

## **PRESS RELEASE**

### **Fitch Rating Review: Banca Monte dei Paschi di Siena remark**

Siena, 21 September 2010. With regard to the decision announced by the rating agency, Fitch, to downgrade Banca MPS's long term rating from A to A- and short term rating from F1 to F2, Banca MPS considers it to be inconsistent with the corporate situation and evolution. It should be noted that Fitch's last rating action on BMPS was in June 2008 when the bank was assigned a short-term rating of F1 and a long-term rating of A. From 2008 until today, the bank has shown a net improvement in income and capital performance also against the existing competitive scenario, a trend which has seen a further increase in recent months.

In particular, with respect to the three points highlighted by Fitch (Income, Asset Quality and Capital), the MPS Group has, since 2008, recovered and closed the gap with the system.

In income terms, the MPS Group's operating income to total assets ratio showed a gap as compared to that of the banking system in 2008. One and half years later, this gap has basically been filled, on the back of growing basic income and cost reduction.

In the period under analysis, the MPS group delivered better results in terms of credit quality as well: the cost of credit was down to 77bps in the current year and non-performing loans coverage was essentially stable despite the difficult market scenario.

Similarly, with regard to capital, the MPS Group has reinforced its capital position, getting into line with the system's levels. In particular, Tier 1 was up from 5.1% as at December 2008 to 7.8% (c8.2%, including benefits arising from an extension of AIRB models to the 1,000 former Antonveneta branches and a floor reduction from 90% to 85%) thus registering a 270 bps increase (of which 120 bps on an organic basis and 150 bps arising from Tremonti bond underwriting).

In conclusion, it should be noted that the bank has never deemed it necessary to comment on any decisions taken by rating agencies in the past.