



**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472



9M and 3Q2010 Results Presentation

9M and 3Q2010 Highlights



Business & Market

- ✓ >63,000 net new customers in 9M, of which >25,500 in 3Q; c30,000 new current accounts
- ✓ Loans:* +6.1% YoY; Total Funding*: +2.4% YoY, with Direct Funding* +0.8% YoY and Indirect Funding* +4.3%
- ✓ Grabbing market share in all business areas since Dec 09

P&L analysis

- ✓ Net profit in 3Q at €96mln, €357mln in 9M
- ✓ NII* flat QoQ and YoY, with commercial components** +2.1% QoQ and non commercial components -8.5% QoQ
- ✓ Costs*** -3.6% YoY; former FY10 guidance (-3.5%) now expected to be at least -4.5%
- ✓ c€16mln negative items in 3Q

The value of diversification

- ✓ High value from product companies embedded in the Group:
 - ✓ Antonveneta: pick up in funding and lending, with strong focus on asset quality
 - ✓ MPS Capital Services: pick up in revenues and profitability
 - ✓ MPS L&F: inflows better than the market with positive impact on profitability
 - ✓ Consumit: good inflows, with a pick up in revenues
 - ✓ Bancassurance: improved business mix

Risk and Capital Management

- ✓ Cost of credit at 76bps
- ✓ Tier 1 at 8.4%, ex Real Estate and Prima Sgr benefit (c35bps); c70bps impact expected from B3 in 2013

* Excluding contribution from branches sold to Intesa and Carige and from Ulisse

** Lending and Funding components

*** Excluding contribution from branches sold to Intesa and Carige

9M and 3Q10 Results



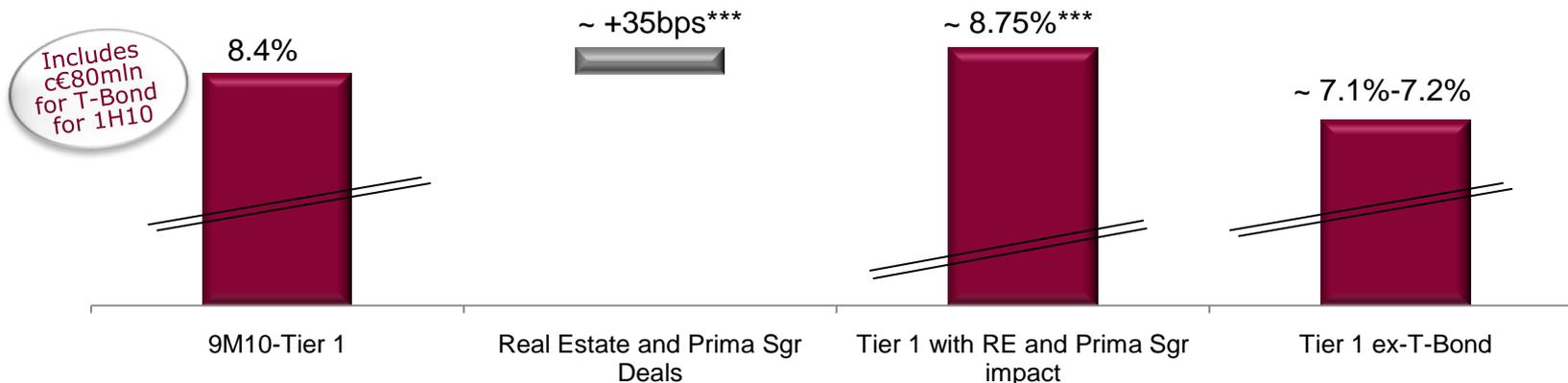
9M and 3Q10 P&L (mln €)

	3Q10	3Q10/2Q10	3Q10/3Q09	9M10	9M10/9M09
Net Interest Income	906.6	-0.7%	+0.9%	2,691.2	-0.3%
Net Fees	461.2	-4.9%	-1.2%	1,430.1	+2.4%
Basic income	1,367.8	-2.1%	+0.2%	4,121.4	+0.6%
Total Revenues	1,410.2	+3.2%	+2.0%	4,176.7	-1.9%
Operating Costs	-848.1	+3.4%	-3.2%	-2,516.7	-3.6%
Personnel costs	-528.6	+3.6%	-5.3%	-1,588.2	-4.3%
Other admin expenses	-278.6	+4.0%	+0.3%	-805.2	-3.3%
Loan Loss Provisions	-281.5	-0.5%	-19.8%	-871.5	-16.0%
Net Operating Income	272.9	+11.4%	+85.8%	761.9	+31.4%
Taxes	-101.2	-42.9%	+35.5%	-321.6	+19.7%
Gains on Asset Disposal	-2.3	<i>n.m.</i>	<i>n.m.</i>	181.9	<i>n.m.</i>
Purchase Price Allocation	-25.8	-12.8%	-23.2%	-83.0	-19.5%
Net income	95.8	-19.4%	+38.2%	356.9	-11.1%

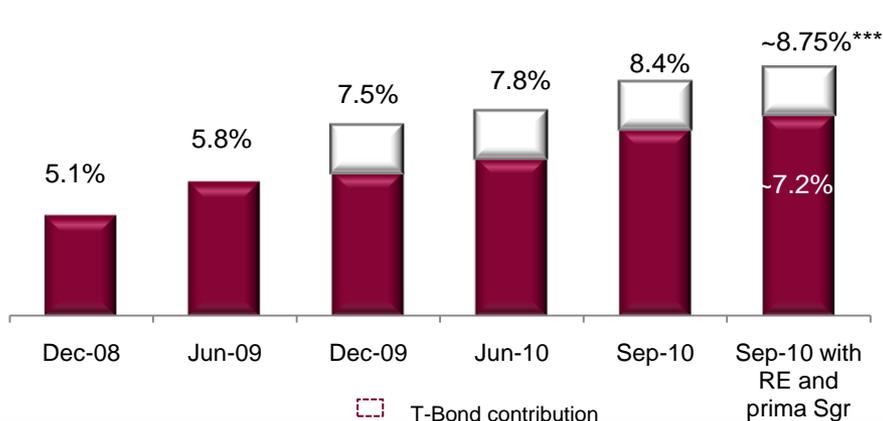
9M Tier 1 at 8.4% excluding contribution from Real Estate and Prima Sgr



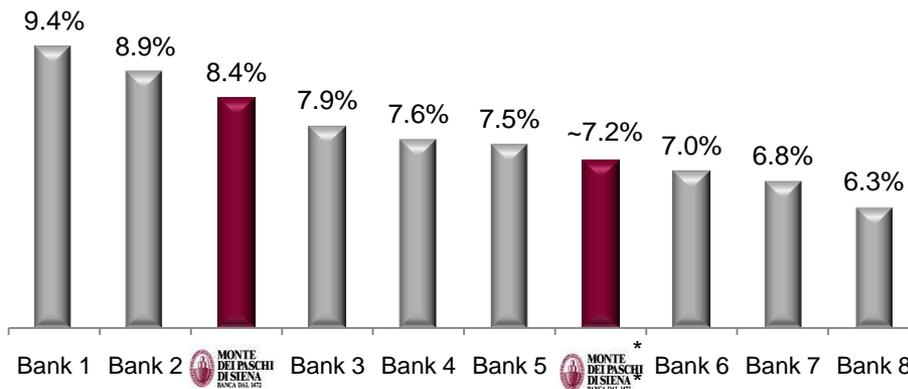
MPS: Tier 1 evolution



MPS Tier 1 evolution



Tier 1: Italian Banks*



*The Italian Banks include: ISP, BPER, UBI, Creval, UCI, Carige, BAPO, BPM: Figures as at 30/06/2010, without T-Bond contribution and including capital increases announced

** Including Real Estate and Prima Sgr deals and excluding T-Bond reimbursement

*** Assuming completion, as per supervisory requirements, by the year of the end

Basel 3: 2013 expected impact on Tier 1



Basel 3 expected impact*

- Minorities
- Participation
- DTA phasing net of pro-quota filter of goodwill
- FRESH phasing
- Excess expected losses with respect to adjustments



~-70bps

*RWA increase from Market risk,
Securitisation, CVA not meaningful*

How to offset the impact

□ Capital management actions

- Optimisation of product company structure
- Optimisation of real estate portfolio (ex Chianti deal) amounting to €1.2bn
- RWA optimisation

□ Capital generation**:

70-150bps

* Preliminary estimates for 2013, based on currently available Basel 3 information. The eventual impact will depend on the final wording of the rules and on capital management actions implemented by MPS

** 2010-2013 Consensus estimates range, considering a 20% payout average and 3% RWA increase average (CAGR)



Business & Market

- **Good funding and lending activities with increasing market shares**
 - **>63,000 net new customers in 9M, of which >25,500 in 3Q; c30,000 new current accounts**
 - **Total funding*: +2.4% YoY, with Direct Funding* +0.8% YoY and Indirect Funding* +4.3% YoY**
 - **Total lending*: +6.1% YoY, mainly driven by mortgages**
 - **Grabbing market share in all business areas since Dec 09**:**
 - **Direct deposit: +43bps**
 - **Mortgages: +41bps**
 - **Bancassurance: +24bps**
 - **Consumer credit: +54bps**
 - **Leasing: +52bps**
 - **Factoring: +69bps**

* Excluding contribution from branches sold to Intesa and Carige

** Market shares at August 2010, latest available data. Source: "Matrice Bank of Italy"

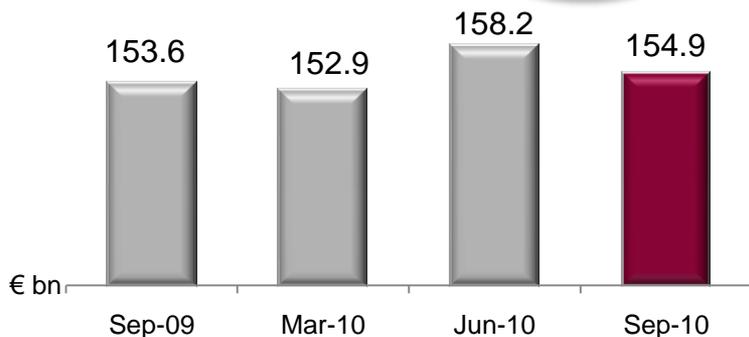
Good Funding volumes and inflows



Direct Funding*

+0.8%

-2.1%

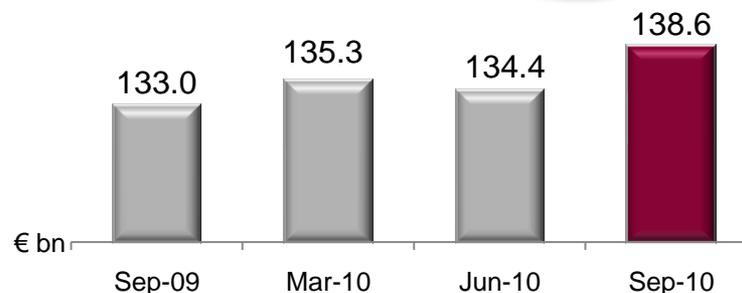


**Total Funding*:
+2.4% YoY**

Indirect Funding*

+4.3%

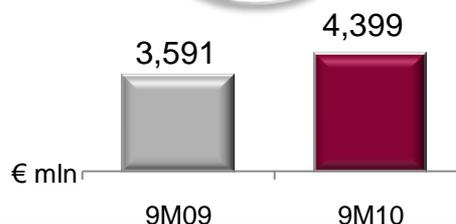
+3.1%



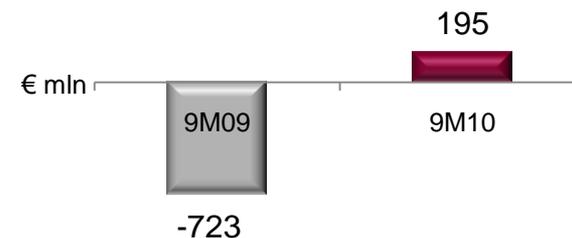
- The change in volumes in Q3 is primarily due to the reduction in short-term funding from institutional clients (approx. €4 bn), partially offset by the increase in bonds with institutional counterparties (€1bn worth of covered bonds issued)

Bancassurance

+22.5%

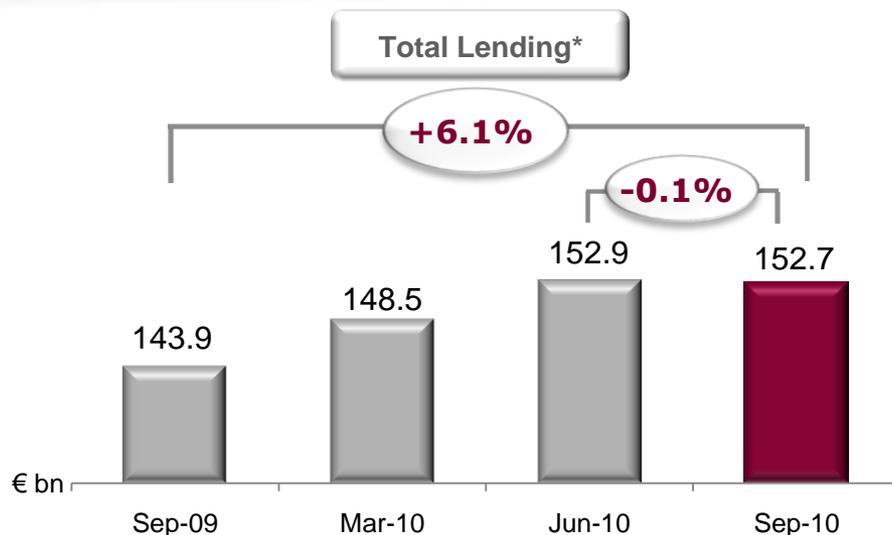


Mutual Funds



* Excluding contribution from branches sold to Intesa and Carige

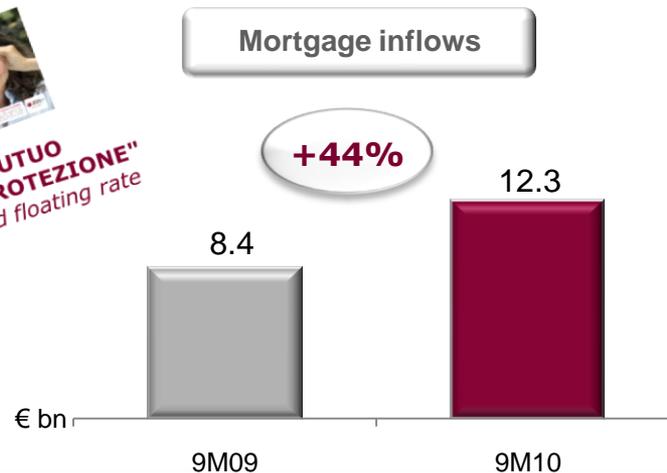
The good momentum on retail lending continues



Consumer B.U.:
+16.8% YoY

Corporate B.U.:
+1.3% YoY

In Q3 2010 the aggregate benefitted primarily from developments in medium-to-long term forms of lending, particularly driven by Retail residential mortgages. A reduction was instead recorded in loans with market counterparties

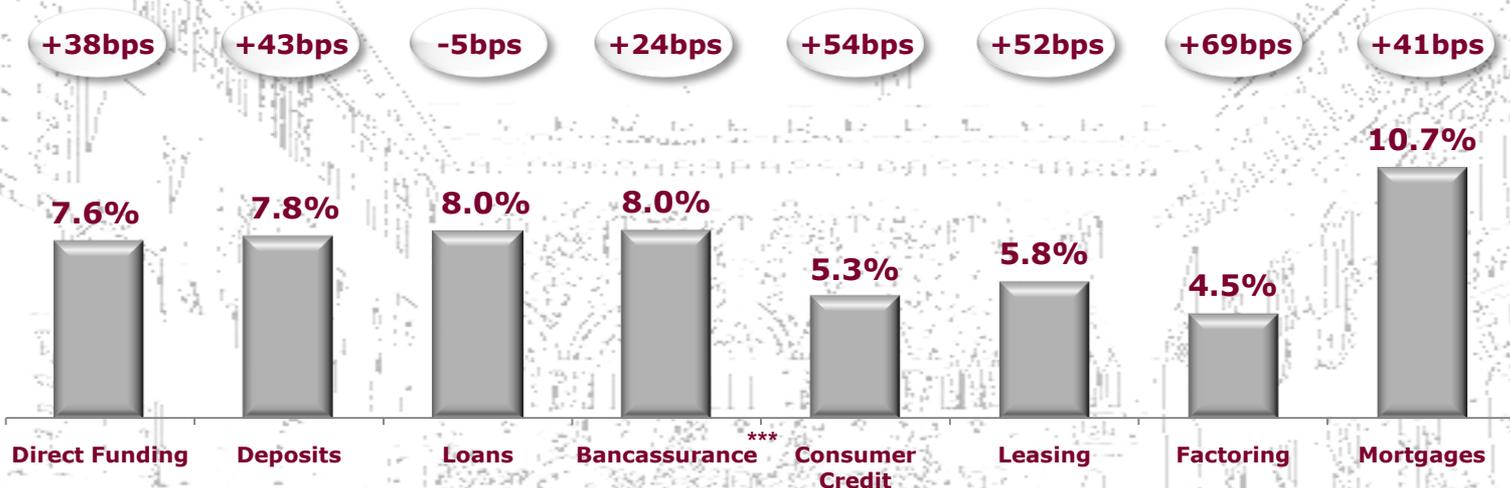


* Excluding contribution from branches sold to Intesa and Carige

Increasing volumes and growing market shares in all business areas



Market shares* (Aug10 vs Dec09)



New flows**

	Direct Funding	Deposits	Loans	Bancassurance	Consumer credit	Leasing	Factoring	Mortgages
€ bn	+1.7	+1.5	+2.6	+4.4	+2.1	+1.1	+4.3	+12.3

* Figures at August 2010. Latest available data. Source: "Matrice Bank of Italy"

** New flows from December 2009 to September 2010

*** New method of calculation



P&L analysis

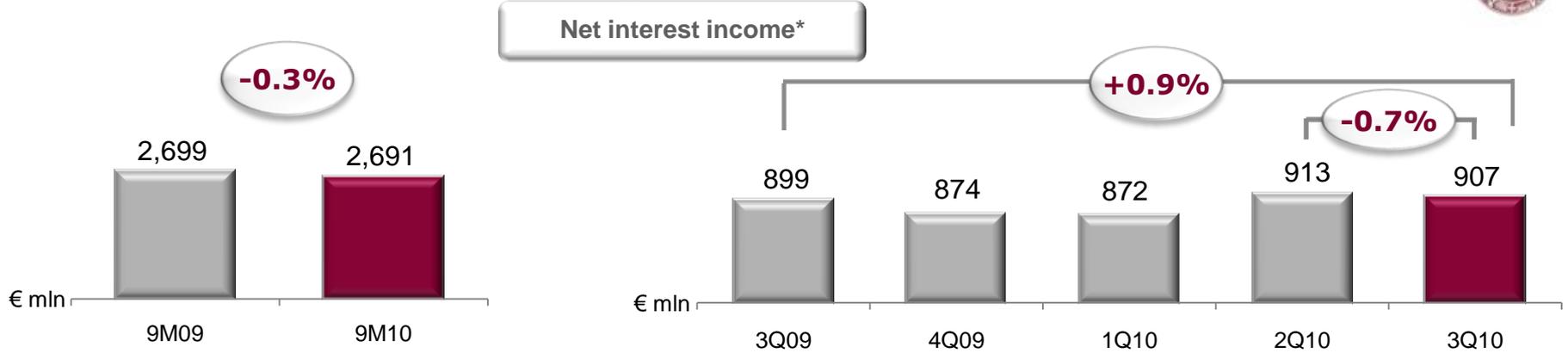
□ Resilient revenues and strong cost control

- **NII* flat QoQ and YoY, with commercial components** +2.1% QoQ and non commercial components -8.5%**
- **Operating costs* -3.6% YoY; former FY10 guidance (-3.5%) now expected to be at least -4.5%**
- **C/I at 60.3% (-450bps since Dec 2009*)**
- **Personnel: 412 net outflows in 9M, with Front office/Total staff ratio at 67%**
- **Net profit 3Q at €96mln, €357mln in 9M**

* Excluding contribution from branches sold to Intesa and Carige

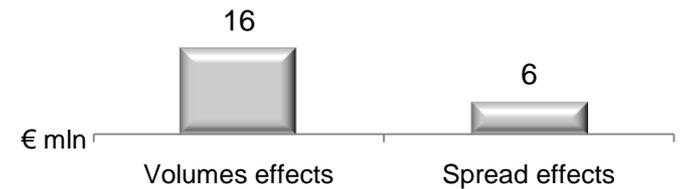
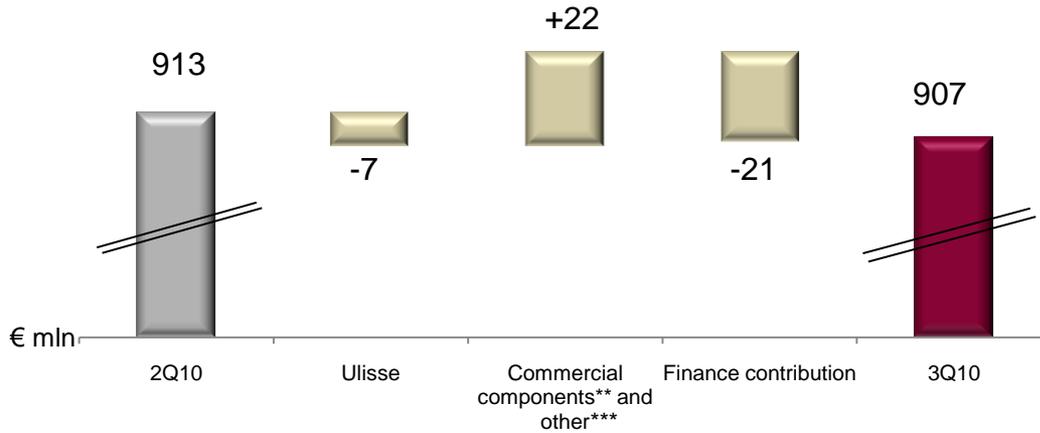
** Funding and Lending components

A focus on Net interest income

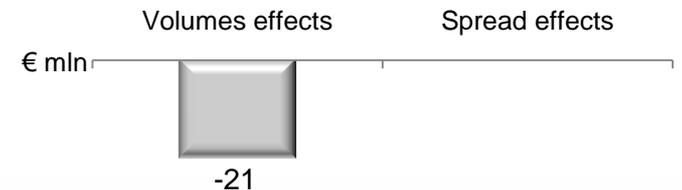


3Q10 Net Interest Income analysis

Commercial components** and other***

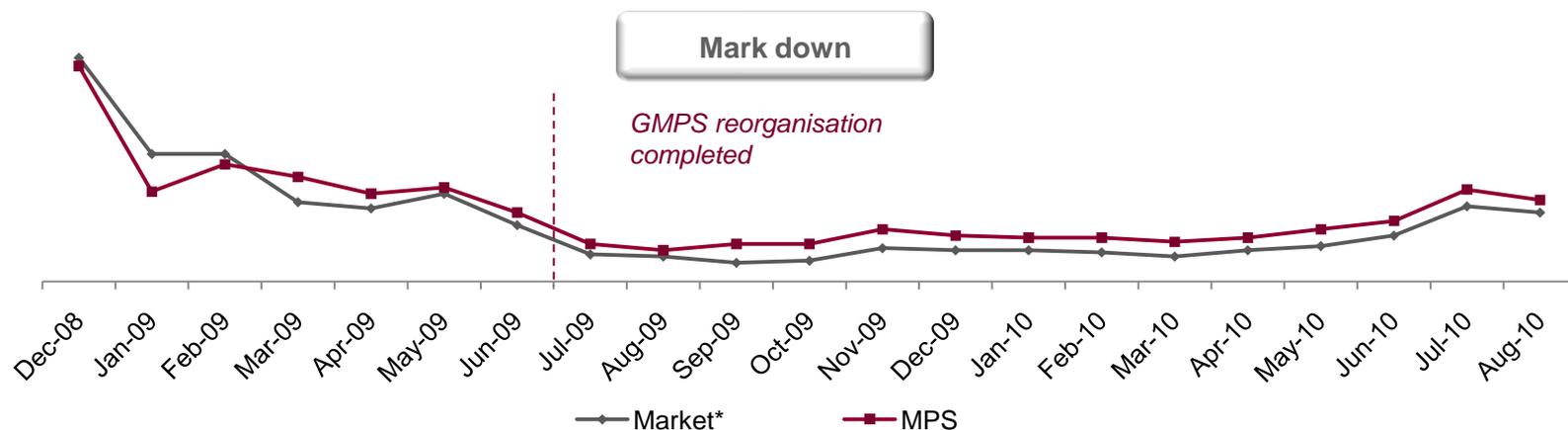
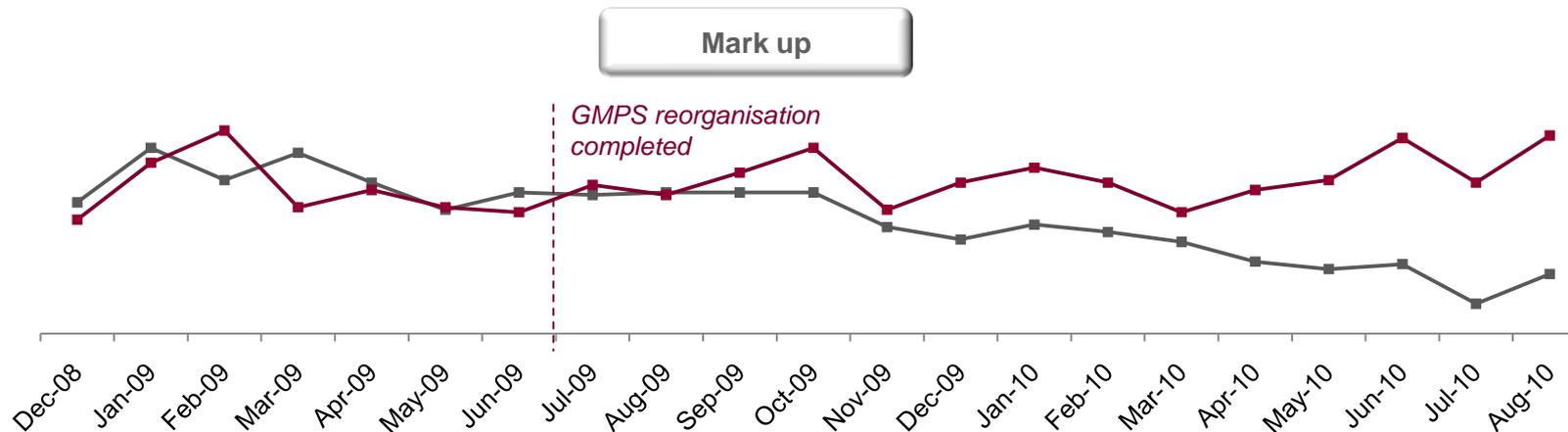


Finance contribution



* Excluding contribution from branches sold to Intesa and Carige
 ** Funding and lending components
 ***Corporate Center, BIVER, Consorzio, MPSI, Gestione Crediti.

Commercial Mark up and Mark down



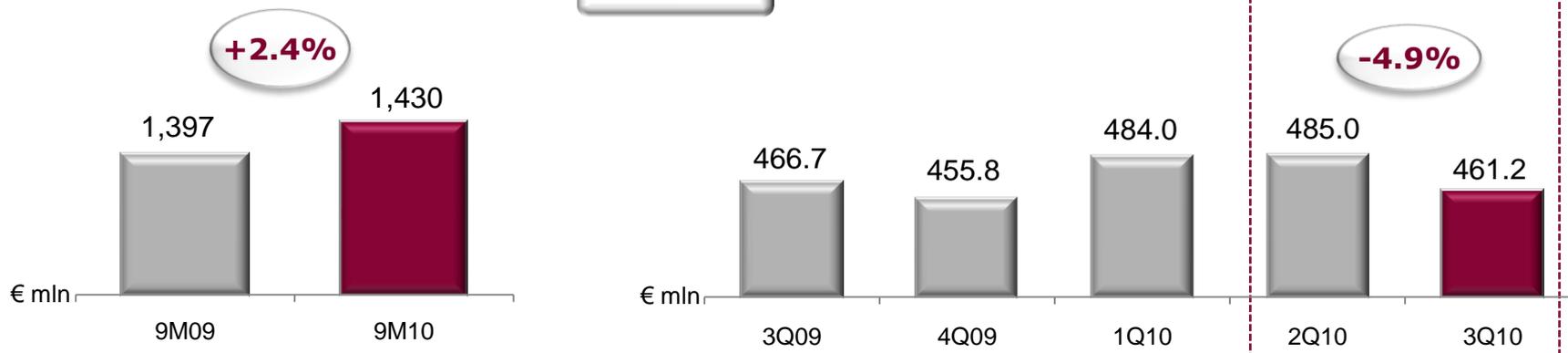
❑ Rates pick up at the end of the quarter with positive effect expected in 4Q

* Bank of Italy matrix: As of June 2010, the measurement of harmonised interest rates was modified, excluding not only NPLs but also impaired loans from the calculation of interest rates on loans.

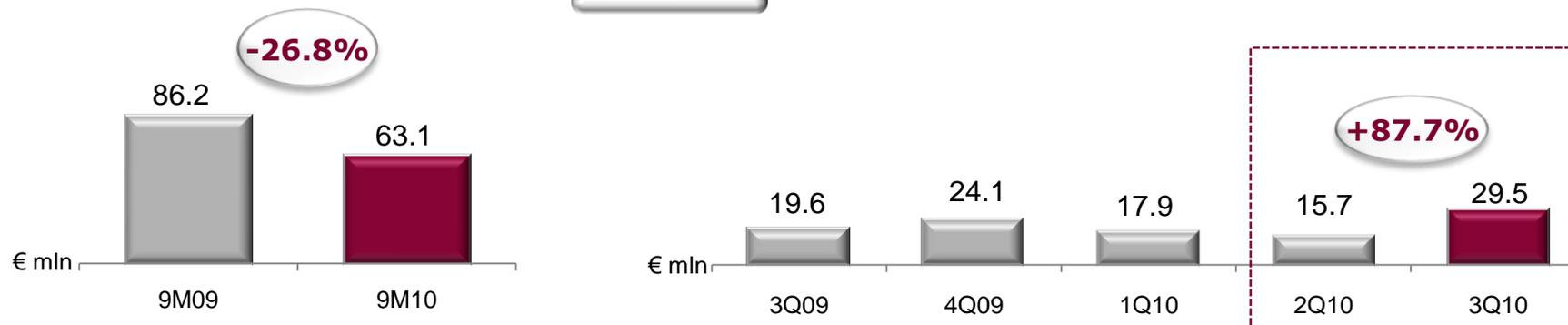
Fees and Dividend from product companies



Fees*



Dividend



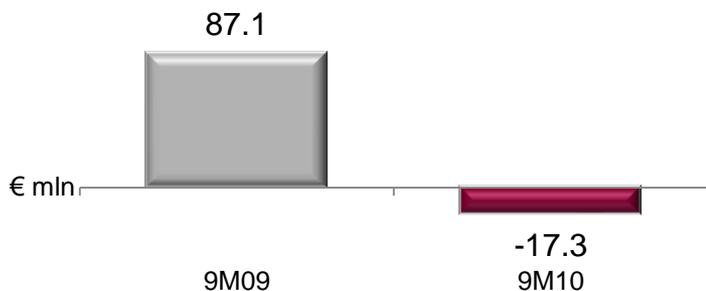
- In 3Q, the decrease in fees was partially offset by an increase in Dividends, mainly from MPS AXA and Prima Sgr

* Excluding contribution from branches sold to Intesa and Carige

Trading/valuation of financial assets

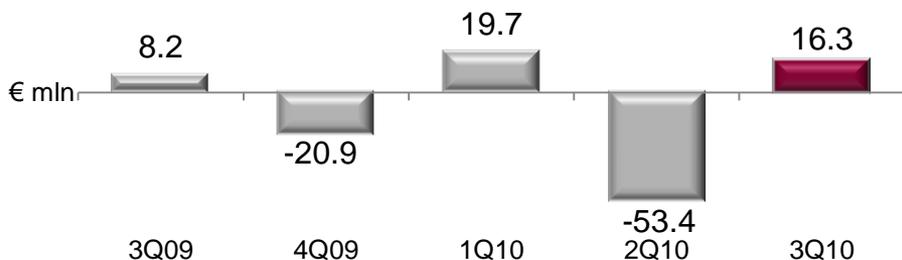


Net profit from trading/valuation of fin. Assets*



GMPS Securities and Derivatives Portfolio**

Market Value (€ mln)	30 Sept 2010
HFT	11,015
AFS	19,578
L&R	3,977
Total Portfolio	34,571



c -€4.4 bn since June 2010

- **HFT Portfolio:** -c5,4bn, due to maturity of government bonds and disposal of capital gain-generating assets, with consequent lowering of risk profile
- **AFS Portfolio:** +c1,2bn, mainly Government Bonds

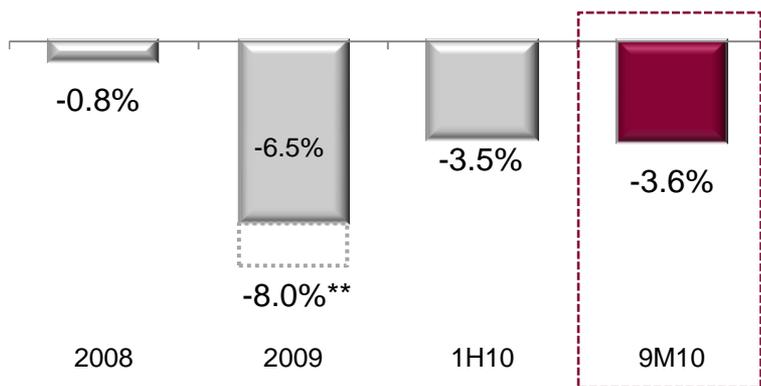
* Excluding contribution from branches sold to Intesa and Carige

** Not comparable with figures reported in other presentation, in which the Banca MPS and MPS Capital Services portfolio (excluding repurchase agreements and Money Market) was shown.

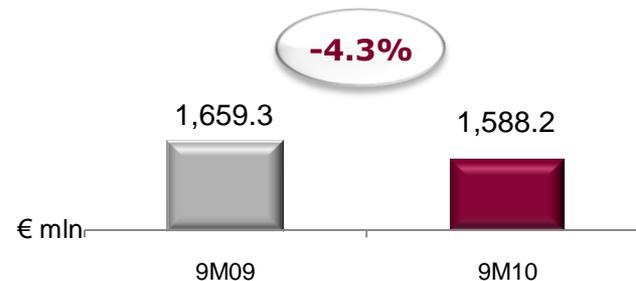
Operating costs: the cost containment continues



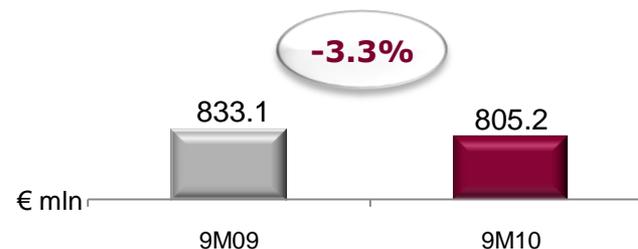
Trends in Total Costs*



Personnel Expenses*



Other Administrative Expenses*



**New guidance for FY2010:
at least -4.5%**

Cost/Income*



* Excluding contribution from branches sold to Intesa and Carige

** Net of € 60mln in early retirement one-offs classified as Personnel Expenses

Further cost containment expected in 4Q as a result of the reorganisation process



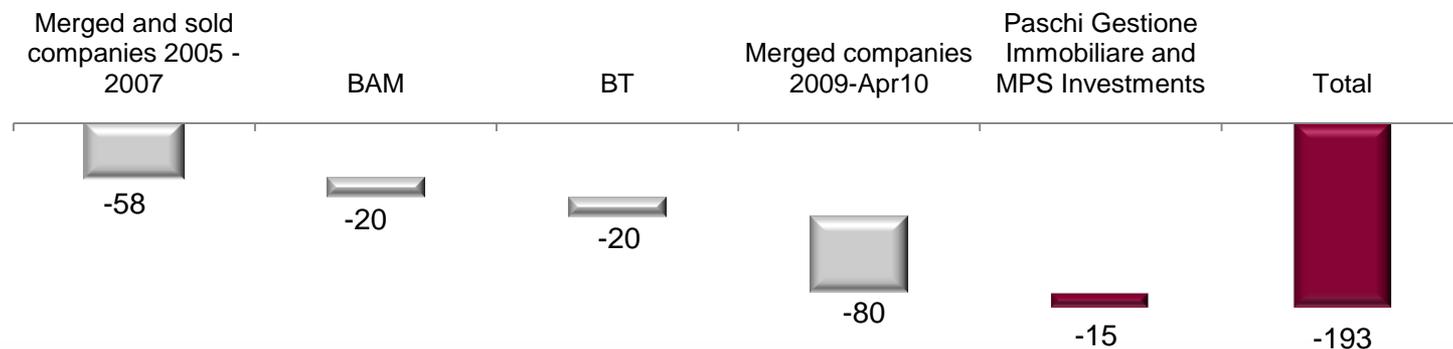
- Manages real estate portfolio, both used- and not used in the business
- Expected benefits:
 - lower administrative complexity
 - standardised contracts
 - simplified relationships between head offices, network and suppliers
 - 18% reduction in resources across entire real estate segment



- Manages the Group's equity investments
- Expected benefits:
 - streamlined approval process
 - centralised asset management, improving quality of solutions on offer
 - 30% costs across entire segment

-15 Directors and Auditors

Restructuring process effect: Reduction in number of Directors and Auditors



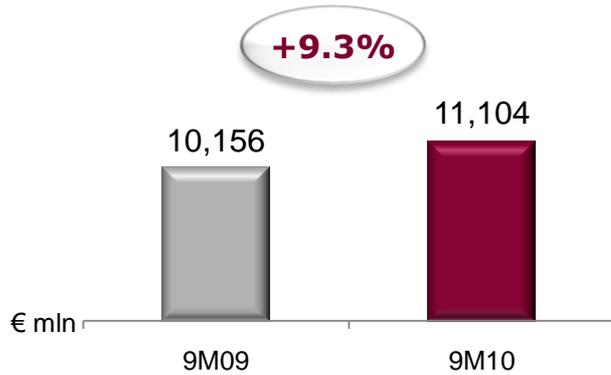


The value of diversification

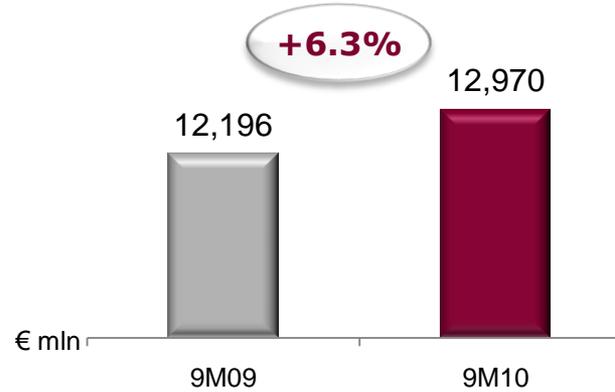
- **Antonveneta: pick up in funding and lending, with strong focus on asset quality**
- **MPS Capital Services: pick up in revenues and profitability**
- **MPS L&F: inflows better than the market with positive impact on profitability**
- **Consumit: good inflows, with a pick up in revenues**
- **Prima Sgr: alliance with Anima finalized, with an expected capital gain of c€170mln for MPS to be booked in the next quarters**
- **Bancassurance: improved business mix**



Direct Funding

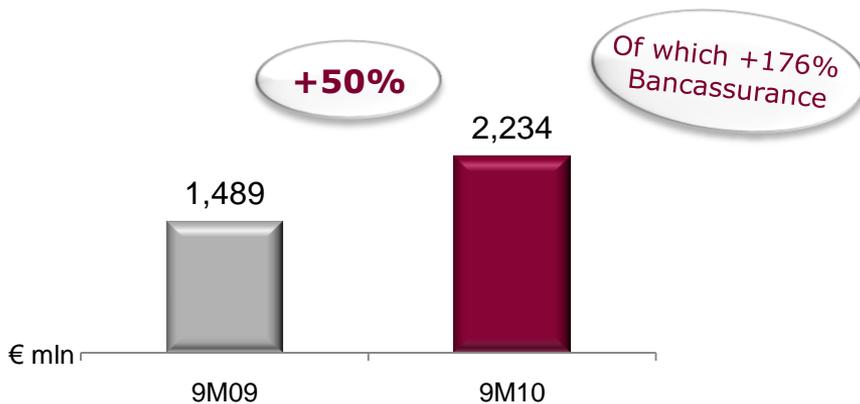


Loans

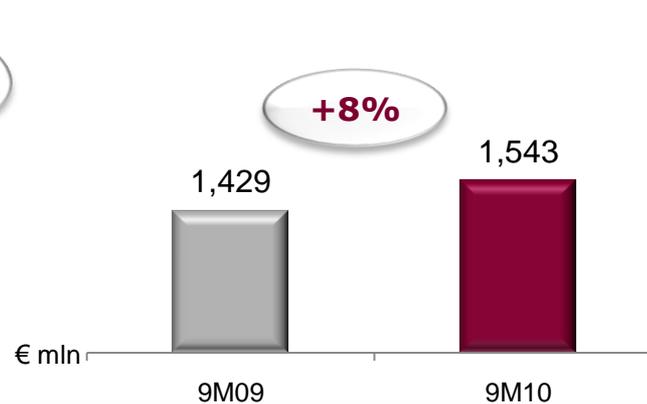


- **>9,200** net new clients in 9 months
- **>7,500** current account in 9 months

WM Flows



Mortgage Flows

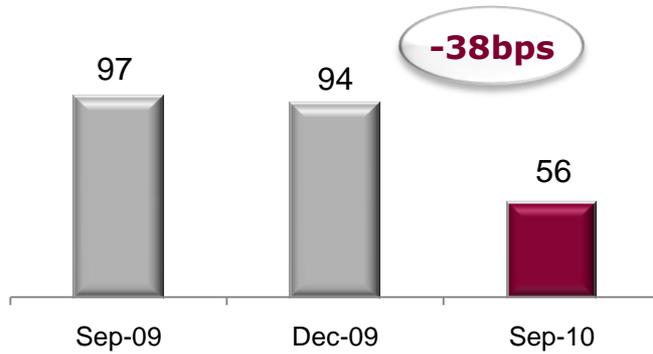


**9M Net Profit
€131mln***

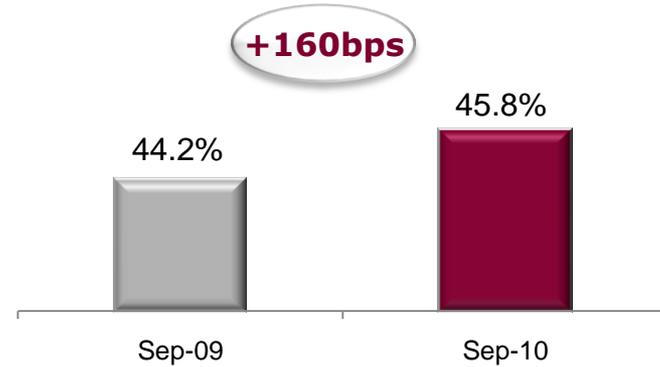
* Includes fiscal benefits



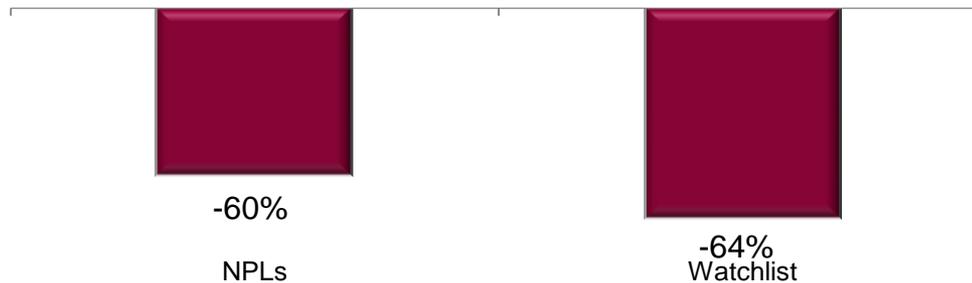
Cost of credit (bps)



Impaired loans coverage



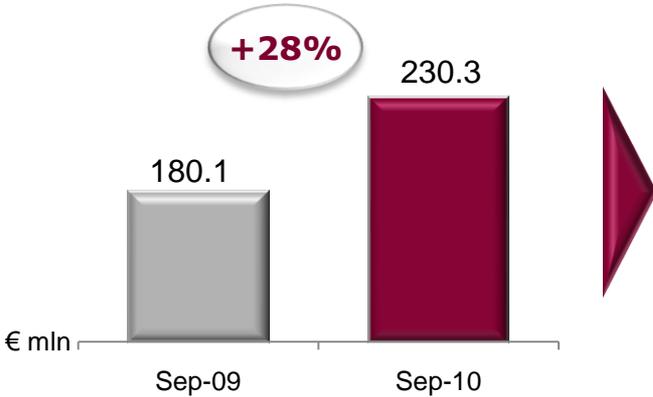
Inflows of Impaired loans (Sep10 vs Sep09)



Pick up in revenues and profitability



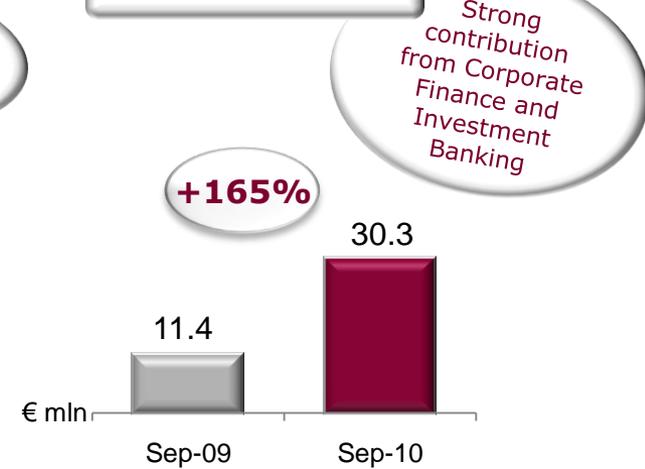
Basic Income



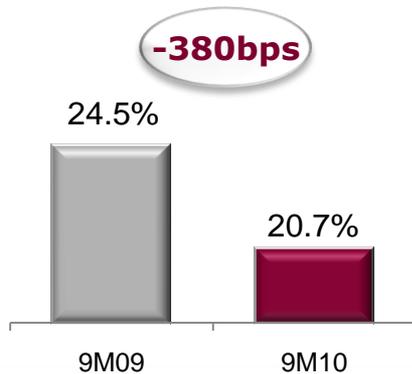
Net Interest Income



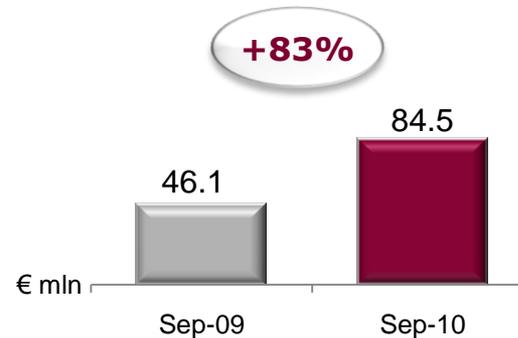
Fees



Cost/Income



Net Profit



Strong results in 3Q



Investment banking



JPMORGAN CHASE & CO.

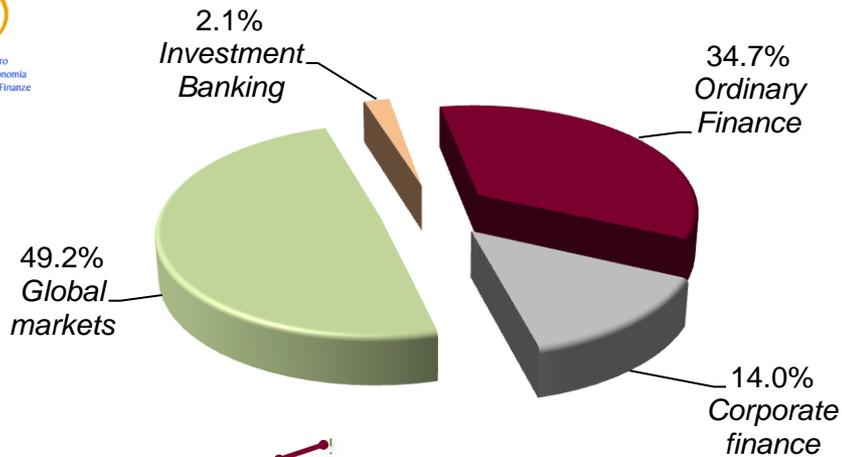


Deutsche Bank

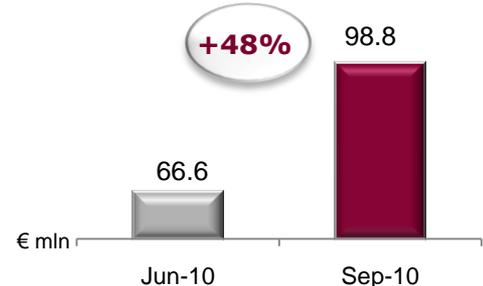


STEFANEL

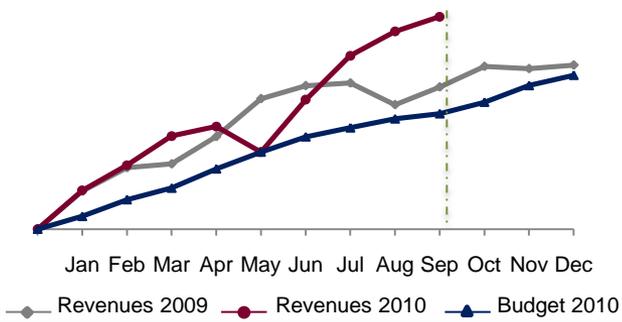
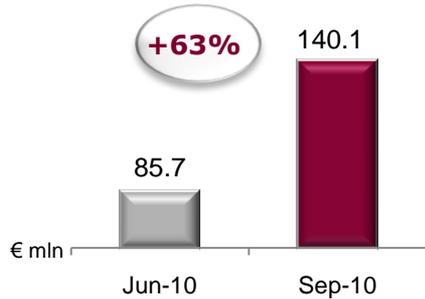
Revenues by segment



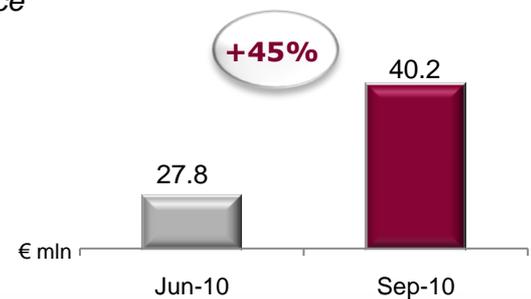
Ordinary finance



Global markets



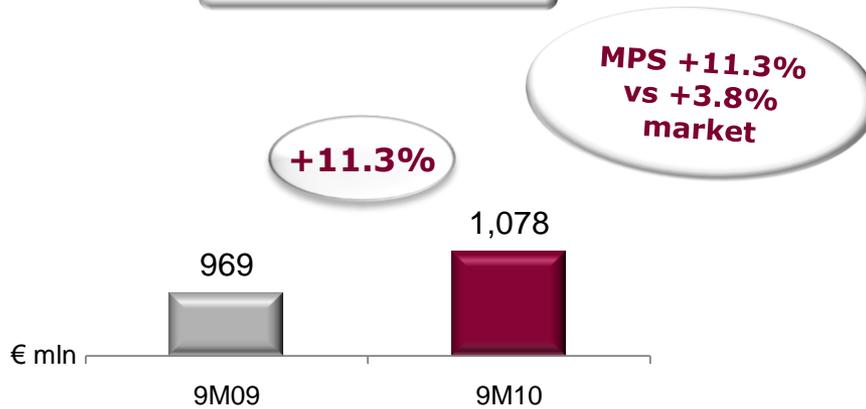
Corporate finance



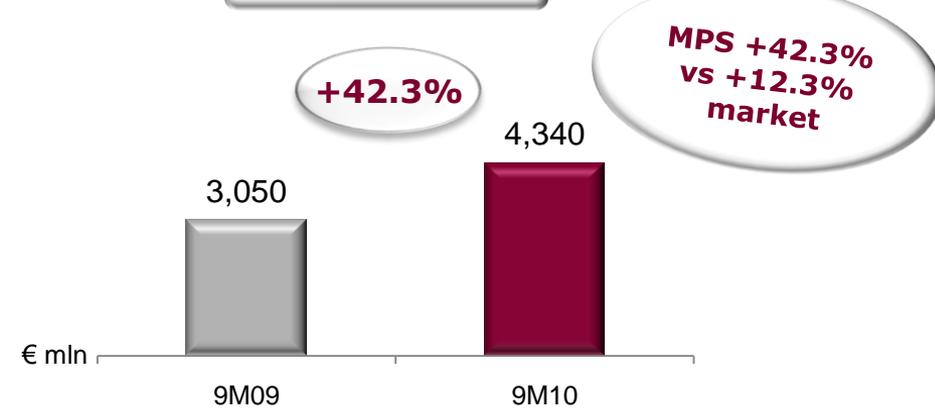
L&F flows better than the market with positive impact on profitability



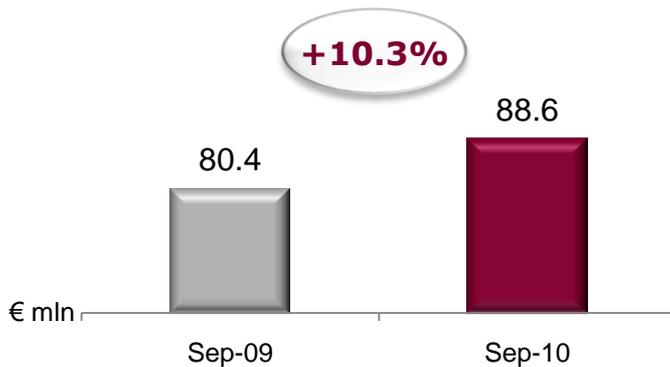
Leasing flows



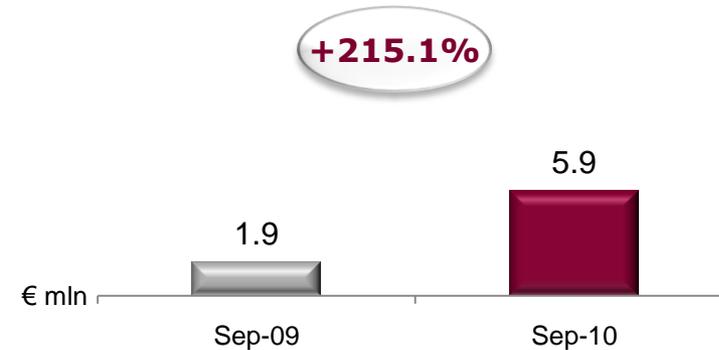
Turnover Factoring



Revenues



Net Profit





Collections

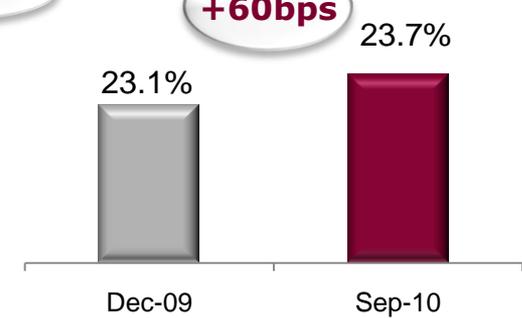
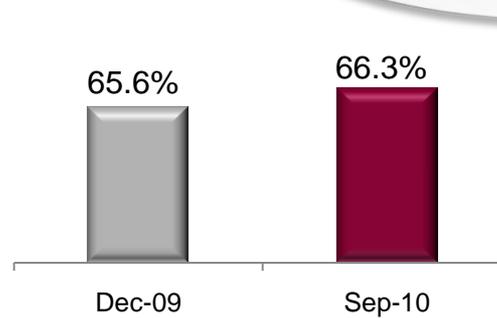
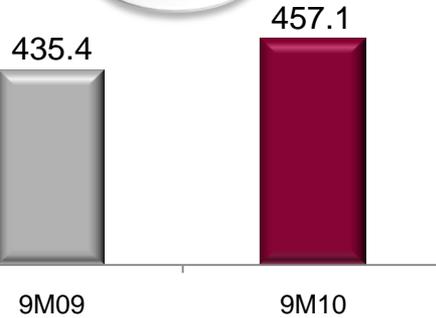
Cost/Income

ROE

+5%

31 new resources

+60bps



Rating upgrades

Operating figures related to MPS Gestione Crediti

FitchRatings

Fitch upgrades MPSGCB's Italian Residential and Commercial Mortgage Special Servicer ratings to 'RSS2' / 'CSS2'

STANDARD & POOR'S

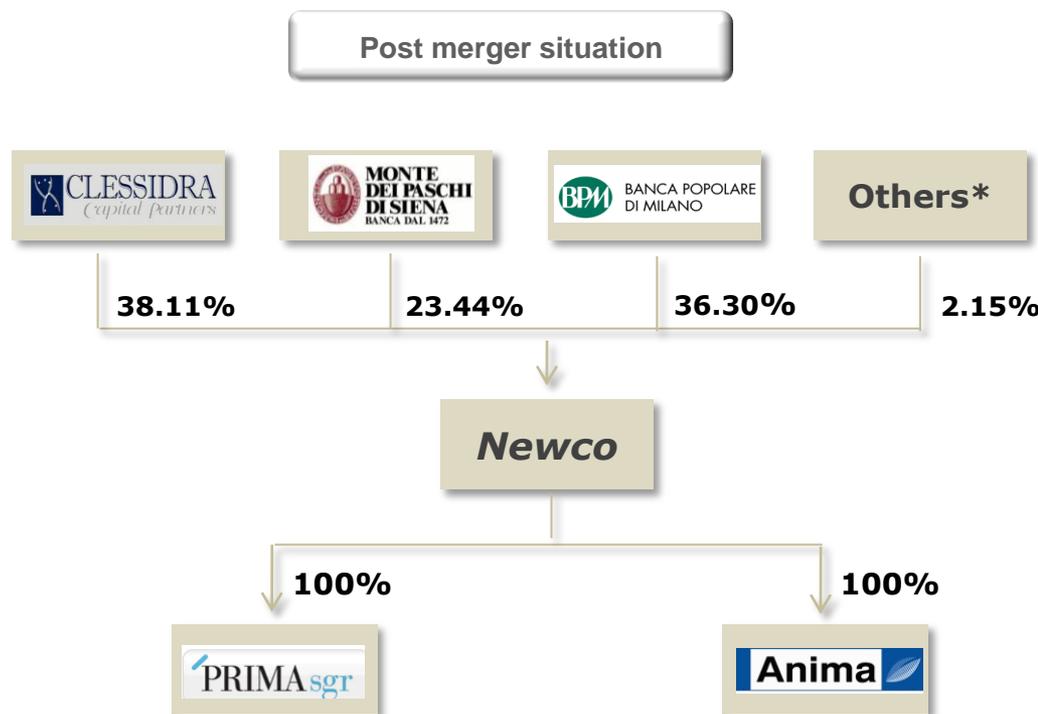
S&P's assigns ABOVE AVERAGE ranking to MPS Gestione Crediti

- ❑ 22 branches
- ❑ 111,000 applications processed for a Net Book Value of € 5.7bn



Objectives of the transaction:

- ❑ Set up of largest independent asset management operator in Italy (and one of the largest in Europe), with **over EUR 40 bln worth of assets managed**
- ❑ New player potentially turning to non-captive market through the development of new distribution channels, in addition to those of partner banks: **150 different distribution networks including MPS and Banca Popolare di Milano**
- ❑ Significant potential for synergies and added value, through gradual **integration of production and distribution between Prima and Anima**
- ❑ Enhancement of the new AM player in view of its listing on one or more Italian and/or foreign regulated markets
- ❑ Recognition of capital gains both in the consolidated and individual financial statements of BMPS



Expected €170 mln to be booked in the next quarters

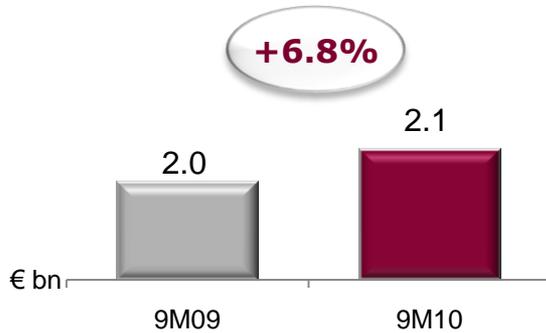


* Banca Etruria and Banca Fimnat Spa expressed their interest in participating in the alliance by acquiring the remaining portion of the Holding's share capital.

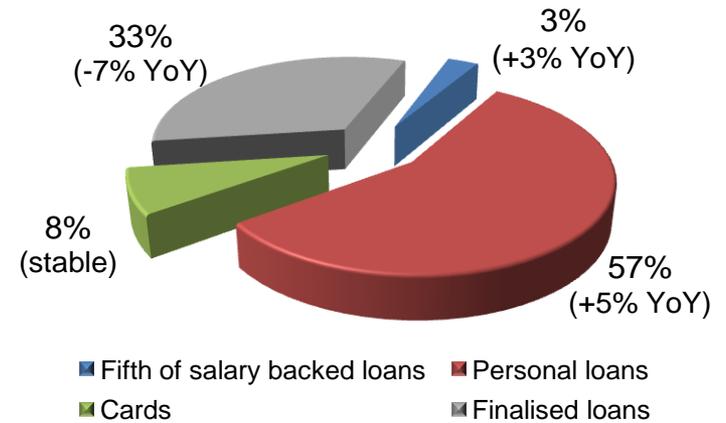
Good inflows, with pick up in revenues



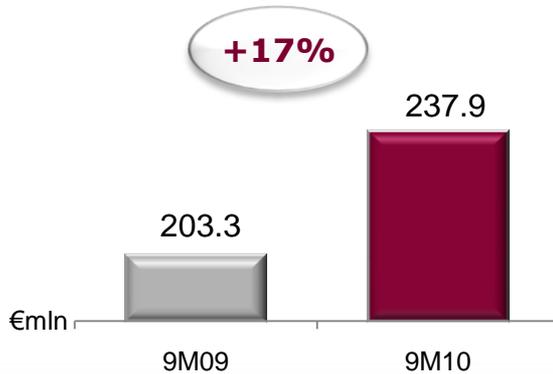
Consumit flows



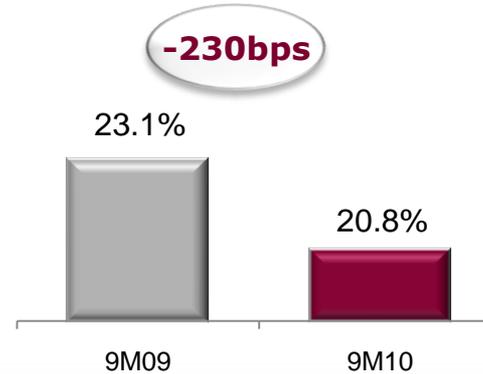
Stock €6.5bn



Revenues



Cost income

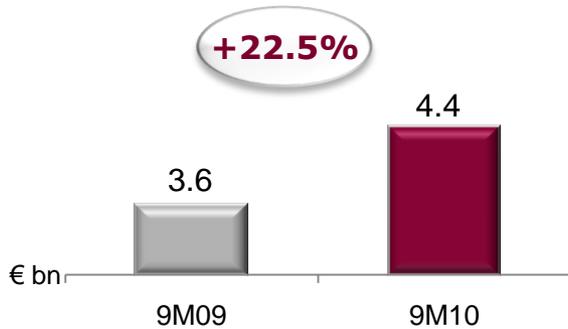


**9M Net profit:
€21 mln**

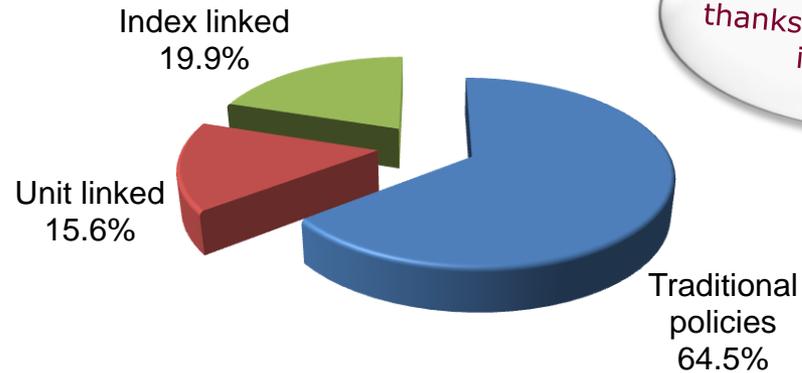
Good bancassurance inflows and improved business mix



Gross inflows

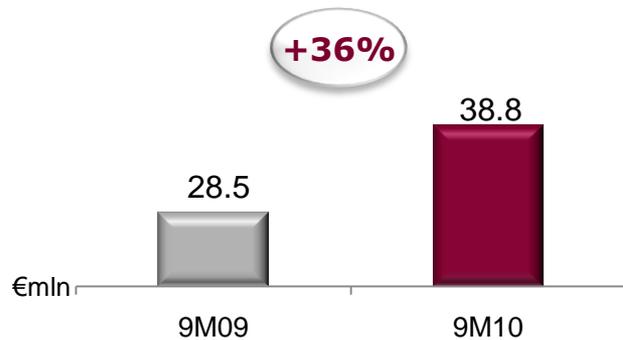


Business mix

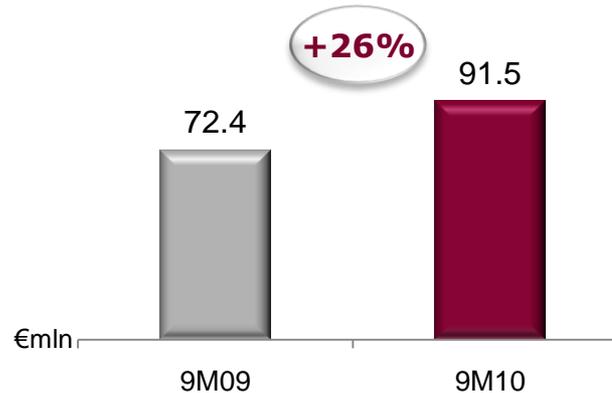


Better business mix thanks to unit linked increase

Life protection products



P&C protection products



- Acceleration of life and P&C protection business
- Successful launch of direct marketing initiatives

The integration of MPS B.Personale in BMPS is giving good results



The merger rationale

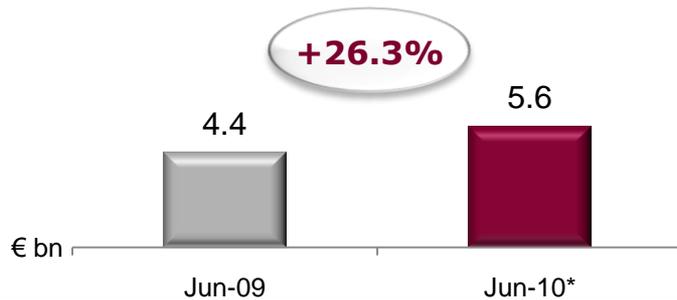


as dedicated business unit

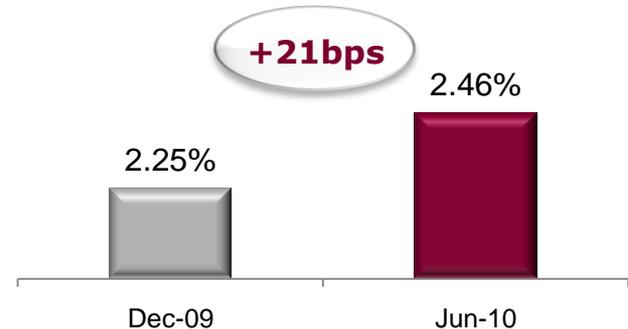
- Closer integration of the Financial Advisors Network with the traditional branch network channel, innovative IT channels (Internet, Phone and Mobile Banking) and the Family Offices in an integrated multichannel logic to maximize Group internal synergies.



Financial Advisors Funding



Market share



* Latest available data



Risk and Capital Management

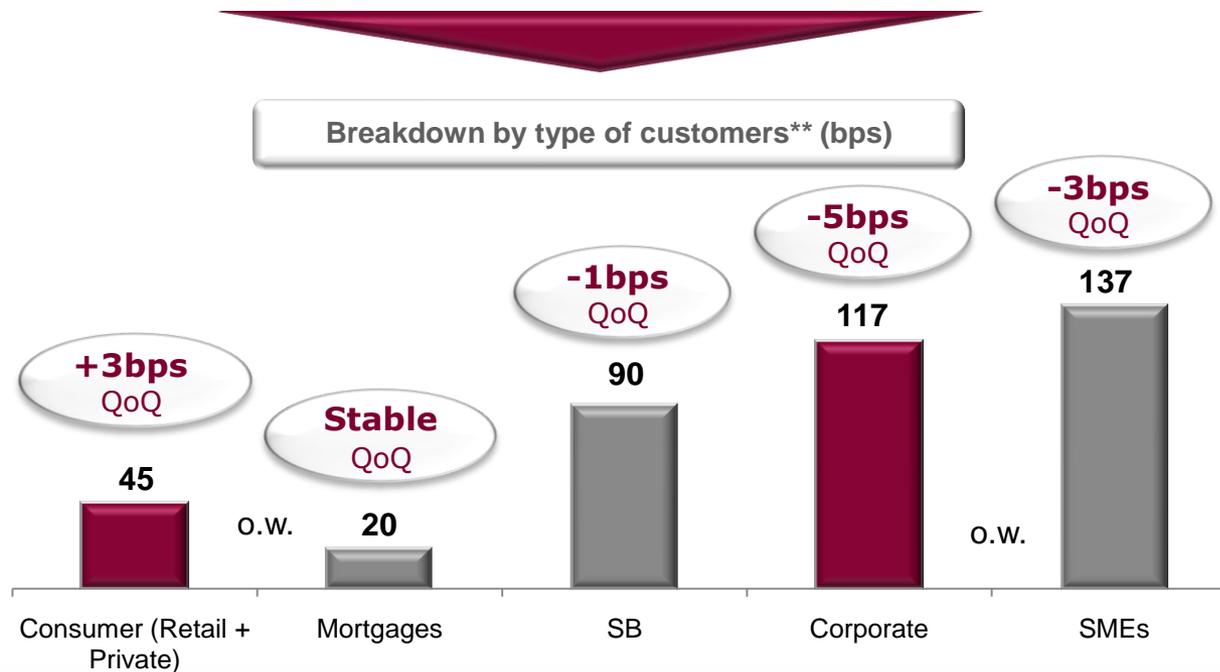
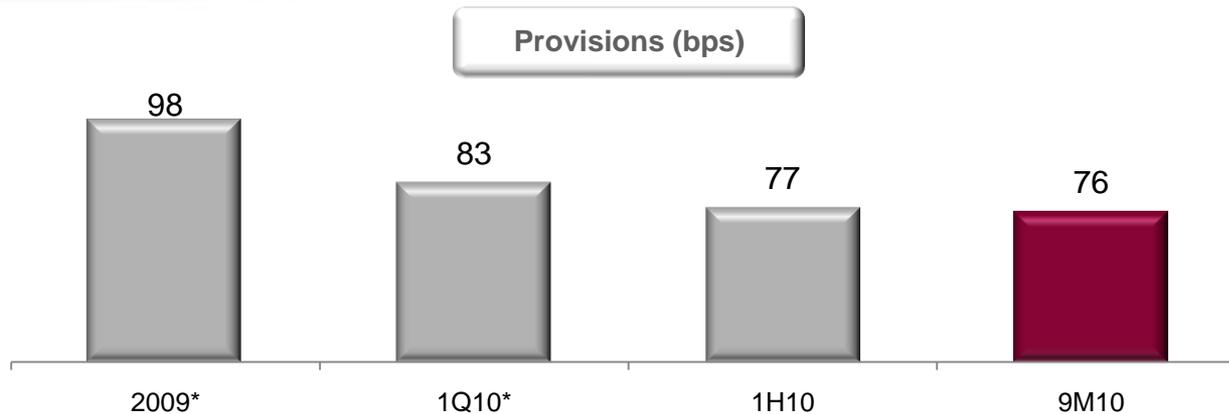
□ Asset quality in control:

- Cost of credit: 76bps
- NPL coverage: +10bps vs Sept 2009; Impaired loans coverage: +50bps vs June 2010
- Watchlist flows: -34% YoY; NPL flows: -5% YoY
- NPL market share: -303bps since Dec 08

□ Monitoring of capital and liquidity position:

- Loan/Deposit ratio at 0.98
- Institutional bonds expiring in 2011: €3.5bn
- Counterbalancing capacity: €9bn at the end of September
- Tier 1 Ratio at 8.4%; Total Capital Ratio at 12.9%

Provisions towards a normalised level



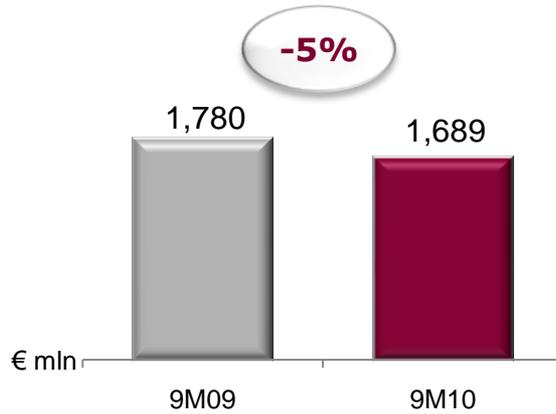
* Restated figures, excluding contribution from branches sold to Intesa and Carige. Historical data: 2009: 96bps; 1Q10: 81bps

** Provisions calculated on loans disbursed at Branch Network level

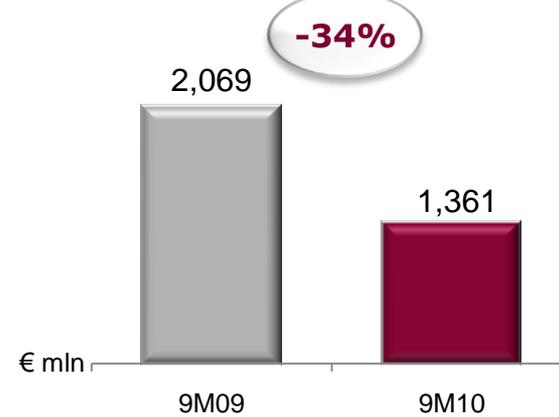
NPL and Watchlist inflows and coverage



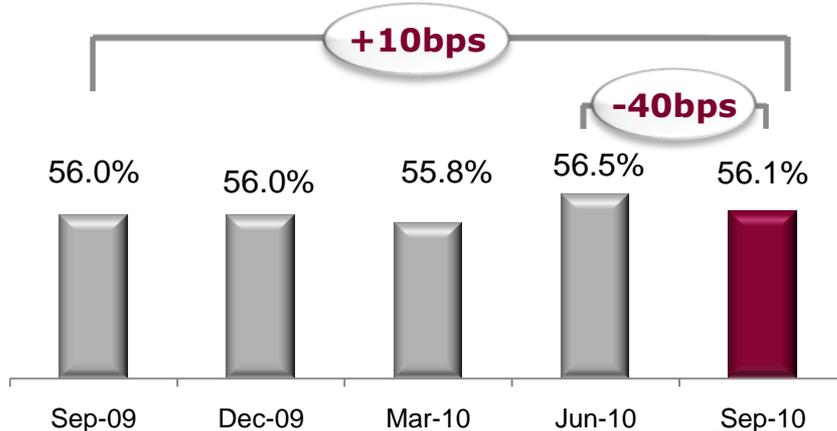
NPL Inflows



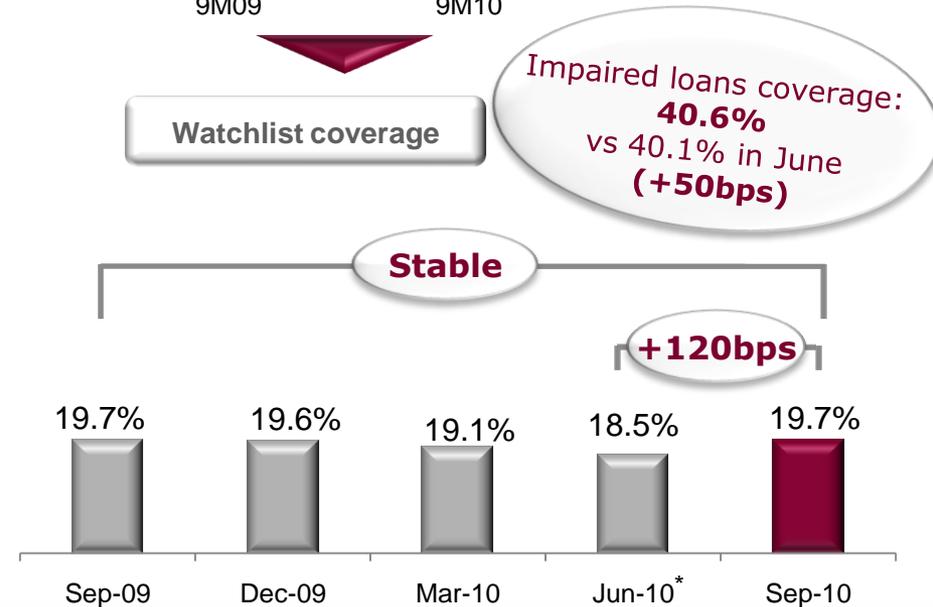
Watchlist Inflows



NPL coverage



Watchlist coverage

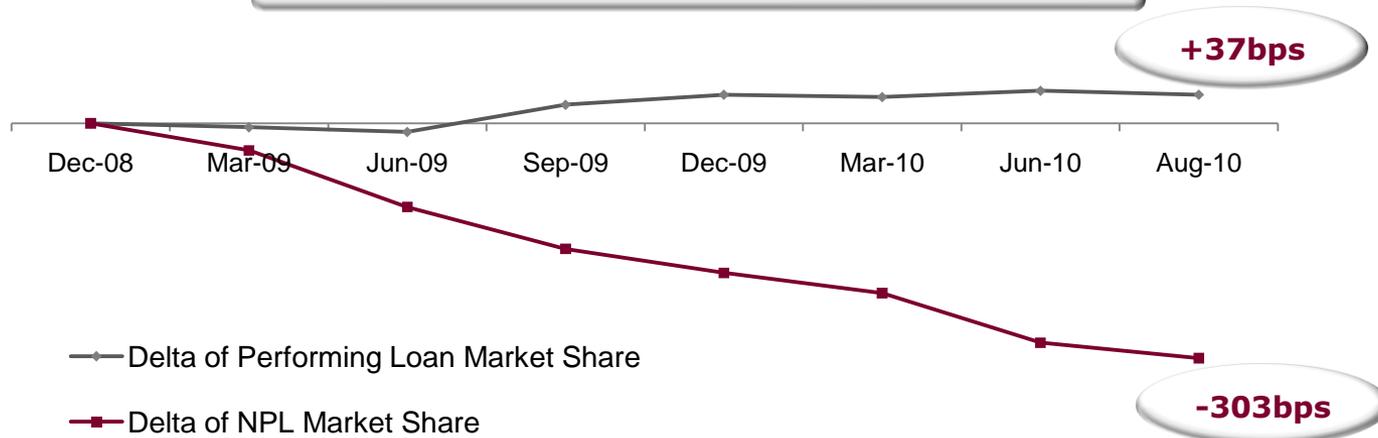


* The coverage ratio is affected by operational administrative classification factors, i.e. inclusion of so-called "objective watchlist" (incaglio oggettivo)

Market share of Performing and Non Performing Loans and Impaired Loans stock



Market share of Performing and Non Performing Loans



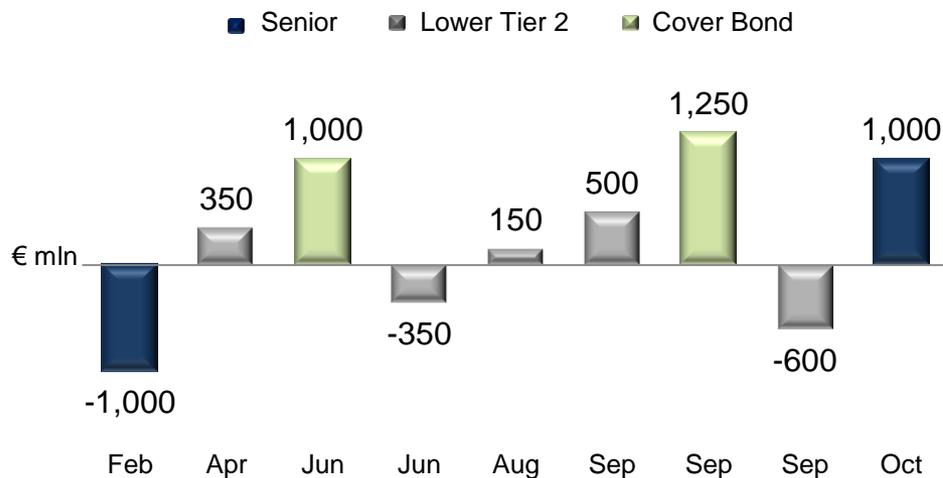
NPL, Watchlist, Restructured and Past Due Loan stock (€ mln)

	Gross	Net
NPL vs June 10	12,054 +4.6%	5,292 +5.5%
Watchlist vs June 10	5,177 -1.6%	4,159 -3.0%
Restructured vs June 10	1,261 -1.3%	1,184 -3.9%
Past Due vs June 10	1,005 +23.9%	944 +24.4%

Focus on BMPS institutional funding



Issuance and maturities of senior and subordinated notes in 2010



	Covered Bonds	Covered Bonds	Senior Notes
Maturity	30 Jun 2015	23 Sep 2013	19 October 2012
Amount	€ 1,000mln	€ 1,250mln	€ 1,000mln
Re-offer Spread	m/s + 105bps	ms + 105bps	3m€ + 135bps

Maturity of Institutional Bonds from 2011 (€ bn)*

	Senior	Subordinated	Total
2011	2.9	0.6	3.5
2012	2.8	0.5	3.3
2013	1.2	0.3	1.5
2014	2.0	-	2.0
2015	0.5	0.1	0.6
2016	-	1.3	1.3
2017-2020	0.1	3.7	3.8

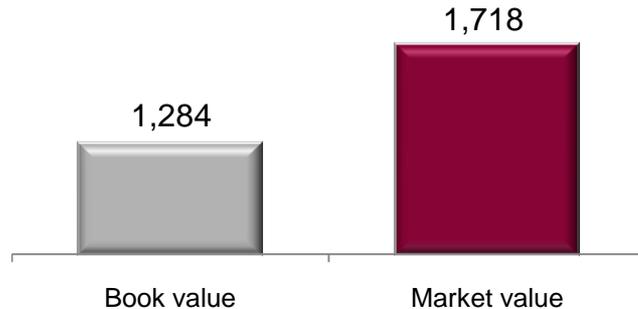
- ❑ **L/D ratio: 0.98**
- ❑ **Counterbalancing Capacity: €9bn as at Sept 2010**

Real Estate portfolio disposal



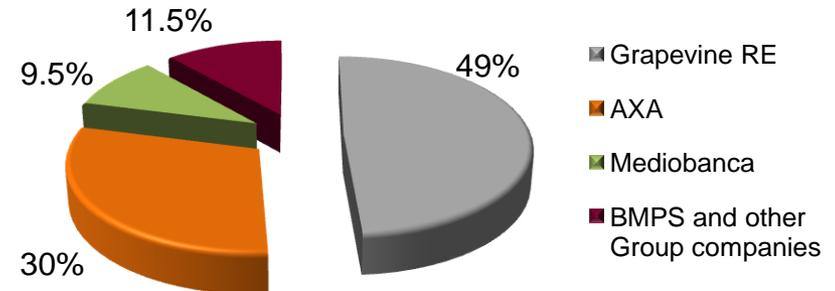
“Chianti Classico” Project

Value of the deal (€ mln)



- 683 branches transferred to a consortium joint-stock company (PGPI)

Perimetro Gestione Proprietà Immobiliari (PGPI)



- Consob has authorized the publication of the prospectus for the public offer of over EUR 1.5 bln worth of asset-backed securities which will be issued on 22 December, after placement, by Casaforte S.r.l., a loan securitisation vehicle incorporated pursuant to Italian Securitisation Law no. 130/99.

Remaining Real Estate portfolio €1.2bn

- 371 branches + 266 Buildings not used in the business

- 1st tranche in the process to be sold, for a book value of €35mln, with a capital gain of €9mln



Conclusions and guidance

- ❑ **Expected a pick up in NII and fees in 4Q**
- ❑ **New guidance on costs for FY2010: at least -4.5% (vs -3.5% of previous guidance)**
- ❑ **9M Tier 1 at 8.4% excluding benefits from Real Estate and Prima Sgr**
- ❑ **2013 Basel 3 expected impact: ~70bps. Counteractions: capital management actions and internal capital generation initiatives**



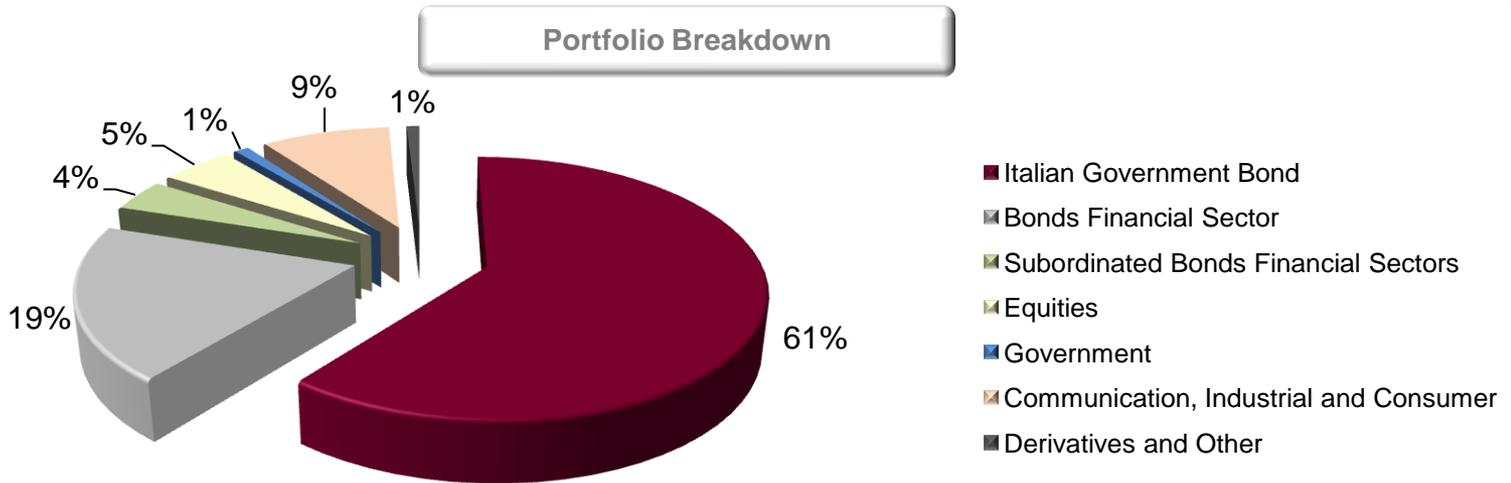
**Thank you for your
attention**

Q&A

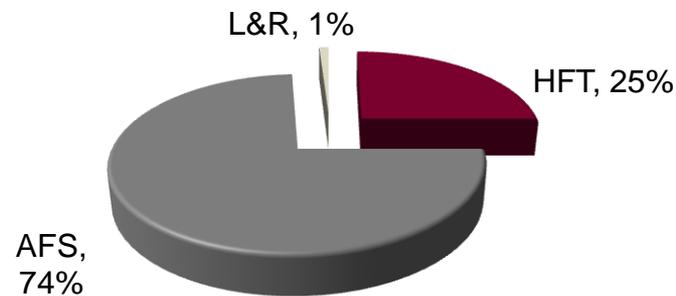


Annexes

Financial Portfolio Breakdown



Italy Govies: Breakdown by IAS category





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Declaration of the Financial Reporting Officer

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

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