

# Pillar 3 Disclosure

March 31, 2009 Update

Pillar 3



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



Banca Monte dei Paschi di Siena SpA  
Paid in capital € 4.486.786.372,26  
Registered at the Company Registrar in Siena – number of registration and tax code 00884060526  
Member of the Italian Interbank Deposit Protection Fund – Register of Bank no. 5274  
Monte dei Paschi di Siena Banking Group, Register of Banking Groups

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## Introduction

This document updates, as of 31 March 2009, the quantitative information relating to the composition of capital for regulatory purposes and prudential capital requirements, as per the synoptic tables in Enclosure A, Part IV, Chapter 1 of the Bank of Italy's circular letter 263 published on 27 December 2006. For other information not included in this update, please refer to the 2008 Annual Report.

The update is in line with the information tables and criteria adopted in previous publications. It will not be specifically reported to the Bank of Italy and is the result of an as accurate as possible appraisal process of the information requirements.

The Montepaschi Group publishes this information for the public (Pillar 3) and its subsequent updates on its homepage in internet at: [www.mps.it/Investor+Relations](http://www.mps.it/Investor+Relations).

## 3. Composition of regulatory capital

As of 31.03.2009  
In thousands of euro

<b>Table 3.1 – Composition of regulatory capital</b>	
<b>Positive items of base capital</b>	
Capital	4,538,105
Share premium	4,094,563
Reserves	5,837,390
Non-innovative capital instruments	531,925
Innovative capital instruments	650,000
Profit for the period	270,664
Prudential filters: increases in base capital	54
<b>Total positive items of base capital</b>	<b>15,922,701</b>
<b>Negative items of base capital</b>	
Shares or own shares	69,540
Goodwill	6,785,848
Other intangible assets	780,251
Losses for the period	-
Other negative items	-
Prudential filters: decreases in base capital	661,652
<b>Total negative items of base capital</b>	<b>8,297,290</b>
<b>Base capital gross of items to be deducted</b>	<b>7,625,411</b>
<b>Deduction in base equity</b>	
Shareholdings in banks or financial entities equal to or above 20% of the capital of the affiliated company	49,447
Shareholdings in banks or financial entities equal to or above 10% but less than 20% of the capital of the affiliated company	27,962
Shareholdings in banks or financial entities equal to or less than 10% of the capital of the affiliated company	-
Investments in insurance companies	69,405
Expected losses surplus with respect to the aggregate adjustments	378,488
Reductions due to securitizations	-
Reductions due to settlement risk on non DVP transactions	-
<b>Total items to be deducted</b>	<b>525,302</b>
<b>TOTAL BASE EQUITY</b>	<b>7,100,109</b>
<b>Positive items on supplementary equity</b>	
Valuation reserves	92,027
Non innovative capital instruments not accounted for in base equity	-
Hybrid capitalization instruments	3,190,555
Subordinated liabilities	2,778,003
<b>Total positive items on supplementary equity</b>	<b>6,060,585</b>
<b>Negative items on supplementary equity</b>	
Other negative items	7,352
Prudential filters: deductions on base capital	-
<b>Total negative items on supplementary equity</b>	<b>7,352</b>
<b>Supplementary equity gross of items to be deducted</b>	<b>6,053,233</b>
Shareholdings in banks and financial entities equal to or above 20% of the capital of the affiliated company	49,447
Shareholdings in banks and financial entities above 10% but less than 20% of the capital of the affiliated company	27,962
Investments in insurance compagnie	69,405
Of which excess of expected losses with respect to aggregate adjustments	378,488
<b>Total items to be deducted</b>	<b>525,302</b>
<b>TOTAL SUPPLEMENTARY EQUITY</b>	<b>5,527,932</b>
<b>ITEMS TO BE DEDUCTED FROM BASE AND SUPPLEMENTARY EQUITY</b>	<b>346,129</b>
<b>TOTAL REGULATORY EQUITY</b>	<b>12,281,912</b>
<b>TOTAL TIER THREE EQUITY</b>	<b>314,179</b>
<b>TOTAL REGULATORY AND TIER THREE EQUITY</b>	<b>12,596,091</b>

## 4, Capital adequacy

As of 31,03,2009  
In thousands of euro

<b>Table 4.1 – Capital adequacy</b>	
	<b>Capital requirements</b>
<b>CREDIT RISK ACTIVITY</b>	
<b>Standard Methodology</b>	<b>7,357,661</b>
Exposure to administrations and central banks	577
Exposure to local authorities	59,069
Exposure to non-profit organisations and public entities	97,612
Exposure to multi-lateral development banks	12
Exposure to International organisations	-
Exposure to controlled intermediaries	374,000
Exposure to corporates	4,691,839
Retail exposure	866,960
Exposure guaranteed by real estate	335,021
Past due exposure	470,669
Exposure towards high risk categories for regulatory purposes	101,528
Exposure in the form of guaranteed bank bonds	-
Short term exposure to corporates	-
Exposure to units in collective investment undertakings (CIU's)	17,868
Other exposure	306,565
Exposure to securitization	35,939
<b>Advanced Internal Rating Based methodology</b>	<b>3,041,583</b>
<b>Exposure to corporates</b>	<b>2,730,783</b>
<b>Retail exposure</b>	<b>310,800</b>
Guaranteed by real estate	257,820
Qualified revolving retail exposures	1
Natural persons	51,813
<b>Other activities</b>	<b>1,167</b>
<b>TOTAL CREDIT RISK</b>	<b>10,399,244</b>
<b>MARKET RISK ACTIVITY</b>	
<b>Standardised Methodology</b>	<b>440,027</b>
General risk	269,777
Specific risk	137,943
Position risk of units in collective investment undertakings (CIU's)	7,011
Options	3,028
Exchange risk	22,268
Risk in trade positions	-
<b>Internal models</b>	
VAR	-
Other requirements	-
Settlement risk for DVP transactions	-
Required equity for financial instruments exposed to risk factors not foreseen in rules	-
<b>Risk concentration</b>	<b>-</b>
<b>TOTAL MARKET RISK</b>	<b>440,027</b>
<b>Adjustment to equity requirement for intra-group transactions</b>	<b>-1,470,298</b>
<b>OPERATIONAL RISK ACTIVITY</b>	
<b>Operational risks</b>	
Base method	59,076
Standardized method	86,070
Advanced methods	656,277
<b>TOTAL OPERATIONAL RISKS</b>	<b>801,423</b>
<b>Floor integration</b>	<b>-</b>
<b>Other requirements</b>	<b>-</b>
<b>AGGREGATE CAPITAL REQUIREMENTS</b>	<b>10,170,396</b>
<b>Tier I capital</b>	<b>5.58%</b>
<b>Total Tier capital</b>	<b>9.91%</b>

The above capital ratios have been estimated using a floor of 90%,

## Declaration of the Deputy Chief Executive Manager in charge of preparing Corporate accounting documents

The Deputy Chief Executive Manager in charge of preparing Corporate accounting documents, Marco Morelli, declares, pursuant to paragraph 2 of article 154 bis of the "Financial Intermediaries Act", that the accounting information contained in this document corresponds to the documents used, to the account ledgers and book entries.

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