | -920.8 | -928.7 | -907.4 | -947.4 |
| a) personnel expenses | -595.4 | -599.4 | -602.0 | -616.4 |
| b) other administrative expenses | -325.4 | -329.3 | -305.5 | -331.0 |
| Net adjustments to the value of tangible and intangible fixed assets | -40.7 | -39.5 | -39.7 | -39.8 |
| **Operating expenses** | **-961.4** | **-968.2** | **-947.1** | **-987.1** |
| **Net operating income** | **337.9** | **438.2** | **260.6** | **349.2** |
| Net provisions for risks and liabilities and Other operating income/costs | -12.7 | -39.4 | 19.2 | -2.3 |
| Income on equity investments | -23.5 | 200.3 | | |
| Integration costs | -21.4 | -138.3 | | |
| Goodwill impairment | | -0.2 | | |
| Gains (losses) from disposal of investments | 0.0 | 20.2 | 7.7 | -0.2 |
| **Gain (loss) from current operations before taxes** | **280.3** | **480.7** | **287.4** | **346.7** |
| Taxes on income for the year from current operations | -126.4 | -158.9 | -115.8 | -142.1 |
| **Gain (loss) from current operations after taxes** | **153.9** | **321.8** | **171.6** | **204.6** |
| Gain (loss) on fixed assets due for disposal, net of taxes | -15.6 | 76.2 | 5.4 | 12.4 |
| Minority interests in profit (loss) for the year | 1.4 | -7.1 | -5.3 | -7.9 |
| **Net profit (loss) for the year (excl. PPA)** | **139.7** | **390.9** | **171.7** | **209.1** |
| Purchase Price Allocation | -21.0 | -10.2 | | |
| **Net profit (loss) for the year** | **118.7** | **380.8** | **171.7** | **209.1** |

(°)Data were restated by aggregating Antonveneta's results. With respect to the P&L impact of the acquisition, the amounts used were those actually posted to the accounts. 2007 data include Antonveneta figures restated according to the operational criteria of the Montepaschi Group, and they take any changes to the consolidation perimeter. With respect to the P&L impact of the acquisition, the amounts posted in 2008 were also preserved at 30/09/07.

| Antonveneta | 3Q08 | 2Q08 | 1Q08 | 3Q07 |
|---|---|---|---|---|
| **Net interest income** | 263.2 | 285.0 | 267.7 | 266.1 |
| Net commissions | 135.2 | 129.8 | 117.7 | 142.5 |
| **Income from banking activities** | **398.3** | **414.8** | **385.4** | **408.6** |
| Dividends, similar income and profits (losses) from equity investments | 7.9 | 8.1 | 4.5 | 5.5 |
| Net result from realisation/valuation of financial assets | 0.9 | 1.6 | 3.3 | 10.7 |
| Net gain (loss) from hedging | -0.1 | 1.0 | -3.2 | 0.4 |
| **Financial and insurance income (loss)** | **407.0** | **425.5** | **390.0** | **425.1** |
| Net adjustments for impairment of: | **-28.4** | **-45.7** | **-120.4** | **-44.5** |
| a) loans | -29.2 | -37.0 | -89.2 | -42.3 |
| b) financial assets | 0.9 | -8.7 | -31.2 | -2.2 |
| **Net financial and insurance income (loss)** | **378.7** | **379.8** | **269.6** | **380.6** |
| Administrative expenses: | -238.1 | -245.5 | -248.7 | -268.8 |
| a) personnel expenses | -158.4 | -154.8 | -162.6 | -169.9 |
| b) other administrative expenses | -79.7 | -90.7 | -86.1 | -98.9 |
| Net adjustments to the value of tangible and intangible fixed assets | -10.2 | -11.7 | -11.4 | -11.2 |
| **Operating expenses** | **-248.4** | **-257.2** | **-260.1** | **-280.0** |
| **Net operating income** | **130.3** | **122.6** | **9.5** | **100.6** |
| Net provisions for risks and liabilities and Other operating income/costs | -16.2 | -19.2 | -9.4 | -8.7 |
| Income on equity investments | -3.1 | -81.4 | | |
| Integration costs | | | | |
| Goodwill impairment | | | | |
| Gains (losses) from disposal of investments | 0.0 | 0.0 | 0.0 | -0.2 |
| **Gain (loss) from current operations before taxes** | **111.0** | **22.0** | **0.1** | **91.6** |
| Taxes on income for the year from current operations | -49.2 | 5.6 | -17.2 | -53.5 |
| **Gain (loss) from current operations after taxes** | 61.8 | 27.6 | -17.1 | 38.2 |
| Gain (loss) on fixed assets due for disposal, net of taxes | **0.0** | **67.5** | | |
| Minority interests in profit (loss) for the year | -0.7 | -0.2 | -1.4 | -1.0 |
| **Net profit (loss) for the year** | **61.1** | **95.0** | **-18.5** | **37.1** |

**Antonveneta data are restated according to MPS accounting criteria**

# Quarterly Evolution *(not like for like basis)*

**QUARTERLY TREND IN INCOME STATEMENT FIGURES RECLASSIFIED ACCORDING TO OPERATING CRITERIA** (in millions of euros)

| | | Not like fof like | | | | |
|---|---|---|---|---|---|---|
| | | **2008** | | | **2007** | |
| **MPS Group** | **3rd quarter** | **2nd quarter** | **1st quarter** | **3rd quarter** | **2nd quarter** | **1st quarter** |
| | | | **Historical data** | | | |
| **Net interest income** | **1,031.0** | **909.7** | **810.6** | **727.1** | **710.1** | **705.4** |
| Net commissions | 443.5 | 346.1 | 382.0 | 365.0 | 381.7 | 389.4 |
| **Income from banking activities** | **1,474.5** | **1,255.9** | **1,192.6** | **1,092.1** | **1,091.8** | **1,094.8** |
| Dividends, similar income and profits (losses) from equity investments | 20.2 | 14.3 | 8.2 | 23.7 | 35.2 | 60.0 |
| Net result from realisation/valuation of financial assets | -1.6 | 80.5 | -29.6 | 21.8 | 124.4 | 88.2 |
| Net gain (loss) from hedging | 0.0 | -1.5 | -3.8 | -3.6 | 2.2 | -0.5 |
| **Financial and insurance income (loss)** | **1,493.1** | **1,349.2** | **1,167.3** | **1,133.9** | **1,253.7** | **1,242.5** |
| Net adjustments for impairment of: | | | | | | |
| a) loans | -189.6 | -202.8 | -127.0 | -112.4 | -118.3 | -107.2 |
| b) financial assets | -4.2 | -31.7 | -69.4 | -5.3 | 7.2 | -4.4 |
| **Net financial and insurance income (loss)** | **1,299.3** | **1,114.7** | **970.9** | **1,016.2** | **1,142.6** | **1,130.9** |
| Administrative expenses: | -920.8 | -742.6 | -679.7 | -671.0 | -682.3 | -654.2 |
| a) personnel expenses | -595.4 | -482.6 | -451.5 | -436.1 | -438.0 | -430.8 |
| b) other administrative expenses | -325.4 | -260.0 | -228.1 | -234.9 | -244.3 | -223.3 |
| Net adjustments to the value of tangible and intangible fixed assets | -40.7 | -31.0 | -29.0 | -28.9 | -25.2 | -29.5 |
| **Operating expenses** | **-961.4** | **-773.5** | **-708.7** | **-699.9** | **-707.5** | **-683.7** |
| **Net operating income** | **337.9** | **341.1** | **262.2** | **316.3** | **435.1** | **447.2** |
| Net provisions for risks and liabilities and Other operating income/costs | -12.7 | -22.5 | 29.3 | -1.2 | -18.5 | -13.7 |
| Income on equity investments | -23.5 | 200.3 | | | | |
| Integration costs | -21.4 | -56.9 | | | | |
| Goodwill impairment | | -0.2 | | | -0.3 | |
| Gains (losses) from disposal of investments | 0.01 | 20.15 | 7.67 | 0.01 | 0.03 | 0.06 |
| **Gain (loss) from current operations before taxes** | **280.3** | **482.1** | **299.2** | **315.1** | **416.3** | **433.6** |
| Taxes on income for the year from current operations | -126.4 | -150.3 | -101.6 | -106.8 | -150.0 | -176.6 |
| **Gain (loss) from current operations after taxes** | **153.9** | **331.7** | **197.6** | **208.3** | **266.4** | **257.0** |
| Gain (loss) on fixed assets due for disposal, net of taxes | -15.6 | 17.6 | -3.6 | | | |
| Minority interests in profit (loss) for the year | 1.4 | -7.2 | -3.9 | -4.0 | -6.2 | -3.4 |
| **Net profit (loss) for the year (excl. PPA)** | **139.7** | **342.2** | **190.1** | **204.4** | **260.2** | **253.6** |
| Purchase Price Allocation | -21.0 | -10.2 | | | | |
| **Net profit (loss) for the year** | **118.7** | **332.0** | **190.1** | **204.4** | **260.2** | **253.6** |

(°) On a non-like-for-like basis: Q3 08 data include Banca Antonveneta results for 3 months, whereas Q2 08 data include Banca Antonveneta results (as well as the P&L items associated to the Antonveneta integration) for 1 month only. Furthermore, Q2 and Q3 2008 do not include a line-by-ine contribution from Banca Monte Parma and Mps Asset Management Spa Sgr and its subsidiaries, as per IFRS5.