

PRESS RELEASE

Banca MPS sets its sights on asset management

Launch of a partnership project to create an Italian leader in the segment
MPS Group a first mover in promoting an organisation
specialised in alternative investment products

Siena, June 28th 2007 – Banca Monte dei Paschi di Siena is relaunching its asset management business. This is the decision taken today by the Bank's Board of Directors, which has approved a reorganisation plan envisaging creation of a business specialised in active asset management, in partnership with other stakeholders, which will immediately be leader in the Italian market in terms of competencies and volume of assets managed. Besides confirming the Group's historical attention to traditional products, the new organisation will also be an independent player, with an ownership structure featuring three shareholders, none of which will have an outright majority, with a view to stock-market listing in 3-5 years' time. In the new organisation Banca Monte dei Paschi di Siena will be flanked by a business partner of international standing (with distinctive skills in the creation, promotion, and management of alternative investments) and by financial shareholders assuring independence and with the objective of creating value.

Operations will be supported by a front-to-back-office platform aligned with the best market standards, able to manage the most innovative and complex financial instruments, and also able to assure the utmost control of financial and operating risks.

Excellence of resources and contribution of technical and specialised skills by the business partner - together with enhanced exploitation of the existing distinctive skills and positive results achieved thus far by Monte Paschi Asset Management SGR - will immediately enable the new organisation to figure as a leader in innovation and product performance, capable of pursuing an ambitious growth plan focusing primarily on the non-captive institutional market. The MPS Group itself will also draw on the newco's services to manage proprietary assets, which will be benchmarks also for the launch of pure hedge funds.

This reorganisation will enable the MPS Group to pre-empt and take maximum advantage of the trend underway in the asset management sector, where there is increasing polarisation of products/factories between active and substantially passive investment management. More specifically, in the Italian environment the MPS Group is the first major universal bank to launch an independent initiative specialised in the management of alternative products, emulating similar operations recently implemented by major international players.

The initiative also goes in the direction of preventing conflicts of interest between production and distribution. This is fully consistent with the market trend and with the evolution of the regulatory framework. It forms part of the strategic course mapped out by the MPS Group's 2006-2009 Business Plan, which envisages creation of poles of excellence for product factories, also with the direct involvement of outside partners for growing development of an open-architecture distribution system.

The initiative is consistent with the strategic design pursued by the Group from the standpoint of enhanced customer service, and for which the deal with Axa marks achievement of a first major result.