GRUPPOMONTEPASCHI

PRESS RELEASE[1]

Montepaschi Group 2010 Q3 and 9-month results approved

In the third quarter:
EUR 272.9 mln in Net Operating Profit (+86%)
EUR 95.8 mln in Net Income (+38%)

In the nine-month period:

EUR 761.9 mln in Net Operating Profit (+31%)
EUR 356.9 mln in Net Income (-11%)
Strong reduction in costs (-3.6%) and loan adjustments (-16%)
Tier 1 Ratio: 8.4%

Customerbase up by over 63,000 units. Business volumes and market shares are growing:

Income from banking activities at 4,121.4 million euro (+0.6% YoY)

Income from banking and insurance at EUR 4,176.7 mln (-1.9% YoY), with Q3 contributing EUR 1,410.2 mln (+3.2% against Q2 2010)

Operating expenses -3.6% YoY. Cost/income ratio at 60.3% (compared to 64.8% at the end of 2009)
Cost reduction of at least -4.5% predicted for year-end (vs. previous guidance of -3.5%)
Operating income +31% YoY and +86% in Q3 2010 vs Q3 2009

Cost of credit at 76 bps (77 bps in June 2010). Increased coverage of impaired loans (+50 bps vs June 2010) and improved performing loan portfolio quality

EUR 16 mln in one-off costs and equity investment losses in Q3

EUR 356.9 mln in net income for the nine-month period. Net income in Q3 at approx. EUR 96 mln

Group rationalisation continues: Consob authorization obtained for real-estate securitisation; merger of MPS Investments and PGI into the Parent Company expected by year end

Agreement confirmed between BMPS, BPM, Clessidra giving rise to a leading independent player in the Italian asset management market. Once the transaction is authorised by the relevant Supervisory Authorities, the agreement will allow BMPS to account for capital gains of approx. EUR 170 mln

Capital ratios climb further (excluding effects from real estate rationalisation and Anima SGR/Prima SGR transaction): Tier 1: 8.4% (vs 7.8% in June 2010), Total Capital Ratio: 12.9% (vs 12.2% in June 2010)

Siena, 10 November 2010 – The Board of Directors of Banca Monte dei Paschi di Siena Spa has approved the 2010 9-month results. Despite a still-difficult economic cycle, the Montepaschi Group closed this period

[1] 2010 and 2009 quarterly and end-of-period financial results were restated to take account of the changes brought about to the scope of consolidation subsequent to the disposal of Banca Monte dei Paschi di Siena branches in 2010 (sale of 22 branches to the Carige Group on 30/5/2010; sale of 50 branches to the Intesa Sanpaolo Group on 14/06/10).

positively, both in profit and loss terms (net income coming close to EUR 357 mln, which would in fact amount to approx. 440 excluding PPA[2]. Approx. EUR 401 mln in 2009), and in terms of funding and lending (total funding + 2.4%, lending +6.1% YoY on a restated data basis which took account of the branch disposals in Q2 2010). Competitive positioning improved, thus confirming the validity of a commercial strategy centred around customers (over 63,000 new customers). The intense work done to curb operating costs continues to yield excellent results: -3.6% on 2009, with the cost/income ratio down to 60.3% (from 64.8% at the end of last year). Net income in the third quarter came to EUR 95.8 mln as compared to EUR 69.3 mln in the same period of 2009 (+38%). An improvement was also registered in capital ratios (BIS II AIRB floor RWAs at 85%), with Tier 1 up to 8.4% from 7.8% in June 2010 excluding the positive effects expected from real-estate rationalization and the afore-mentioned asset management transaction.

Financial and insurance income, as at 30 September 2010, stood at EUR 4,176.7 (4,259.2 mln as at 30 September 2009). More specifically, **income from banking activities** totalled EUR 4,121.4 mln (4,095.4 mln as at 30 September 2009), **up 0.6%** on 9M 2009.

Net interest income came to EUR 2,691.2 mln (-0.3% YoY) with Q3 contributing almost EUR 907 mln (substantially stable with respect to the previous quarter). The aggregate benefits from an improvement in the funding/lending component but sees a lesser contribution from the trading component (banking book, asset & liabilities management). The latter reduction is attributable to the downward trend in the securities and derivatives portfolio in Q3 (approximately EUR 4.4 bln).

Net fees and commissions (EUR 1,430.1 mln) **were up 2.4% on the 9-month period of 2009**. The third quarter contributed approx. EUR 461 mln, down 4.9% on Q2 2010. The lower aggregate is mainly the result of a lesser contribution from placement/brokerage fees and loan servicing, largely owing to seasonality. On the other hand, fees on foreign transactions and payment services continued to grow.

Net profit/loss from trading/valuation of financial assets stood at EUR -17.3 mln as at 30 September 2010 (87.1 mln as at 30/09/2009) with a positive contribution of 16.3 mln in the third quarter, showing strong recovery with respect to the second quarter. A closer look at the result for the quarter reveals a comeback for ‘‘net profit from trading’’ which returns to a positive EUR 16 mln (accumulative figure since the start of the year: -29.3 mln). A positive balance was also shown under "Gains/losses on disposal of loans, available-for-sale financial assets and financial liabilities" (+ EUR 13.4 mln in Q3; accumulative figure as at 30/09/2010: +49.9 mln) mainly on the back of capital gains from the sale of securities classified as AFS and L&R. A negative performance, on the other hand, was registered for ‘‘net profit/loss on financial assets/liabilities designated at fair value’’ (- EUR 13.1 mln in Q3; accumulative figures since the start of the year: -37.9 mln).

Total banking and insurance revenues also include **dividends, similar income and profit/loss from equity investments** which totalled EUR 63.1 mln (86.2 mln as at 30/09/2009) with Q3 2010 contributing 29.5 mln, up by almost 90% on the previous quarter, having benefitted from the performance of the insurance segment (with 17 mln for AXA-MPS against 4.8 mln in Q2), and **net profit from hedging transactions** totalling EUR 9.5 mln (-9.6 mln in September 2009)

2 Purchase Price Allocation: fair value measurement of main potential assets and liabilities purchased.

Overall, **consolidated income from banking and insurance** stood at EUR 4,176.7 mln, with Q3 contributing approx. EUR 1,410 mln, **an increase of 3.2% on the previous quarter.**

Highlights on the costs of credit and financial assets include the following:

"Net value adjustments due to impairment of loans" stood at EUR 871.5 mln (vs. 1,037.7 mln in 9M 2009). The afore-mentioned figure reflects a provisioning rate of 76 bps which, although still impacted by the difficult economic situation, is reflective of the Group's unchanged policy of prudential provisioning.

"**Net value adjustments due to impairment of financial assets**" were negative by approx. EUR 26.7 mln mainly on account of depreciation of impaired listed equity securities classified as AFS.

Total **operating expenses** were down 3.6% on the same period of last year, thus confirming the importance attached to -and results obtained in- the structural containment of costs by the Montepaschi Group. In particular:

- **"Personnel expenses**", EUR 1,588 mln, decreased by 4.3% YoY on account of the structural effects of the headcount reduction and rearrangement processes;

- "**Other administrative expenses**" (EUR 805 mln) was down 3.3% YoY as a result of cost synergies obtained from reorganization processes and cost management actions;

- "**Value adjustments on tangible and intangible assets**" stood at approx. EUR 123 mln up 5.3% as compared to 30 September 2009 mainly as a result of the ICT investments made in the 2008/2009 period.

Net operating income came to **EUR 762 mln** (+31.4% YoY), with Q3 contributing almost EUR 273 mln (+11.4% on 2Q2010). The cost/income ratio stood at 60.3% (vs. 64.8% at the end of 2009).

A contribution to net income also came from:

Net provisions for risks and charges and other operating income/expenses for an amount of approx. EUR -167 mln (approx. -66 mln as at 30/09/2009) with the third quarter accounting for approx. -33 mln (-92.2 mln in Q2 2010). The accumulative value of this account since the beginning of the year includes EUR -102 mln worth of net provisions for risks and charges (covering primarily legal disputes, revocatory actions and operating losses from a non-performing exposure with a subsidiary) and roughly -64 mln worth of other net operating expenses (arising in particular from legal actions and improvements on third-party assets);

Profit/loss on equity investments were EUR -27.3 mln mainly as a result of the depreciation of Antonveneta Vita SpA;

Profit/loss on disposal of investments for an amount of EUR 182 mln, of which EUR 173 mln (net of related goodwill) attributable to the capital gain arising from the disposal of 72 branches (22 to the Carige Group and 50 to the Intesa-SanPaolo Group);

One-off costs totalling approx. EUR 9 mln, primarily linked to the disposal of assets;

The account **"P&L figures on branches sold"** is positive by EUR 21.8 mln and posts profit and loss figures attributable to the 72 branches of Banca Monte dei Paschi di Siena which were sold in 2010.

Profit before tax from continuing operations stood, therefore, at roughly EUR **763 mln** (approx. 582 mln in the same period of the previous year) with Q3 contributing approx. EUR 224 mln (approx. 324 mln in Q2).

Finally, to complete the profit and loss section, income taxes for the period were approx. EUR - 322 mln.

The Montepaschi Group's **net income** for the period before Purchase Price Allocation (PPA) stood at approx. **EUR 440 mln.** Net accounting profit totalled EUR 356.9 mln.

With respect to the Montepaschi Group's Segment Reporting obligations under IFRS 8, important results were achieved in both Consumer Banking (net operating income: + 39.5% YoY) and Corporate Banking (net operating income: + 23.9% YoY), with positive trends in the major product companies. In particular:

MPS Consum.it:

- Revenues: EUR 237.9 mln (+17.0% YoY)
- Net Income: EUR 20.8 mln (+124.9% YoY)

MPS Capital Services:

- Revenues: EUR 286.8 mln (+18.0% YoY)
- Net Income: EUR 84.5 mln (+83.0% YoY)

MPS Gestioni Crediti Banca:

- Revenues: EUR 38.8 mln (+12.8% YoY)
- Net Income: EUR 8.2 mln (+56.1% YoY)

MPS Leasing & Factoring:

- Revenues: EUR 88.6 mln (+10.3% YoY)
- Net Income: EUR 5.9 mln (+215.1% YoY)

Capital aggregates

With regard to funding aggregates as at 30 September 2010, total funding volumes for the Group stood at approximately EUR 294 bln, up 2.4% on 30/09/2009 as ''restated'' to take account of the disposal of branches in Q2 2010. Asset management was up as well (+7.1% YoY), driven by a positive trend in funding from insurance premiums and collective investment schemes.

Direct funding came to approx. EUR 155 bln, up about EUR 1.3 bln as compared to September 2009 restated, whereas **indirect funding** rose by EUR 5.7 bln as compared to end of June 2009 restated figures. Direct funding trends recorded in the third quarter are mainly ascribable to the fall in short-term market funding (approx. -4 bln), partially offset by the increase in bonds with institutional counterparties (approx. 1 bln euro worth of covered bonds issued). A slight drop was also observed for direct funding from funding/lending activities, both for Consumer and Corporate customers.

More specifically, intense activity in **asset management** resulted into approx. EUR 15 bln worth of placements. Results in the bancassurance segment were particularly significant: Approx. EUR 4.4 bln worth of premiums were collected, up significantly on 9M2009 (+22.5%), with trends common to all policy classes. Premiums paid on traditional policies still account for the largest share of total.

The lending trend in the first nine months of 2010 benefitted from **new mortgage loans negotiated** for an amount of approx. EUR 12.3 bln, up 44% as compared to the same period in 2009. As for 'special purpose' (industrial and consumer) loans, which are disbursed by the Group through dedicated product companies, new flows totalled approx. EUR 9 bln (+23% YoY) with the second quarter contributing approx. EUR 2.9 bln. Group lending overall came to roughly **EUR 153 bln, up by approx. EUR 8.8 bln with respect to volumes recorded for the same period of the previous year on a "restated operating basis" (+6.1%).**

With respect to credit quality, the total stock of net impaired loans has been slightly increasing as compared to June 2010 (+ EUR 274 mln). Performing loan portfolio quality has seen a 5 bps improvement in the **average Probability of Default** which is now at 2.16% as compared to 2.21% in June.

Impaired loan provisions (40.6%) grew by approx. 50 bps as compared to June 2010. For gross NPLs alone, the coverage ratio came to 56.1%. Portfolio value adjustments on gross performing loans came to 0.6%, substantially in line with levels as at 31/12/2009.

Finally, with regard to the new regulations of the Basel Committee (still under discussion), the new Prudential capital deductions to be phased in from 2013 to 2018, may result in an impact of approx. 70 basis points, expected to be more than offset by the recurring capital generation forecast for the next three years and further potential asset-enhancement efforts.

These assumptions are for illustrative purposes only. The definitive impact will depend upon the final content of the regulations, its forms of enforcement and on the Montepaschi Group's balance-sheet developments.

This press release will be posted on www.mps.it

For further information please contact:

Media Relations
Tel. +39 0577.299927
ufficio.stampa@banca.mps.it

Strategic Planning, Research & IR
Tel: 0577.296477
investor.relations@banca.mps.it

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 press release corresponds to the underlying documentary evidence and accounting records.

MPS GROUP RECLASSIFICATION PRINCIPLES

The following accounting statements illustrate balance-sheet and profit-and-loss accounts reclassified on the basis of operating criteria. In particular, with regard to the **income statement of the two periods under comparison**, in addition to the usual aggregations and reclassifications of accounts, for the purpose of providing a clearer picture of group performance, 2010 and 2009 period-end and quarterly financial results were restated to take account of the changes brought about to the operating scope subsequent to the disposal of Banca Monte dei Paschi di Siena branches in 2010 (sale of 22 branches to the Carige Group on 30/5/2010; sale of 50 branches to the Intesa Sanpaolo Group on 14/06/10). Restated values were obtained by reclassifying the historical data with the appropriate values relating to these branches. P&L figures relative to the branches sold were re-grouped under a single accounting item.

Following are the major changes as at **30 September 2010**:

a) **"Net profit/loss from trading/valuation of financial assets"** in the reclassified income statement, includes the items under Account 80 (Net profit/loss from trading), Account 100 (Gains (losses) on disposal/repurchase of loans, financial assets available for sale or held to maturity and financial liabilities) and Account 110 (Net profit/loss on financial assets and liabilities designated at fair value). The account incorporates values relating to dividends on some securities transactions inasmuch as they are closely connected with the trading component (approx. EUR 267 mln as at 30/09/2010). Furthermore, the aggregate was stripped of losses arising from disposal of loans (approx. EUR 9 mln), which were reclassified out of Account 100 "(Gains (losses) on disposal of loans";

b) **"Dividends, similar income and gains (losses) on equity investments"** in the reclassified income statement incorporates account 70 "Dividends and similar income" and a portion of account 240 "Gains (losses) on equity investments" (approx. EUR 53 million as at 30/09/2010) corresponding to the contribution to the income statement that is 'guaranteed' by the portion of profit arising from equity investments related thereto (valued at equity). Dividends from some trading transactions, as outlined under item a) above, have been eliminated from the aggregate;

c) **"Net value adjustments due to impairment of loans"** in the reclassified income statement was determined by excluding charges relating to financial plans (EUR 5 mln), which are more properly classified under "Net provisions for risks and charges and other operating income/expenses". Additionally, 9 mln worth of losses arising from disposal of loans were reclassified out of Account 100 a) "Gains/losses on disposal of loans" into this account in a logic of recovery, managing them in a similar way to loan value adjustments; as of the third quarter, value adjustments to junior notes are no longer reclassified;

d) **"Other administrative expenses"** in the reclassified income statement was integrated with the portion of stamp duty and client expense recovery (approx. EUR 235 million) posted to balance sheet under Account 220 *"Other operating income/expenses"*. In addition, the aggregate was stripped of approx. 9 mln worth of one-off charges which were reclassified as "**Integration costs/One-off charges**" incurred within the framework of the re-organization process set out in the 2008-2011 Business Plan;

e) The account **"Net provisions for risks and charges and other operating income/expenses"** in the reclassified income statement incorporates balance-sheet Account 190 "Net provisions for risks and charges" and Account 220 "Other operating income/expenses". It also includes value adjustments to financial plans for an amount of EUR 5 mln described under item c) above and excludes stamp duty and client expense recovery as described under item d) above;

f) "**Integration costs/one-off charges**" in the reclassified income statement includes the

"One-off charges" associated with the organizational rearrangement process, once reclassified out of "**Other administrative expenses**" (approx. 9 mln);

g) Income statement figures (revenues and costs) relating to the branches of Banca Monte dei Paschi di Siena sold in the course of 2010 (22 branches to the CARIGE Group and 50 branches to the Intesa-SanPaolo Group) were posted under a single account called "**P&L figures on branches sold"** and no longer under the specific accounts concerned (**Interest income**: approx. 26 mln, **Net commissions**: approx 18 mln; **Net income from trading/valuation of financial assets**: 0.1 mln; **Administrative costs**: approx. 22 mln).

h) **"Gains (losses) on equity investments"** is stripped of components reclassified as "Dividends and similar income" (see item b);

i) Purchase Price Allocation (PPA) effects were reclassified out of other accounts (in particular "**Interest income**" for approx. EUR 58 mln and **depreciation/amortisation** for approx. EUR 62 mln (with a related theoretical tax burden of approx. 38 mln) which integrate the account) into one single account named "**Net effects of Purchase Price Allocation**" .

With regard to capital aggregates, for the purpose of providing a clearer picture of performance trends, in addition to the usual reclassifications carried out on the consolidated **balance sheet, "Loans and advances to customers"** and **"Customer accounts and securities"** were also restated to take account of the branches sold. More specifically, "**Loans and advances to customers"** and "**Customer accounts and securities"** were respectively included under **"Other assets**" and "**Other liabilities"** in relation to all periods in 2009 and up to al 31/3/2010. Reclassification details are as follows:

j) **"Tradable Financial assets"** on the assets side of the reclassified balance-sheet includes Account 20 (*Financial assets held for trading*), Account 30 (*Financial assets designated at fair value*) and Account 40 (*Financial assets available for sale)*;

k) **"Other assets"** on the assets side of the reclassified balance-sheet incorporates Account 80 "*Hedging derivatives*", Account 90 "*Changes in value of macro-hedged financial assets*", Account 140 "*Tax assets*", Account 150 "*Non-current assets and groups of assets held for sale*" and Account 160 "*Other assets*";

l) **"Customer accounts and securities"** on the liabilities side of the reclassified balance-sheet includes Account 20 "Customer accounts", Account 30 "*Debt securities* in issue" and Account 50 "*Financial liabilities designated at fair value*";

m) "**Other liabilities**" on the liabilities side of the reclassified balance-sheet incorporate Account 60 "Hedging derivatives", Account 70 "Changes in value of macro-hedged financial liabilities", Account 80 "Tax liabilities", Account 90 "Liabilities included in disposal groups held for sale" and Account 100 "Other liabilities".

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 09/30/2010

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MONTEPASCHI GROUP			
• INCOME STATEMENT FIGURES (in millions of euros)	**09/30/2010**	**09/30/2009**	**% chg**
Income from banking activities	4,121.4	4,095.4	0.6%
Financial and insurance income (loss)	4,176.7	4,259.2	-1.9%
Net operating income	761.9	580.0	31.4%
Net profit (loss) for the period	356.9	401.4	-11.1%
• BALANCE SHEET FIGURES AND INDICATORS (in millions of euros)	**09/30/2010**	**12/31/2009 (*)**	**% chg**
Direct funding	154,901	153,187	1.1
Indirect funding	138,631	130,878	5.9
of which: assets under management	*50,738*	*47,941*	5.8
of which: assets under custody	*87,893*	*82,937*	6.0
Customer loans	152,737	150,109	1.8
Group net equity	16,397	17,175	-4.5
• KEY LOAN QUALITY RATIOS (%)	**09/30/2010**	**(*) 12/31/2009**	
Net non-performing loans/Customer loans	3.46	3.10	
Net watchlist loans/Customer loans	2.72	2.50	
• PROFITABILITY RATIOS (%)	**09/30/2010**	**(*) 12/31/2009**	
Cost/Income ratio	60.3	64.8	
R.O.E. (on average equity) (1)	2.83	1.46	
R.O.E. (on year-end equity) (2)	2.77	1.49	
Net adjustments to loans / Year-end investments	0.76	0.98	
• CAPITAL RATIOS (%)	**09/30/2010**	**12/31/2009**	
Solvency ratio	12.9	11.9	
Tier 1 ratio	8.4	7.5	
• INFORMATION ON BMPS STOCK	**09/30/2010**	**12/31/2009**	
Number of ordinary shares outstanding	5,569,271,362	5,569,271,362	
Number of preference shares outstanding	1,131,879,458	1,131,879,458	
Number of savings shares outstanding	18,864,340	18,864,340	
Price per ordinary share:	from the **12/31/09** to the **09/30/10**	from the **12/31/08** to the **12/31/09**	
average	1.05	1.24	
low	0.83	0.77	
high	1.33	1.62	
• OPERATING STRUCTURE	**09/30/2010**	**09/30/2009 (*)**	**Abs. chg**
Total head count - year-end	31,591	32,122	-531
Number of branches in Italy	2,939	3,037	-98
Financial advisor branches	146	163	-17
Number of branches & rep. offices abroad	41	39	2

(1) R.O.E. on average equity: net income for the period/average between net equity at the end of the previous year (inclusive of net income and valuation reserves) and net equity for the current year.

(2) R.O.E. on end of period equity= net income for the period/ net equity at the end of the previous year, purged of shareholder's pay out.

(*) Data was restated to take account of the changes brought about to the scope of operations subsequent to the disposal of Banca Monte dei Paschi di Siena branches in 2010 (see section on "MPS Group Reclassification Principles").

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

Montepaschi Group	09/30/2010 Proforma (*)	09/30/2009 Proforma(*)	Change Ins.	Change %
Net interest income	2,691.2	2,698.6	-7.3	-0.3%
Net commissions	1,430.1	1,396.9	33.2	2.4%
Income from banking activities	**4,121.4**	**4,095.4**	**25.9**	**0.6%**
Dividends, similar income and profits (losses) from equity investments	**63.1**	**86.2**	**-23.1**	-26.8%
Net result from realisation/valuation of financial assets	-17.3	87.1	-104.4	-119.9%
Net gain (loss) from hedging	9.5	-9.6	19.1	n.s.
Financial and insurance income (loss)	**4,176.7**	**4,259.2**	**-82.5**	**-1.9%**
Net adjustments for impairment of:	**-898.2**	**-1,069.7**	**171.5**	**-16.0%**
a) loans	-871.5	-1,037.7	166.2	-16.0%
b) financial assets	-26.7	-32.0	5.3	-16.7%
Net financial and insurance income (loss)	**3,278.5**	**3,189.5**	**89.0**	**2.8%**
Administrative expenses:	-2,393.4	-2,492.4	99.0	-4.0%
a) personnel expenses	-1,588.2	-1,659.3	71.1	-4.3%
b) other administrative expenses	-805.2	-833.1	27.9	-3.3%
Net adjustments to the value of tangible and intangible fixed assets	-123.3	-117.1	-6.2	5.3%
Operating expenses	**-2,516.7**	**-2,609.5**	**92.8**	**-3.6%**
Net operating income	**761.9**	**580.0**	**181.9**	**31.4%**
Net provisions for risks and liabilities and Other operating income/costs	-166.5	-65.5	-101.0	n.s.
Income (loss) on equity investments	-27.3	-3.0	-24.3	n.s.
Integration costs	-8.8	-31.9	23.2	-72.5%
P&L figures on branches sold	21.8	55.2	-33.4	-60.5%
Gains (losses) from disposal of investments	181.9	46.8	135.0	n.s.
Gain (loss) from current operations before taxes	**763.0**	**581.6**	**181.4**	**31.2%**
Taxes on income from current operations	-321.6	-268.6	-53.0	19.7%
Gain (loss) from current operations after taxes	**441.4**	**312.9**	**128.5**	**41.1%**
Gain (loss) on fixed assets due for disposal, net of taxes	-1.3	195.3	-196.6	-100.7%
Net profit (loss) including minority interests	**440.1**	**508.2**	**-68.1**	**-13.4%**
Minority interests in profit (loss)	-0.2	-3.6	3.5	-95.4%
Net profit (loss) pre PPA	**439.9**	**504.6**	**-64.7**	**-12.8%**
PPA (Purchase Price Allocation)	-83.0	-103.2	20.2	-19.5%
Net profit (loss)	**356.9**	**401.4**	**-44.5**	**-11.1%**

(*) see section on "MPS Group Reclassification Principles"

Montepaschi Group

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

ASSETS	09/30/2010	09/30/2009 (*)	% chg
Cash and cash equivalents	724	682	6.1
Receivables :			
a) Customer loans	152,737	143,903	6.1
b) Due from banks	12,606	13,401	-5.9
Financial assets held for trading	54,691	38,749	41.1
Financial assets held to maturity	0	0	1.3
Equity investments	774	725	6.8
Tangible and intangible fixed assets	10,179	10,428	-2.4
of which:			
a) goodwill	*6,474*	*6,648*	*-2.6*
Other assets	10,812	11,173	-3.2
Total assets	**242,522**	**219,061**	**10.7**

LIABILITIES	09/30/2010	09/30/2009 (*)	% chg
Payables			
a) Due to customers and securities	154,901	153,612	0.8
b) Due to banks	29,626	19,294	53.6
Financial liabilities from trading	29,474	20,674	42.6
Provisions for specific use			
a) Provisions for employee leaving indemnities	293	340	-13.7
b) Reserve for retirement benefits	449	456	-1.5
c) Other reserves	964	888	8.6
Other liabilities	10,150	8,127	24.9
Group portion of shareholders' equity	16,397	15,391	6.5
a) Valuation reserves	-287	646	-144.4
b) Reimbursable shares			
c) Capital instruments	1,949	52	n.s.
d) Reserves	5,904	5,789	2.0
e) Share premium account	3,990	4,041	-1.3
f) Share capital	4,502	4,487	0.3
g) Treasury shares (-)	-18	-25	-29.3
h) Net profit (loss) for the year	357	401	-11.1
Minority interests in shareholders' equity	267	280	-4.5
Total liabilities and shareholders' equity	**242,522**	**219,061**	**10.7**

(*) The accounts "Loans and advances to customers" and "Customer accounts and securities" were deducted of volumes relating to Banca Monte dei Paschi di Siena branches sold in 2010. These amounts were re-allocated to "Other Assets" and "Other Liabilities" respectively.

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

	2010 (*)			**2009 (*)**			
Montepaschi Group	**3rd quarter**	**2nd quarter**	**1st quarter**	**4th quarter**	**3rd quarter**	**2nd quarter**	**1st quarter**
Net interest income	906.6	912.8	871.9	874.2	898.6	892.6	907.3
Net commissions	461.2	485.0	484.0	455.8	466.7	458.9	471.3
Income from banking activities	**1,367.8**	**1,397.8**	**1,355.8**	**1,330.1**	**1,365.3**	**1,351.5**	**1,378.7**
Dividends, similar income and profits (losses) from equity investments	29.5	15.7	17.9	24.1	19.6	45.4	21.2
Net result from realisation/valuation of financial assets	16.3	-53.4	19.7	-20.9	8.2	31.3	47.6
Net gain (loss) from hedging	-3.5	6.3	6.7	8.1	-10.3	-5.8	6.5
Financial and insurance income (loss)	**1,410.2**	**1,366.4**	**1,400.2**	**1,341.5**	**1,382.8**	**1,422.5**	**1,453.9**
Net adjustments for impairment of:	**-289.1**	**-301.3**	**-307.7**	**-440.4**	**-360.0**	**-405.3**	**-304.4**
a) loans	-281.5	-283.0	-307.0	-428.3	-351.0	-400.1	-286.6
b) financial assets	-7.6	-18.3	-0.7	-12.2	-9.0	-5.2	-17.8
Net financial and insurance income (loss)	**1,121.0**	**1,065.0**	**1,092.5**	**901.0**	**1,022.8**	**1,017.2**	**1,149.5**
Administrative expenses:	-807.2	-777.9	-808.3	-974.5	-836.1	-813.2	-843.1
a) personnel expenses	-528.6	-510.1	-549.5	-609.4	-558.2	-532.1	-569.0
b) other administrative expenses	-278.6	-267.8	-258.7	-365.1	-277.9	-281.1	-274.1
Net adjustments to the value of tangible and intangible fixed assets	-40.9	-42.2	-40.1	-45.9	-39.7	-39.4	-38.0
Operating expenses	**-848.1**	**-820.1**	**-848.4**	**-1,020.4**	**-875.9**	**-852.6**	**-881.1**
Net operating income	**272.9**	**244.9**	**244.0**	**-119.4**	**146.9**	**164.6**	**268.5**
Net provisions for risks and liabilities and Other operating income/costs	-32.9	-92.2	-41.4	-154.7	-30.7	-24.1	-10.7
Income (loss) on equity investments	-7.8	-19.3	-0.2	0.3	0.1	-5.0	1.9
Integration costs	-6.1	-2.7		-54.8		-27.6	-4.3
P&L figures on branches sold		9.2	12.6	16.5	15.8	18.8	20.6
Gains (losses) from disposal of investments	-2.3	184.2	0.0	-4.6	46.8	0.0	0.0
Gain (loss) from current operations before taxes	**223.8**	**324.1**	**215.1**	**-316.6**	**179.0**	**126.6**	**276.0**
Taxes on income from current operations	-101.2	-177.1	-43.4	167.0	-74.7	-58.0	-135.9
Gain (loss) from current operations after taxes	**122.6**	**147.0**	**171.8**	**-149.6**	**104.2**	**68.6**	**140.1**
Gain (loss) on fixed assets due for disposal, net of taxes			-1.3	0.2	-0.3	1.7	193.8
Net profit (loss) including minority interests	**122.6**	**147.0**	**170.5**	**-149.4**	**104.0**	**70.3**	**333.9**
Minority interests in profit (loss)	-1.1	1.4	-0.5	-0.9	-1.0	-2.5	-0.1
Net profit (loss) pre PPA	**121.5**	**148.5**	**169.9**	**-150.3**	**103.0**	**67.8**	**333.9**
PPA (Purchase Price Allocation)	-25.8	-29.6	-27.7	-31.0	-33.6	-36.3	-33.3
Net profit (loss)	**95.8**	**118.9**	**142.2**	**-181.3**	**69.3**	**31.5**	**300.6**

(*) All 2009 quarters and the first two quarters of 2010 were restated to take account of the changes brought about to the scope of consolidation subsequent to the disposal of Banca Monte dei Paschi di Siena branches in 2010 (see section on “MPS Group Reclassification Principles”).

Montepaschi Group

■ **RECLASSIFIED BALANCE SHEET- Quarterly Trend (in EUR mln)**

ASSETS	09/30/2010	06/30/2010	03/31/2010 (*)	12/31/2009 (*)	09/30/2009 (*)	06/30/2009 (*)	03/31/2009 (*)
Cash and cash equivalents	724	853	781	1,296	682	798	860
Receivables:							
a) Loans and advances to customers	152,737	152,881	148,489	150,109	143,903	142,806	142,403
b) Loans and advances to banks	12,606	13,662	10,474	10,328	13,401	13,017	11,935
Financial assets held for trading	54,691	58,752	47,855	38,676	38,749	32,707	28,946
Financial assets held to maturity	0	0	0	0	0	0	0
Equity investments	774	732	759	742	725	721	597
Tangible and intangible fixed assets	10,179	10,201	10,374	10,395	10,428	10,468	10,489
of which:							
a) goodwill	*6,474*	*6,474*	*6,619*	*6,619*	*6,648*	*6,670*	*6,670*
Other assets	10,812	10,487	11,569	13,270	11,173	11,545	12,390
Total assets	**242,522**	**247,567**	**230,301**	**224,815**	**219,061**	**212,062**	**207,621**

LIABILITIES	09/30/2010	06/30/2010	03/31/2010 (*)	12/31/2009 (*)	09/30/2009 (*)	06/30/2009 (*)	03/31/2009 (*)
Payables							
a) Customer accounts and securities	154,901	158,232	152,912	153,187	153,612	145,431	137,105
b) Deposits from banks	29,626	28,593	25,628	22,758	19,294	21,826	23,395
Financial liabilities held for trading	29,474	33,210	23,188	19,481	20,674	18,710	20,609
Provisions for specific use							
a) Provisions for staff severance indemnities	293	298	304	304	340	347	504
b) Pensions and other post retirement benefit obligations	449	450	459	458	456	441	436
c) Other provisions	964	962	920	911	888	886	910
Other liabilities	10,150	9,207	9,441	10,259	8,127	9,024	9,363
Group Companies	16,397	16,345	17,167	17,175	15,391	15,124	15,019
a) Valuation reserves	-287	-219	580	721	646	513	303
b) Redeemable shares							
c) Equity instruments	1,949	1,949	1,949	1,949	52	47	47
d) Reserves	5,904	5,903	5,986	5,766	5,789	5,768	5,857
e) Share premium	3,990	3,996	4,048	4,048	4,041	4,035	4,094
f) Share capital	4,502	4,502	4,502	4,502	4,487	4,487	4,487
g) Treasury shares (-)	-18	-49	-40	-32	-25	-57	-70
h) Net profit (loss) for the year	357	261	142	220	401	332	301
Minority interests	267	270	282	281	280	273	279
Total Liabilities and Shareholders' Equity	**242,522**	**247,567**	**230,301**	**224,815**	**219,061**	**212,062**	**207,621**

(*) The accounts "Loans and advances to customers" and "Customers accounts and securities" were deducted of volumes relating to Banca Monte dei Paschi di Siena branches sold in 2010. These amounts were reallocated to "Other Assets" and "Other Liabilities" respectively (see section on "MPS Group Reclassification Principles").