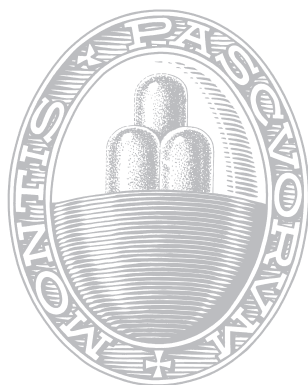


Pillar 3 Disclosure

Updates as at
30 June 2010



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



Pillar 3 Disclosure

Updates as at
30 June 2010

**Banca Monte dei Paschi di Siena SpA**

Company Head Office in Siena, Piazza Salimbeni 3, www.mps.it

Registered with the Companies Register of Siena - registration number and tax code 00884060526

Member of the Italian Interbank Deposit Protection Fund. Register of Banks no. 5274.

Parent Company of the Monte dei Paschi di Siena Banking Group registered in the Roll of Banking Groups



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Introduction

The existing prudential supervisory framework, commonly referred to as “Basel 2”, was developed by the Basel Committee and transposed into European Union Directives 2006/48 and 2006/49.

The Basel 2 framework is based on three mutually underpinning concepts (so called “Pillars”).

More specifically, Pillar 3 was designed on the notion that Market Discipline can be harnessed to reinforce capital regulation to promote stability and soundness in banks and financial systems.

The purpose of Pillar 3 therefore is to complement the operation of minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2) by developing a set of disclosure recommendations and requirements which will allow market participants to assess key, fully comprehensive and reliable information on capital adequacy, risk exposures and risk identification assessment and management processes.

In Italy, Pillar 3 disclosure is pursuant to Paragraph IV, Chapter 1 of Bank of Italy Circular no. 263 of 27.12.2006 (“New Regulations for the Prudential Supervision of Banks”, hereafter “Circular”).

The information provided is both qualitative and quantitative and is presented under fourteen synoptic tables as defined

in Appendix A, Paragraph IV, Chapter 1 of the aforementioned Circular.

Under the Circular, banks that are authorised to use internal methodologies in their assessment of capital requirements for credit or operational risk - as is the case with the Montepaschi Group - are also required to publish certain information on a quarterly and half-year basis, in addition to a yearly report, albeit with different criteria and methodologies.

In compliance with this requirement, the current publication provides a report on quantitative data as at 30 June 2010. For qualitative information please refer to the already-published annual report as at 31 December 2009. Considering the time mismatch between publication requirements for Pillar 3 Public Disclosure and the corresponding consolidated Supervisory report, some of the values contained herein may still be subject to further modification.

The disclosure is prepared at consolidated level by the Parent Company. Unless otherwise indicated, all the amounts in this report are stated in TEUR (thousands of Euro).

The Montepaschi Group regularly publishes its Pillar 3 disclosure on its website at:

www.mps.it/Investor+Relations



Table 2 - Scope of application

Quantitative disclosure

Table 2.1 - Basis of consolidation as at 30.06.2010

	Registered office	Sector	Shareholding %	Type of relationship (a)	% voting rights (b)	Treatment in the Balance Sheet	Treatment for Supervisory purposes
BANCA MONTE DEI PASCHI DI SIENA S.p.A.	Siena	Banking				Full	Full
MPS GESTIONE CREDITI S.p.A.	Siena	Credit recovery management	100.00	1	100.00	Full	Full
MPS LEASING E FACTORING S.p.A.	Siena	Leasing and factoring	100.00	1	100.00	Full	Full
MPS COMMERCIALE LEASING S.p.A.	Siena	Leasing and factoring distribution through non-banking channels	100.00	1	100.00	Full	Full
BANCA MONTE PASCHI BELGIO S.A.	Brussels	Banking	100.00	1	100.00	Full	Full
MONTE PASCHI BANQUE S.A.	Paris	Banking	100.00	1	100.00	Full	Full
MONTE PASCHI MONACO S.A.M.	Montecarlo	Banking	100.00	1	100.00	Full	Full
BANCA ANTONVENETA S.p.A.	Padova	Banking	100.00	1	100.00	Full	Full
MPS CAPITAL SERVICE BANCA PER LE IMPRESE S.p.A.	Florence	Banking	99.92	1	99.92	Full	Full
MPS VENTURE SGR S.p.A.	Florence	Private equity fund management	69.94	1	69.94	Full	Full
BIVERBANCA CASSA RISPARSITA' BIELLA E VERCELLI S.p.A.	Biella	Banking	59.00	1	59.00	Full	Full
BANCA POPOLARE DI SPOLETO S.p.A.	Spoleto	Banking	26.01	7	26.01	Proportional	Proportional
MONTE PASCHI IRELAND LTD	Dublin	Financial activity	100.00	1	100.00	Full	Full
MONTE PASCHI FIDUCIARIA S.p.A.	Siena	Trust company	100.00	1	100.00	Full	Full
CONSUM.IT S.p.A.	Siena	Consumer credit	100.00	1	100.00	Full	Full
MPS PREFERRED CAPITAL I LLC	Delaware	Financial vehicle	100.00	1	100.00	Full	Full
MPS PREFERRED CAPITAL II LLC	Delaware	Financial vehicle	100.00	1	100.00	Full	Full
MONTE PASCHI CONSEIL FRANCE	Paris	Financial intermediary	100.00	1	100.00	Full	Full
MONTE PASCHI INVEST FRANCE S.A.	Paris	Financial intermediary	100.00	1	100.00	Full	Full
MONTEPASCHI LUXEMBOURG S.A.	Brussels	Financial vehicle	100.00	1	100.00	Full	Full
MPS INVESTMENTS S.p.A.	Siena	Equity investments management	100.00	1	100.00	Full	Full
ANTONVENETA CAPITAL LLC I	Delaware	Financial vehicle	100.00	1	100.00	Full	Full
ANTONVENETA CAPITAL LLC II	Delaware	Financial vehicle	100.00	1	100.00	Full	Full
ANTONVENETA CAPITAL TRUST I	Delaware	Financial vehicle	100.00	1	100.00	Full	Full
ANTONVENETA CAPITAL TRUST II	Delaware	Financial vehicle	100.00	1	100.00	Full	Full
AGRISVILUPPO S.p.A.	Mantova	Financing for agricultural development	99.07	1	99.07	Full	Full
GIOTTO FINANCE 2 S.p.A.	Padova	Special purpose vehicle	98.00	1	98.00	Full	Full
CIRENE FINANCE Srl	Conegliano	Special purpose vehicle	60.00	1	60.00	Full	Full



Table 2 Scope of application

Table 2.1 - Basis of consolidation as at 30.06.2010 (continued)

	Registered office	Sector	Shareholding %	Type of relationship (a)	% voting rights (b)	Treatment in the Balance Sheet	Treatment for Supervisory purposes
ULISSE 2 S.p.A.	Milan	Special purpose vehicle	60.00	1	60.00	Full	Full
INTEGRA SPA	Florence	Consumer credit	50.00	7	50.00	Proportional	Proportional
MAGAZZINI GENERALI FIDUCIARI DI MANTOVA	Mantova	Deposit and custody warehouses (for third parties)	100.00	1	100.00	Full	Full
MPS TENIMENTI FONTANAFREDDA E CHIGI SARACINI SOCIETÀ AGRICOLA S.p.a.	Siena	Wine industry	100.00	1	100.00	Full	Consolidated at Equity
IMMOBILIARE VICTOR HUGO	Paris	Real estate	100.00	1	100.00	Full	Full
G.IMM.ASTOR Srl	Lecce	Real estate renting	52.00	1	52.00	Full	Full
MPS IMMOBILIARE S.p.A.	Siena	Real estate	100.00	1	100.00	Full	Full
PASCHI GESTIONI IMMOBILIARI S.p.A.	Siena	Real estate management	100.00	1	100.00	Full	Full
CONSORZIO OPERATIVO GRUPPO MPS	Siena	IT and Information services	100.00	1	100.00	Full	Full
PADOVA 2000 INIZIATIVE IMMOBILIARI S.r.l	Padova	Real estate	100.00	1	100.00	Full	Consolidated at Equity
MPS COVERED BOND S.r.l	Conegliano (TV)	Financial vehicle	90.00	1	90.00	Full	Full
PERIMETRO GEST. PROP. IMM. Sc.p.a	Siena	Real estate	11.50	9	11.50	Full	Full
M.P. ASSURANCE S.A.	Paris	Insurance	99.40	1	99.40	Full	Excl. from Cons.

(a) Type of relationship:

- 1 majority of voting rights at ordinary shareholders' meetings
- 2 dominant influence at ordinary shareholders' meetings
- 3 agreements with other shareholders
- 4 other forms of control
- 5 unified management under art. 26. 1 of Leg. Decree 87/92
- 6 unified management under art. 26. 2. of Leg. Decree 87/92
- 7 joint control
- 8 connection
- 9 substantial control (SIC 12)

(b) Actual voting rights in ordinary shareholders' meetings.



Table 3 - Regulatory capital structure

Quantitative disclosure

Table 3.1 - Breakdown of Regulatory Capital

	Jun-10	dec-09
Total Tier 1 positive items	17,803,964	17,689,738
Total Tier 1 negative items	7,907,260	8,028,078
Total items to be deducted	564,711	568,233
Tier 1 capital (Tier 1)	9,331,993	9,093,427
Total Tier 2 positive items	6,301,255	6,349,436
Total Tier 2 negative items	59,978	84,385
Total items to be deducted	564,711	568,233
Tier 2 capital (Tier 2)	5,676,566	5,696,818
Items to be deducted from Tier 1 and Tier 2 capital	389,428	409,818
Regulatory Capital	14,619,131	14,380,427
Tier 3 capital (Tier 3)	-	-
Regulatory Capital inclusive of Tier 3	14,619,131	14,380,427

Under the measures set forth by the Bank of Italy on 18 May 2010 regarding prudential filters for regulatory capital, the Group opted for the symmetrical treatment of revaluation reserves relating to debt securities issued by the Central Governments of EU countries held in the "Available for Sale" portfolio. Consequently, with regard to these securities, the impact of variations in AFS reserves upon regulatory capital as of 1 January 2010, amounting to approximately Euro 851 mln, has been completed sterilized.



Table 3.1.1 - Breakdown of Tier 1 and Tier 2 Capital

	Jun-10	dec-09
Share capital	4,552,129	4,553,774
Share premium	3,995,985	4,048,671
Reserves	5,975,032	5,842,272
Non-innovative capital instruments	470,596	470,596
Innovative capital instruments	650,000	650,000
Profit for the period	260,221	224,426
Prudential filters: increases in Tier 1 capital	1,900,000	1,900,000
Total Tier 1 positive items	17,803,964	17,689,738
Treasury shares	48,752	32,079
Goodwill	6,560,182	6,723,204
Other intangible assets	806,337	803,156
Loss for the period	-	-
Other negative items	-	-
Prudential filters: decreases in Tier 1 capital	491,989	469,639
Total Tier 1 negative items	7,907,260	8,028,078
Shareholdings in credit and financial institutions with a share of $\geq 20\%$ of the equity of the investee	48,735	50,566
Shareholdings in credit and financial institutions with a share of $> 10\%$ but $< 20\%$ of the equity of the investee	29,396	30,090
Shareholdings in credit and financial institutions with a share of $\leq 10\%$ of the equity of the investee	-	-
Shareholdings in insurance companies	53,769	62,332
Surplus of expected losses in respect of related write-downs	432,811	425,245
Total items to be deducted	564,711	568,233
Total Tier 1 capital	9,331,993	9,093,427



Table 3.1.1 - Breakdown of Tier 1 and Tier 2 Capital (continued)

	Jun-10	dec-09
Valuation reserve	189,686	226,258
Non-innovative capital instruments not eligible for inclusion in Tier 1 capital	-	-
Hybrid capital instruments	3,191,904	3,191,978
Subordinated liabilities	2,918,712	2,931,200
Other positive items	953	-
Total Tier 2 positive items	6,301,255	6,349,436
Other negative items	-	5,462
Prudential filters: deductions from Tier 2 capital	59,978	78,923
Total Tier 2 negative items	59,978	84,385
Shareholdings in credit and financial institutions with a share of $\geq 20\%$ of the equity of the investee	48,735	50,566
Shareholdings in credit and financial institutions with a share of $> 10\%$ but $< 20\%$ of the equity of the investee	29,396	30,090
Shareholdings in insurance companies	53,769	62,332
Surplus of expected losses in respect of overall write-downs value adjustments	432,811	425,245
Total items to be deducted	564,711	568,233
Total Tier 2 capital	5,676,566	5,696,818
Items to be deducted from Tier 1 and Tier 2 capital	389,428	409,818
Regulatory Capital	14,619,131	14,380,427
Tier 3 Capital	-	-
Regulatory Capital inclusive of Tier 3	14,619,131	14,380,427



Table 4 - Capital adequacy

Quantitative disclosure

Table 4.1 - Capital requirements and capital ratios

	Jun-10	dec-09
Credit Risk		
Standardised approach	6,129,003	6,453,797
Advanced Internal Ratings Based approach	2,942,001	2,958,171
Total	9,071,004	9,411,968
Market Risk		
Standardised approach	622,078	580,144
Internal models approach	-	-
Concentration risk	-	-
Total	622,078	580,144
Operational Risk		
Foundation approach	53,284	53,714
Standardised approach	-	-
Advanced Measurement Approach	638,025	648,544
Total	691,309	702,258
Adjustment to capital requirements for intra-group transactions	-828,281	-1,072,389
Regulatory Capital Floor	61,365	49,961
Other requirements	-	-
Aggregate Capital Requirements	9,617,475	9,671,942
Risk-weighted assets	120,218,438	120,899,279
Tier 1 Ratio	7.8%	7.5%
Total Capital Ratio	12.2%	11.9%



Table 4.2 - Capital Requirements for Credit Risk

Standardised approach	Jun-10	dec-09
Exposures to central governments and central banks	4,551	363
Exposures to regional governments and local authorities	62,413	52,307
Exposures to non-commercial and public sector entities	73,938	81,787
Exposures to multilateral development banks	-	-
Exposures to international organisations	-	-
Exposures to supervised institutions	385,613	325,301
Exposures to corporates	3,132,822	3,778,744
Retail exposures	688,063	782,819
Exposures secured by real estate property	708,662	355,302
Past due exposures	468,672	448,817
High-risk exposures	91,920	96,606
Exposures in the form of covered bonds	-	-
Short term exposures to corporates	-	-
Exposures to Undertakings for Collective Investments in Transferable Securities (UCITS)	31,924	27,886
Other exposures	445,879	466,126
Securitisation exposures	34,544	37,739
Total Standardised Approach	6,129,003	6,453,797
Advanced Internal Ratings-Based approach		
Corporate exposures	2,077,457	2,186,615
Retail exposures	863,341	769,712
↳ Secured by real estate property	475,480	312,801
↳ Qualifying revolving retail exposures	28	36
↳ Other exposures	387,833	456,874
Other assets	1,203	1,844
Total Advanced Internal Ratings-Based approach	2,942,001	2,958,171
Total Credit Risk	9,071,004	9,411,968



Table 4.3 - Capital Requirements for Market Risk

Standardised approach	Jun-10	dec-09
General market risk	377,147	337,647
Specific risk	177,693	179,507
Position risk of Undertakings for Collective Investments in Transferable Securities (UCITS)	26,985	29,874
Options	7,775	9,113
Foreign exchange risk	32,478	24,004
Commodities risk	-	-
Total Standardised Approach	622,078	580,144
Internal models		
Total Internal models	-	-
Concentration risk	-	-
Total Market Risk	622,078	580,144

Table 4.4 - Capital Requirements for Operational Risk

Breakdown of Operational Risk by:	Jun-10	dec-09
Foundation approach	53,284	53,714
Standardised approach	-	-
Advanced approach	638,025	648,544
Total Operational Risk	619,309	702,258



Table 5 - Credit risk: general disclosures for all banks

Quantitative disclosure

A breakdown of financial assets by Tables 5.1.1 and 5.1.2 below. portfolio and credit quality is reported in

Table 5.1.1 - Summary of financial assets by portfolio

Portfolio	Total		Period average	
	Jun-10	dec-09	Jun-10	dec-09
1. Financial assets held for trading	39,593,597	23,178,781	28,552,573	22,637,675
2. Financial assets available-for- sale	16,144,050	12,527,322	12,741,945	9,027,984
3. Financial assets held-to-maturity	3	3	3	3
4. Loans and advances to banks	13,661,829	10,327,520	12,330,117	13,653,357
5. Loans and advances to customers	152,881,094	152,413,441	146,368,886	147,625,884
6. Financial assets designated at fair value	40,588	39,564	96,529	143,012
7. Financial assets held for sale	-	-	-	21,405
8. Hedging derivatives	201,637	198,703	176,193	142,034
Total	222,522,798	198,685,334		

Values reported in the tables above reflect those used in the Financial Statements and refer to positions in both the Banking Book and Regulatory Trading Book. Data reflects the logic of the Financial Statements and is therefore reported net of permitted offsetting, but does not take account of any credit risk mitigation actions.

The current table has been compiled according to the rules applied for Table A.1.1 of the Annual Report.



Table 5.1.2 - Breakdown of financial assets by portfolio and credit quality

Portfolio/Quality	NPLs	Watchlist loans	Restructured loans	Past-due	Other assets	Total
1. Financial assets held for trading	8,760	25,552	13,302	3,592	39,542,390	39,593,597
2. Financial assets available for sale	5,091	1,057	-	-	16,137,903	16,144,050
3. Financial assets held to maturity	-	-	-	-	3	3
4. Loans and advances to banks	4,681	11,150	-	3	13,645,994	13,661,829
5. Loans and advances to customers	5,018,396	4,289,344	1,231,732	759,426	141,582,196	152,881,094
6. Financial assets designated at fair value	-	-	-	-	40,588	40,588
7. Financial assets held for sale	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	201,637	201,637
Total 30/06/2010	5,036,929	4,327,102	1,245,034	763,022	211,150,711	222,522,798
Total 31/12/2009	4,672,113	3,774,654	702,858	1,108,750	188,426,959	198,685,334

The table provides a breakdown of financial assets by accounting portfolio and credit quality. The values reported reflect those used in the financial reports and refer to both positions in the banking book and those in the regulatory trading book. The current table has been compiled according to the rules applied for Table A.1.1 of the Annual Report.



Table 5.2 - On and off-balance sheet exposures to customers: geographical breakdown

ITALY	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	11,344,661	4,969,218	6,375,443	10,431,882	4,608,419	5,823,463
A.2 Watchlist loans	5,170,056	4,221,856	948,200	4,567,480	3,687,996	879,484
A.3 Restructured loans	1,277,600	1,231,732	45,868	726,042	701,346	24,696
A.4 Past due	808,794	757,442	51,352	1,173,964	1,106,177	67,787
A.5 Other exposures	171,124,801	170,318,760	806,041	139,827,960	139,020,657	807,303
Total A	189,725,911	181,499,007	8,226,904	156,727,328	149,124,595	7,602,733
B. Off-balance-sheet exposures						
B.1 Non-performing loans	107,377	85,783	21,594	99,088	79,334	19,754
B.2 Watchlist loans	77,447	74,639	2,807	59,785	56,504	3,281
B.3 Other impaired assets	72,729	69,739	2,990	48,121	46,062	2,059
B.4 Other exposures	16,257,586	16,230,056	27,529	16,369,893	16,342,234	27,659
Total B	16,515,138	16,460,217	54,920	16,576,887	16,524,134	52,753
Total (A+B)	206,241,049	197,959,225	8,281,824	173,304,215	165,648,729	7,655,486

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to customers. The values were reported according to the rules applied for Table B.2 in the Annual Report and refer to positions in both the Banking book and the Regulatory trading book.



Table 5.2 - On and off-balance sheet exposures to customers: geographical breakdown (continued)

OTHER EUROPEAN COUNTRIES	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	142,600	47,533	95,067	122,920	43,539	79,381
A.2 Watchlist loans	106,247	71,756	34,491	103,666	69,394	34,272
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	1,880	1,785	94	2,163	2,054	109
A.5 Other exposures	6,351,646	6,345,337	6,309	25,611,516	25,605,444	6,072
Total A	6,602,372	6,466,412	135,961	25,840,265	25,720,431	119,834
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	768	768	-	-	-	-
B.3 Other impaired assets	3,041	2,928	113	8,101	7,724	377
B.4 Other exposures	16,212,306	16,211,386	920	9,681,744	9,681,563	181
Total B	16,216,115	16,215,081	1,033	9,689,845	9,689,287	558
Total (A+B)	22,818,487	22,681,493	136,994	35,530,110	35,409,718	120,392

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to customers. The values were reported according to the rules applied for Table B.2 in the Annual Report and refer to positions in both the Banking book and the Regulatory trading book.



Table 5.2 - On and off-balance sheet exposures to customers: geographical breakdown (continued)

USA	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	39,921	8,420	31,501	39,145	7,760	31,385
A.2 Watchlist loans	775	721	54	708	655	53
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	171	162	9	457	447	10
A.5 Other exposures	919,794	917,193	2,601	805,397	803,824	1,573
Total A	960,661	926,497	34,165	845,707	812,686	33,021
B. Off-balance-sheet exposures						
B.1 Non-performing loans	746	597	149	645	516	129
B.2 Watchlist loans	40	40	-	31	31	-
B.3 Other impaired assets	-	-	-	2	2	-
B.4 Other exposures	1,897,530	1,896,945	585	1,532,798	1,532,693	105
Total B	1,898,317	1,897,582	734	1,533,476	1,533,242	234
Total (A+B)	2,858,978	2,824,079	34,899	2,379,183	2,345,928	33,255

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to customers. The values were reported according to the rules applied for Table B.2 in the Annual Report and refer to positions in both the Banking book and the Regulatory trading book.



Table 5.2 - On and off-balance sheet exposures to customers: geographical breakdown (continued)

ASIA	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	2,890	95	2,794	2,841	92	2,749
A.2 Watchlist loans	649	143	506	578	109	469
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	22	21	1	22	21	1
A.5 Other exposures	152,817	151,985	831	148,465	147,808	657
Total A	156,377	152,244	4,133	151,906	148,030	3,876
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-
B.4 Other exposures	54,278	54,219	59	41,568	41,544	24
Total B	54,278	54,219	59	41,568	41,544	24
Total (A+B)	210,656	206,463	4,192	193,474	189,574	3,900

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to customers. The values were reported according to the rules applied for Table B.2 in the Annual Report and refer to positions in both the Banking book and the Regulatory trading book.



Table 5.2 - On and off-balance sheet exposures to customers: geographical breakdown (continued)

REST OF THE WORLD	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	1,564	229	1,335	1,538	215	1,323
A.2 Watchlist loans	34	32	2	-	-	-
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	16	15	1	27	26	1
A.5 Other exposures	802,481	802,012	468	691,945	691,616	329
Total A	804,095	802,289	1,806	693,510	691,857	1,653
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-
B.4 Other exposures	160,612	160,612	-	75,099	75,099	-
Total B	160,612	160,612	-	75,099	75,099	-
Total (A+B)	964,707	962,901	1,806	768,609	766,956	1,653

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to customers. The values were reported according to the rules applied for Table B.2 in the Annual Report and refer to positions in both the Banking book and the Regulatory trading book.



Table 5.3 - On and off-balance-sheet exposures to banks: geographical breakdown

ITALY	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	-	-	-	6,000	-	6,000
A.2 Watchlist loans	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	3	3	-	19	19	-
A.5 Other exposures	10,989,259	10,980,113	9,146	6,034,311	6,025,087	9,224
Total A	10,989,262	10,980,116	9,146	6,040,330	6,025,106	15,224
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	1,109	1,054	55
B.4 Other exposures	2,972,412	2,972,355	57	2,619,355	2,618,854	501
Total B	2,972,412	2,972,355	57	2,620,464	2,619,908	556
Total (A+B)	13,961,675	13,952,471	9,204	8,660,794	8,645,014	15,780

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to banks. The values were reported according to the rules applied for Table B.3 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.3 - On and off-balance-sheet exposures to banks: geographical breakdown (continued)

OTHER EUROPEAN COUNTRIES	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	15,586	4,434	11,152	21,448	9,457	11,991
A.2 Watchlist loans	35,601	10,101	25,499	35,307	12,971	22,336
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	-	-	-	-	-	-
A.5 Other exposures	6,787,650	6,785,379	2,272	6,721,729	6,719,388	2,341
Total A	6,838,837	6,799,914	38,923	6,778,484	6,741,816	36,668
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-
B.4 Other exposures	4,170,212	4,169,683	529	4,640,270	4,639,738	532
Total B	4,170,212	4,169,683	529	4,640,270	4,639,738	532
Total (A+B)	11,009,049	10,969,597	39,452	11,418,754	11,381,554	37,200

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to banks. The values were reported according to the rules applied for Table B.3 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.3 - On and off-balance-sheet exposures to banks: geographical breakdown (continued)

USA	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	26,461	2,477	23,984	26,460	2,492	23,968
A.2 Watchlist loans	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	-	-	-	-	-	-
A.5 Other exposures	539,744	539,636	108	518,447	518,362	85
Total A	566,204	542,112	24,092	544,907	520,854	24,053
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-
B.4 Other exposures	697,348	697,342	6	390,494	390,479	15
Total B	697,348	697,342	6	390,494	390,479	15
Total (A+B)	1,263,553	1,239,454	24,098	935,401	911,333	24,068

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to banks. The values were reported according to the rules applied for Table B.3 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.3 - On and off-balance-sheet exposures to banks: geographical breakdown (continued)

ASIA	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	-	-	-	-	-	-
A.2 Watchlist loans	1,867	1,048	818	2,141	1,549	592
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	-	-	-	-	-	-
A.5 Other exposures	272,818	272,343	475	407,479	407,103	376
Total A	274,685	273,391	1,293	409,620	408,652	968
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	2,235	2,078	156	2,234	2,078	156
B.3 Other impaired assets	-	-	-	-	-	-
B.4 Other exposures	78,644	78,579	66	71,132	71,063	69
Total B	80,879	80,657	222	73,366	73,141	225
Total (A+B)	355,564	354,048	1,515	482,986	481,793	1,193

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to banks. The values were reported according to the rules applied for Table B.3 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.3 - On and off-balance-sheet exposures to banks: geographical breakdown (continued)

REST OF THE WORLD	Jun-10			dec-09		
	Exposure		Adjustments	Exposure		Adjustments
	Gross	Net		Gross	Net	
A. Balance-sheet exposures						
A.1 Non-performing loans	234	93	141	233	123	110
A.2 Watchlist loans	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-
A.4 Past due	-	-	-	-	-	-
A.5 Other exposures	404,769	404,700	69	344,346	344,306	40
Total A	405,003	404,793	210	344,579	344,429	150
B. Off-balance-sheet exposures						
B.1 Non-performing loans	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-
B.4 Other exposures	157,007	156,947	60	164,654	164,524	130
Total B	157,007	156,947	60	164,654	164,524	130
Total (A+B)	562,010	561,740	270	509,233	508,953	280

The table provides a geographical breakdown of balance-sheet and off-balance-sheet exposures to banks. The values were reported according to the rules applied for Table B.3 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



**Table 5.4 - On and off-balance sheet exposures to customers:
breakdown by sector**

Governments and Central Banks	Jun-10				dec-09			
	Exposure		adjustments		Exposure		adjustments	
	gross	net	specific	portfolio	gross	net	specific	portfolio
A. Balance-sheet exposures								
A.1 Non-performing loans	28	-	28	-	27	-	27	-
A.2 Watchlist loans	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-
A.4 Past due	15	14	1	-	12	12	-	-
A.5 Other exposures	28,126,345	28,125,665	-	680	17,533,367	17,532,810	-	557
Total A	28,126,387	28,125,679	29	680	17,533,406	17,532,822	27	557
B. Off-balance-sheet exposures								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-
B.4 Other exposures	4,065,665	4,065,665	-	-	982,094	982,094	-	-
Total B	4,065,665	4,065,665	-	-	982,094	982,094	-	-
Total (A+ B)	32,192,053	32,191,344	29	680	18,515,500	18,514,916	27	557

The table shows a breakdown by sector of cash exposures and off-balance sheet exposures to customers. The values were reported according to the rules applied for Table B.1 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.4 - On and off-balance sheet exposures to customers: breakdown by sector (continued)

Other public entities	Jun-10				dec-09			
	Exposure		adjustments		Exposure		adjustments	
	gross	net	specific	portfolio	gross	net	specific	portfolio
A. Balance-sheet exposures								
A.1 Non-performing loans	626	369	258	-	565	438	127	-
A.2 Watchlist loans	46	12	34	-	44	11	33	-
A.3 Restructured loans	-	-	-	-	-	-	-	-
A.4 Past due	-	-	-	-	-	-	-	-
A.5 Other exposures	3,953,124	3,951,953	-	1,170	3,833,935	3,831,776	-	2,159
Total A	3,953,796	3,952,334	292	1,170	3,834,544	3,832,225	160	2,159
B. Off-balance-sheet exposures								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-	-	-
B.3 Other impaired assets	-	-	-	-	-	-	-	-
B.4 Other exposures	349,654	349,646	-	8	339,966	339,946	-	20
Total B	349,654	349,646	-	8	339,966	339,946	-	20
Total (A+ B)	4,303,450	4,301,979	292	1,179	4,174,510	4,172,171	160	2,179

The table shows a breakdown by sector of cash exposures and off-balance sheet exposures to customers. The values were reported according to the rules applied for Table B.1 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.4 - On and off-balance sheet exposures to customers: breakdown by sector (continued)

Financial companies	Jun-10				dec-09			
	Exposure		adjustments		Exposure		adjustments	
	gross	net	specific	portfolio	gross	net	specific	portfolio
A. Balance-sheet exposures								
A.1 Non-performing loans	148,739	29,308	119,431	-	134,771	28,313	106,458	-
A.2 Watchlist loans	125,928	61,430	64,498	-	75,152	28,390	46,762	-
A.3 Restructured loans	21	21	-	-	-	-	-	-
A.4 Past due	21,717	20,578	1,139	-	1,852	1,769	83	-
A.5 Other exposures	16,333,733	16,321,846	-	11,887	16,592,581	16,573,575	-	19,006
Total A	16,630,137	16,433,183	185,068	11,887	16,804,356	16,632,047	153,303	19,006
B. Off-balance-sheet exposures								
B.1 Non-performing loans	202	161	40	-	1,197	958	239	-
B.2 Watchlist loans	64	62	2	-	1,307	1,305	2	-
B.3 Other impaired assets	-	-	-	-	5,279	5,014	265	-
B.4 Other exposures	4,999,163	4,998,314	-	849	3,651,788	3,650,845	-	943
Total B	4,999,429	4,998,537	42	849	3,659,571	3,658,122	506	943
Total (A+ B)	21,629,566	21,431,720	185,110	12,736	20,463,927	20,290,169	153,809	19,949

The table shows a breakdown by sector of cash exposures and off-balance sheet exposures to customers. The values were reported according to the rules applied for Table B.1 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



**Table 5.4 - On and off-balance sheet exposures to customers:
breakdown by sector (continued)**

Insurance companies	Jun-10				dec-09			
	Exposure		adjustments		Exposure		adjustments	
	gross	net	specific	portfolio	gross	net	specific	portfolio
A. Balance-sheet exposures								
A.1 Non-performing loans	6	3	3	-	13	10	3	-
A.2 Watchlist loans	12	9	3	-	20	14	6	-
A.3 Restructured loans	-	-	-	-	-	-	-	-
A.4 Past due	-	-	-	-	-	-	-	-
A.5 Other exposures	1,186,571	1,186,173	-	399	797,370	795,854	-	1,516
Total A	1,186,590	1,186,185	7	399	797,403	795,878	9	1,516
B. Off-balance-sheet exposures								
B.1 Non-performing loans	-	-	-	-	-	-	-	-
B.2 Watchlist loans	-	-	-	-	-	-	-	-
B.3 Other impaired assets	407	225	182	-	-	-	-	-
B.4 Other exposures	1,239,387	1,239,379	-	8	1,161,501	1,161,358	-	143
Total B	1,239,794	1,239,604	182	8	1,161,501	1,161,358	-	143
Total (A+ B)	2,426,384	2,425,788	189	407	1,958,904	1,957,236	9	1,659

The table shows a breakdown by sector of cash exposures and off-balance sheet exposures to customers. The values were reported according to the rules applied for Table B.1 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.4 - On and off-balance sheet exposures to customers: breakdown by sector (continued)

Non-financial companies	Jun-10				dec-09			
	Exposure		adjustments		Exposure		adjustments	
	gross	net	specific	portfolio	gross	net	specific	portfolio
A. Balance-sheet exposures								
A.1 Non-performing loans	9,452,941	4,127,608	5,325,333	-	8,697,862	3,841,865	4,855,997	-
A.2 Watchlist loans	4,306,564	3,553,803	752,762	-	3,780,228	3,080,167	700,061	-
A.3 Restructured loans	1,275,794	1,230,095	45,699	-	724,911	700,273	24,638	-
A.4 Past due	530,211	502,330	27,881	-	803,418	761,841	41,577	-
A.5 Other exposures	81,560,240	80,884,717	-	675,523	84,152,928	83,484,908	-	668,020
Total A	97,125,750	90,298,552	6,151,675	675,523	98,159,347	91,869,054	5,622,273	668,020
B. Off-balance-sheet exposures								
B.1 Non-performing loans	107,467	85,809	21,658	-	98,142	78,544	19,598	-
B.2 Watchlist loans	73,631	70,919	2,712	-	57,143	53,926	3,217	-
B.3 Other impaired assets	73,438	70,591	2,847	-	49,663	47,534	2,129	-
B.4 Other exposures	23,168,272	23,140,394	-	27,879	20,086,061	20,059,594	-	26,467
Total B	23,422,809	23,367,712	27,218	27,879	20,291,009	20,239,598	24,944	26,467
Total (A+ B)	120,548,559	113,666,264	6,178,893	703,402	118,450,356	112,108,652	5,647,217	694,487

The table shows a breakdown by sector of cash exposures and off-balance sheet exposures to customers. The values were reported according to the rules applied for Table B.1 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.4 - On and off-balance sheet exposures to customers: breakdown by sector (continued)

other	Jun-10				dec-09			
	Exposure		adjustments		Exposure		adjustments	
	gross	net	specific	portfolio	gross	net	specific	portfolio
A. Balance-sheet exposures								
A.1 Non-performing loans	1,929,296	868,209	1,061,087	-	1,765,086	789,399	975,687	-
A.2 Watchlist loans	835,211	679,255	155,956	-	816,988	649,571	167,417	-
A.3 Restructured loans	1,785	1,616	169	-	1,130	1,073	57	-
A.4 Past due	258,940	236,504	22,436	-	371,353	345,102	26,251	-
A.5 Other exposures	48,191,526	48,064,935	-	126,592	44,175,103	44,050,428	-	124,675
Total A	51,216,757	49,850,518	1,239,647	126,592	47,129,660	45,835,573	1,169,412	124,675
B. Off-balance-sheet exposures								
B.1 Non-performing loans	454	409	45	-	393	348	45	-
B.2 Watchlist loans	4,560	4,466	93	-	1,366	1,304	62	-
B.3 Other impaired assets	1,924	1,851	73	-	1,282	1,239	43	-
B.4 Other exposures	760,170	759,821	-	349	1,479,693	1,479,297	-	396
Total B	767,108	766,548	211	349	1,482,734	1,482,188	150	396
Total (A+ B)	51,983,865	50,617,066	1,239,858	126,940	48,612,394	47,317,761	1,169,562	125,071

The table shows a breakdown by sector of cash exposures and off-balance sheet exposures to customers. The values were reported according to the rules applied for Table B.1 in the Annual Report and refer to positions in both the Banking book and the Supervisory trading book.



Table 5.5 - Time breakdown by contractual residual maturity of financial assets

Account/Maturity	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
Government securities	3	-	240,391	9,667	2,381,879	1,614,735	3,345,129	8,043,796	10,539,879	-
Other debt securities	588,172	9,327	14,978	97,255	89,650	539,817	1,299,285	4,708,799	3,724,635	4,562
Units in UCITS	1,238,262	-	-	-	-	-	-	1,651	29,501	-
Loans	39,555,224	2,087,191	1,402,741	4,033,984	10,763,621	13,710,372	9,516,966	34,640,897	51,165,151	2,425,077
- to banks	8,958,968	84,246	213,208	269,662	1,934,092	1,406,182	838,823	255,257	14,092	59,079
- to customers	30,596,255	2,002,945	1,189,533	3,764,322	8,829,530	12,304,190	8,678,143	34,385,640	51,151,059	2,365,999
Balance sheet assets (30/06/2010)	41,381,661	2,096,518	1,658,109	4,140,906	13,235,150	15,864,924	14,161,380	47,395,143	65,459,166	2,429,640
balance sheet assets (31/12/2009)	33,436,405	11,380,994	2,234,601	5,102,192	7,172,058	13,926,932	11,827,387	41,590,341	58,644,139	2,713,236
Financial derivatives with exchange of principal	4,496,557	9,746,250	4,565,626	4,086,920	10,362,929	8,537,926	7,550,726	3,990,115	1,429,186	516,435
- Long positions	2,171,320	5,217,572	2,285,772	2,167,795	5,376,404	4,363,377	3,799,965	1,880,930	541,536	258,111
- Short positions	2,325,237	4,528,678	2,279,854	1,919,126	4,986,526	4,174,549	3,750,761	2,109,185	887,650	258,324
Financial derivatives without exchange of principal	478,556	195,240	146,924	318,467	1,196,130	2,422,521	4,787,812	15,931,879	9,830,057	-
- Long positions	265,808	98,643	81,194	158,954	550,898	1,189,119	2,556,215	7,990,700	4,921,588	-
- Short positions	212,748	96,597	65,729	159,513	645,232	1,233,402	2,231,597	7,941,179	4,908,468	-
Deposits and borrowings receivable	1,239,076	1,089,989	221,576	34,798	104,830	995,923	-	-	-	-
- Long positions	1,239,076	248,365	12,509	1,100	16,054	325,992	-	-	-	-
- Short positions	-	841,624	209,068	33,697	88,776	669,929	-	-	-	-
Irrevocable commitments to disburse funds	7,488,632	172	19,606	5,562	125,712	639,151	1,147,993	37,129,261	10,838,618	615,265
- Long positions	970,716	172	19,606	5,562	75,212	346,446	591,045	18,836,863	7,851,732	533,214
- Short positions	6,517,917	-	-	-	50,500	292,705	556,948	18,292,399	2,986,886	82,051
Financial guarantees issued	62,739	-	-	16	56	207	733	1,082	2,831	78,576
Off-balance sheet transactions (30/06/2010)	13,765,561	11,031,652	4,953,733	4,445,763	11,789,658	12,595,726	13,487,263	57,052,338	22,100,692	1,210,277
Off-balance sheet transactions (31/12/2009)	22,301,028	4,192,217	5,567,516	6,703,942	13,853,690	32,822,094	14,326,431	58,263,189	44,249,036	697,982

The table contains a time breakdown of financial assets by remaining contractual duration. The values have been reported according to the rules applied for Table 1.3.1 of the Annual Report and refer to both positions in the Banking Book and positions in the Regulatory Trading Book.



Table 5.6 - Balance sheet exposures to banks: changes in overall value adjustments

Source/Categories	NPLs	Watchlist	Restructured	Past due	Total 30/06/2010	Total 31/12/2009
A. Gross exposure, opening balance	42,070	22,928	-	1	64,999	70,043
↳ of which: financial assets sold and not derecognised						
B. Increases	1,180	3,468	-	-	4,648	13,905
B.1 Value adjustments	960	3,468	-	-	4,428	12,416
B.2 Transfers from other impaired exposures	-	-	-	-	-	-
B.3 Other increases	220	-	-	-	220	1,489
C. Reductions	577	78	-	1	655	18,949
C.1 Writebacks from evaluation	577	78	-	1	655	678
C.2 Writebacks from recoveries	-	-	-	-	-	-
C.3 Write-offs	-	-	-	-	-	-
C.4 Transfers to other impaired exposures	-	-	-	-	-	-
C.5 Other reductions	-	-	-	-	-	18,271
D. Gross exposure, closing balance	42,674	26,318	-	-	68,992	64,999
↳ of which: financial assets sold and not derecognised	-	-	-	-	-	-

The values were reported according to the rules applied for table A.1.5 in the Annual Report.



Tab. 5.7 - Balance sheet exposures to customers: changes in overall value adjustments

Source/Categories	NPLs	Watchlist	Restructured	Past due	Total 30/06/2010	Total 31/12/2009
A. Gross exposure, opening balance	5,938,301	914,279	24,696	67,909	6,945,185	5,543,068
↳ of which: financial assets sold and not derecognised	2,339	3,848	-	2,241	8,429	762,456
B. Increases	1,005,769	371,408	34,138	35,005	1,446,321	2,551,571
B.1 value adjustments	838,193	344,133	30,624	23,437	1,236,388	2,026,318
B.2 transfers from other categories of impaired exposures	142,543	3,672	3,512	21	149,748	252,744
B.3 other increases	25,032	23,603	2	11,548	60,185	272,509
C. Reductions	437,931	312,432	12,966	51,458	814,786	1,149,455
C.1 Writebacks from evaluation	258,130	114,219	7,325	37,831	417,504	507,478
C.2 Writebacks from recoveries	82,147	21,743	84	3,958	107,932	85,188
C.3 Write-offs	86,235	16,355	3,882	1,697	108,168	303,972
C.4 Transfers from other impaired exposures	151	140,243	1,675	7,679	149,748	231,081
C.5 Other increases	11,267	19,872	-	294	31,433	21,736
D. Gross exposure, closing balance	6,506,139	973,256	45,868	51,457	7,576,720	6,945,184
↳ of which: financial assets sold and not derecognised	7,187	4,127	-	1,207	12,521	8,428

The values were reported according to the rules applied for table A.1.5 in the Annual Report.



Table 6 - Disclosures for portfolios treated under the standardised approach and specialised lending and equity exposures treated under IRB approaches

Quantitative disclosure

Table 6.1 - Portfolios treated under the standardised approach

Standard portfolios	Classes of creditworthiness							Total	Deductions from regulatory capital
	1	2	3	4	5	6	No creditworthiness class applied		
Central governments and central banks	23,933,652	36,431	21,411	36,074	-	-	44,078	24,071,647	-
Supervised institutions	16,826,751	1,000,344	153,485	155,380	45,805	1,000	219,765	18,402,529	156,260
Regional governments and local authorities	3,847,514	-	-	10,762	-	602	-	3,858,878	-
Non-commercial and public sector entities	1,452,286	-	15,954	2,846	-	-	615,027	2,086,114	-
Multi-lateral development banks	384,773	-	-	-	-	-	-	384,773	-
International Organisations	-	-	-	-	-	-	102	102	-
Corporates and other persons	922,376	661,061	385,796	1,502,300	4,176	43,530	26,381,952	29,901,191	-
Retail exposures	-	-	-	-	-	-	11,530,843	11,530,843	-
Exposures to UCITS	-	-	-	-	-	-	399,055	399,055	-
Exposures secured by real estate property	175,778	-	-	-	-	-	21,738,484	21,914,262	-
Past due exposures	-	-	-	-	-	-	4,828,251	4,828,251	-
High-risk exposures	-	-	-	-	-	-	687,314	687,314	-
Securitization positions	15,054	397,628	69,762	15,547	1,671	5,478	5,206	510,345	-
Other exposures	-	-	-	-295	-	-	9,639,834	9,639,539	496,966
Total 30/06/2010	47,558,184	2,095,463	646,408	1,722,614	51,652	50,610	76,089,912	128,214,842	653,226
Total 31/12/2009	46,246,656	1,977,976	976,116	267,818	35,967	11,971	73,649,607	123,166,112	695,794

The Table shows the Banking Group's exposures subject to the standardised approach to credit risk; the exposures are reported by classes of creditworthiness (ECA/ECAI rating) and by regulatory exposure classes. The exposures are determined according to prudential supervisory regulations and take account of risk mitigation techniques (netting agreements, guarantees etc.).

Class 1 contains positions with the lowest risk weighting ratios which correspond to the best ratings (eg. Aaa for Moody's, AAA for Fitch and AAA for Standard & Poor's); the higher the creditworthiness class, the higher the risk weighting becomes, with class 6 defining the worse ratings (eg. Caa1 and lower for Moody's, CCC+ and lower for Fitch and CCC+ and lower for Standard & Poor's). The external ratings used in this table reflect the relevant treatment set out for prudential supervision purposes. The last column, "Deductions from regulatory capital" shows exposures not considered for weighting purposes as they are directly deducted from regulatory capital.



Table 7 - Credit risk: disclosures for portfolios treated under IRB approaches

Quantitative disclosure

Table 7.1 - Exposures to corporates - SMEs

PD Class	Exposure	Unused Amount ^(a)	Jun-10				dec-09
			Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	1,774,045	2,840,058	312,697	11.01%	36.18%	19.77%	1,600,409
Class 2	4,648,029	3,879,246	456,874	11.78%	33.88%	38.76%	4,496,051
Class 3	10,200,463	4,361,929	582,592	13.36%	32.98%	63.32%	11,349,674
Class 4	4,624,633	1,278,482	173,370	13.56%	33.15%	104.44%	5,573,452
Class 5	1,173,021	278,963	31,025	11.12%	33.40%	161.51%	1,109,703
Class 6	5,087,226	351,940	41,704	11.85%	38.90%	-	4,678,554
Total	27,507,417	12,990,618	1,598,262				28,807,843

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds

Table 7.2 - Exposures to corporates - Other companies

PD Class	Exposure	Unused Amount ^(a)	Jun-10				dec-09
			Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	2,477,292	5,339,665	741,770	13.89%	41.55%	18.12%	2,708,617
Class 2	5,820,659	7,616,642	1,419,317	18.63%	42.38%	49.72%	5,137,242
Class 3	5,484,394	5,848,139	1,180,085	20.18%	41.32%	83.98%	5,789,050
Class 4	1,252,370	518,541	81,269	15.67%	41.24%	145.95%	1,088,786
Class 5	384,739	130,402	40,938	31.39%	39.48%	222.32%	526,988
Class 6	1,223,911	271,400	62,880	23.17%	40.92%	-	963,112
Total	16,643,366	19,724,790	3,526,259				16,213,795

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds



Table 7.3 - Retail exposures - Secured by real estate - SMEs

PD Class	Jun-10						dec-09
	Exposure	Unused Amount ^(a)	Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	102,882	16,778	9,098	54.22%	22.78%	6.16%	28,825
Class 2	764,522	126,903	63,408	49.97%	22.92%	15.05%	244,768
Class 3	2,743,967	548,663	272,399	49.65%	23.60%	38.54%	724,584
Class 4	1,099,749	171,625	83,872	48.87%	23.36%	95.54%	263,023
Class 5	249,326	27,223	12,855	47.22%	23.68%	142.48%	73,857
Class 6	348,064	23,220	10,662	45.92%	21.55%	-	102,018
Total	5,308,511	914,411	452,295				1,437,074

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds

Table 7.4 - Retail exposures - Secured by real estate - Individuals

PD Class	Jun-10						dec-09
	Exposure	Unused Amount ^(a)	Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	6,300,467	49,767	21,277	42.75%	14.50%	4.46%	5,822,648
Class 2	10,668,247	31,616	9,044	28.61%	15.30%	9.18%	9,702,946
Class 3	5,813,350	38,489	13,994	36.36%	15.65%	21.80%	5,444,487
Class 4	923,504	9,384	2,431	25.90%	16.20%	68.44%	931,269
Class 5	195,800	1,328	414	31.17%	16.83%	102.00%	224,594
Class 6	443,340	8,517	1,417	16.63%	15.39%	-	496,174
Total	24,344,707	139,101	48,576				22,622,119

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds



Table 7.5 - Retail exposures - Qualifying revolving

PD Class	Jun-10						dec-09
	Exposure	Unused Amount ^(a)	Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	150	6,785	-	-	34.43%	2.73%	129
Class 2	381	2,245	-	-	34.85%	6.32%	535
Class 3	796	2,164	-	-	37.50%	19.35%	926
Class 4	193	103	-	-	42.43%	62.99%	260
Class 5	34	4	-	-	38.53%	121.02%	46
Class 6	54	178	-	-	52.55%	-	32
Total	1,609	11,479	-				1,928

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds

Table 7.6 - Other retail exposure - SMEs

PD Class	Jun-10						dec-09
	Exposure	Unused Amount ^(a)	Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	315,758	587,545	46,991	8.00%	34.97%	9.13%	364,339
Class 2	1,608,717	1,604,455	144,941	9.03%	34.29%	21.36%	1,885,178
Class 3	5,297,533	3,242,175	287,537	8.87%	35.73%	42.13%	6,557,696
Class 4	2,247,262	671,943	70,621	10.51%	36.72%	62.32%	2,947,850
Class 5	391,810	84,579	4,315	5.10%	36.84%	96.60%	521,565
Class 6	2,748,963	235,160	27,385	11.65%	49.80%	-	2,776,378
Total	12,610,044	6,425,857	581,789				15,053,007

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds



Table 7.7 - Other retail exposures - Individuals

PD Class	Jun-10						dec-09
	Exposure	Unused Amount ^(a)	Credit equivalent	Average Credit Conversion Factor (average CCF)	Average weighted LGD (LGD%)	Average Risk Weighting factor (RW%)	Exposure
Class 1	922,026	918,290	54,343	5.92%	18.73%	5.55%	982,587
Class 2	772,572	317,922	23,400	7.36%	19.63%	11.31%	901,793
Class 3	826,476	371,053	51,658	13.92%	24.35%	27.37%	832,294
Class 4	199,778	38,256	6,752	17.65%	24.71%	39.36%	229,112
Class 5	30,949	4,443	1,753	39.46%	26.57%	68.31%	36,993
Class 6	1,093,567	26,367	2,613	9.91%	40.32%	-	935,627
Total	3,845,367	1,676,331	140,519				3,918,406

(a) For reporting purposes, Unused Margins and respective Credit Equivalents refer to issued guarantees and revocable and irrevocable commitments to disburse funds



Table 8 - Risk mitigation techniques

Quantitative disclosure

Table 8.1 - Exposures secured by guarantees

Regulatory portfolio	Financial collaterals		Personal guarantees		Total	
	Jun-10	dec-09	Jun-10	dec-09	Jun-10	dec-09
Central Governments and Central banks	1,259	7,346,281	22,477	24,797	23,736	7,371,078
Supervised institutions	41,268,815	25,668,192	109,498	133,024	41,378,313	25,801,216
Regional governments and local authorities	400	10,010	58,421	79,704	58,820	89,714
Non-commercial and public sector entities	652,932	294,847	4,009	3,445	656,941	298,292
Multilateral development banks	136	702	-	-	136	702
International organisations	-	-	102	102	102	102
Corporates and other persons	8,761,299	11,502,566	16,973	99,407	8,778,272	11,601,973
Retail exposures	1,361,364	1,991,459	-	-	1,361,364	1,991,459
Short-term exposures to corporates	-	-	-	-	-	-
Exposures to UCITs	70	-	-	-	70	-
Exposures secured by real estate	20,066	8,731	-	-	20,066	8,731
Exposures in the form of covered bonds	-	-	-	-	-	-
Past due exposures	94,957	82,242	-	-	94,957	82,242
High risk exposures	-	-	-	-	-	-
Other exposures	21,043	25,007	-	-	21,043	25,007
Total	52,182,340	46,930,037	211,480	340,479	52,393,820	47,270,516

The table provides, by regulatory asset class, the exposures of the banking group considered for credit risk purposes - standardised method secured by financial collaterals and by personal guarantees. The exposures taken into consideration are determined according to prudential supervisory regulations, net of any netting agreements. Therefore, the table does not include all types of guarantees; for example, the exposures guaranteed by real estate are not included, since they are not recognised for the purpose of risk mitigation and are directly reported in the same class, as shown in table 6.1. There are no exposures hedged with credit derivatives, which are valid for the purpose of the risk mitigation techniques.



Table 9 - Counterparty risk

Quantitative disclosure

Table 9.1 - Counterparty risk: derivatives

	Gross Positive Fair value (book values)	Effect of netting agreements	Netted Fair value	Effect of collateral arrangements	Net Credit Exposure
Derivatives as at 30/06/2010	12,937,473	10,855,591	2,081,882	792,885	4,773,704
Derivatives as at 31/12/2009	9,801,392	7,902,089	1,899,304	497,313	4,102,662

The table represents the exposure of the Banking Group to counterparty risk for derivative instruments. All the financial and credit derivatives traded over the counter (OTC) with any counterparty (institutional, corporate, retail counterparties etc.) are included in the table irrespective of the regulatory (trading and banking) portfolio they belong to. In particular, the "gross positive fair value" corresponds to the book value of the above-mentioned contracts and therefore is inclusive of the netting agreements. The "Nettings" represent the gross positive fair value amount, which as a result of the agreements executed with the counterparties, is offset with negative value transactions. The "net offset fair value" indicates the positive fair value amount remaining after the compensations. The "Exposure" is a value calculated according to prudential regulatory requirements. In the current value method adopted by the Montepaschi Group, it is based on the positive fair value net of nettings; this value is increased by the future credit exposure (add-on) and reduced by the effects of the guarantee agreements. The future credit exposure takes account of the probability that in future the current value of the contract, if positive, may increase or, if negative, may become a credit position. This probability is linked with the volatility of the underlying market factors and the residual maturity of the contract. In other terms, it is calculated on the basis of the notional amount of all the derivatives taken into consideration, both with a positive and negative fair value. With regard to LSTs (Long Settlement Transactions) and SFTs (Securities Financing Transactions), the overall exposure recorded comes to approximately Euro 1.82 billion.

Table 9.2 - Derivatives: breakdown of positive fair value by type of underlying

	Interest rates	Foreign currencies and gold	Equity securities	Credits	Other	Total
Derivatives as at 30/06/2010	11,654,732	264,306	242,100	770,035	6,300	12,937,473
Derivatives as at 31/12/2009	8,583,605	533,152	257,560	402,335	24,740	9,801,392

The table illustrates the breakdown of the positive gross fair value of OTC derivative contracts by type of underlying assets.

Table 9.3 - Credit Derivatives: notional amounts

Gruppo di Prodotti	Banking Book		Regulatory Trading Book	
	Protection purchases	Protection sales	Protection purchases	Protection sales
Credit default swaps	362,830	-	22,337,762	22,178,879
Total as at 30/06/2010	362,830	-	22,337,762	22,178,879
Total as at 31/12/2009	347,610	-	13,497,945	13,183,675

The table shows the notional values of credit derivative contracts, by portfolio (banking and trading book) and the role played by the Montepaschi Group (buyer/seller of protection).



Table 10 - Securitisation transactions

Quantitative disclosure

Securitisation transactions effected in the first half of 2010

In order to improve its mid/long term financial profile, the Montepaschi Group's BoD authorised the setup of a plan to launch Covered Bonds, following up with the inaugural issue on 22 June for an amount of Euro 1 bln

The strategic reasons leading to the offer of Covered Bonds as a privileged instrument for the improvement of the Group's mid/long term financial profile can essentially be traced to 2 sets of factors:

- developments within the financial markets which made "secured" instruments such as Covered Bonds more appealing compared to "unsecured" debt;
- opportunity of significant benefits from an extension of maturities, reduction of funding costs and diversification of lending sources.

the issue of covered bonds) consisting in cash and assets (land and residential mortgages).

The available-for-sale portfolio at the valuation date (21/05/2010) contained 36,711 performing residential mortgages from BMPS (including the former branches of Banca Agricola Mantovana, Banca Antonveneta and Banca Toscana merged into Banca Monte dei Paschi di Siena) in the area of real estate and construction, secured by first mortgages and in line with payment of instalments at the portfolio valuation date.

The selling price amounts to Euro 4,416,091,531.98 equivalent to the accounting value of the mortgages.

As already occurs with securitisations, this transaction is *served* by the Originator (Banca MPS).

The available-for-sale portfolio of the new securitisation includes the 'Cover Pool' (i.e. the pool of assets held by the Vehicle company and pledged as a guarantee in

With regard to Covered Bonds, it is not the vehicle company that issues the Securities but Banca MPS directly.



Features of the securities include:

Amount:	Euro 1 billion
Rating:	AAA/Aaa (Fitch/Moody's)
Issuer:	Banca MPS S.p.A.
Type :	Issue of ordinary, non-subordinated, non-convertible euro-denominated bonds with a fixed rate of 3.125%
Legal maturity:	5 years, extendable for a further 12 months.

Table 10.1 - Underlying securitisation exposures

Type of securitised asset	Exposure	
	net	of which impaired
Non-performing loans	180,230	180,230
Mortgage loans	17,909,400	-
Bonds and credit derivatives	24,150	-
Other performing loans	-	-
Total as at 30/06/2010	18,113,780	180,230
Total as at 31/12/2009	15,098,729	189,743



Table 10.2 - Type of exposure by risk weight bands

Exposures/Underlying assets	Risk weight band						Total
	20%	50%	100%	350%	1250%	1250% no Rating	
Originated securitisations	-	-	-	-	-	5,206	5,206
Residential mortgage loans	-	-	-	-	-	5,206	5,206
Third party securitisations	15,054	397,628	69,762	15,547	7,149	-	505,139
Bonds	-	-	-	-	-	-	-
Non-performing loans	-	49,809	-	-	-	-	49,809
Residential mortgage loans	5,277	1,309	3,339	237	4,116	-	14,278
Loans	7,548	343,072	64,228	12,862	1,671	-	429,380
Commercial mortgage loans	1,223	-	2,195	2,448	-	-	5,865
Consumer Loans	-	-	-	-	1,362	-	1,362
Leasing	1,007	-	-	-	-	-	1,007
Re-securitisations	-	3,438	-	-	-	-	3,438
Total 30/06/2010	15,054	397,628	69,762	15,547	7,149	5,206	510,345
Total 31/12/2009	20,284	413,057	70,468	14,965	5,671	5,393	529,839

The table above details the exposures to securitisations by risk weight bands and type of transaction. The amounts shown, in line with prudential regulations, relate to the 'self' and 'third-party' securitised exposures included in the banking book and, therefore, do not include the exposures to securitisations included in the regulatory trading book. It is noted that, in compliance with supervisory regulations, self-securitisations do not include securitised assets:

- that refer to transactions that are not recognised as securitisations for prudential supervisory purposes, since they do not entail the actual transfer of credit risk,
- whose overall risk-weighted value of exposure to the same securitisation exceeds the risk-weighted value of underlying securitised assets, calculated as if they had not been securitised (cap test).

Both in the case of a) and b), capital requirements are calculated in relation to securitised assets and not to the corresponding securitisation exposures. Additionally, securitised assets are classified in their original regulatory classes (exposures secured by real estate, etc.) and are therefore excluded from "securitisations".



Table 13 - Equity exposures: disclosures for banking book positions

Quantitative disclosure

Table 13.1 - Equity exposures: disclosures for banking book positions

Type	Book Value	Fair Value	Market Value	Exposure	Realised gains/losses	Unrealised gains/losses	
						Total	of which included in Tier 1 and Tier 2 capital
Available For Sale securities (A)	536,571	536,571	x	536,571	21,662	79,264	39,632
quoted	239,728	239,728	239,728	239,728	18,197	52,615	26,308
unquoted	296,843	296,843	x	296,843	3,465	26,649	13,325
Investments (B)	114,486	x	x	198,753	-1,323	-	-
quoted	-	x	x	-	-	-	-
unquoted	114,486	x	x	198,753	-1,323	-	-
Total 30.06.2010 (A+B)	651,057	536,571		735,324	20,339	79,264	39,632
quoted	239,728	239,728	239,728	239,728	18,197	52,615	26,308
unquoted	411,329	296,843	x	495,596	2,142	26,649	13,325
Total 31.12.2009 (A+B)	659,126	597,609		747,184	245,225	108,754	54,377

x = value not attributable

PN = Patrimonio Netto, Net Equity

PB, PS = Patrimonio di Base (Core Capitale) and Patrimonio Supplementare (Supplementary Capital), respectively

Note: The table illustrates exposures in capital instruments broken down by the respective accounting portfolio. Values refer to the exposures included in the Banking Book and do not include exposures in capital instruments which are deducted for the calculation of Regulatory Capital. In the column "Exposure" the related value is calculated according to the rules of Prudential Supervision and thus differs from the Book value. The value of the Exposure also includes the value of the shareholding in MPS Tenimenti which, for prudential purposes, is calculated with the net equity method while for Financial Statements the comprehensive method is applied.



Table 14 - Interest rate risk on positions in the banking book

Quantitative disclosure

The sensitivity of the Montepaschi Group, at the end of June 2010, suggests a profile of exposure to rate hike risk. Under a +200 bp shift in rate curves, total economic value sensitivity stands at -2.259,81 €/mln, up on end 2009. Risk is almost entirely associated with Euro-denominated exposures.

Under a +200 bp shift in rate curves, total economic value sensitivity stands at

Table 14.1 - Interest Rate Risk in the Banking Book (IRRBB)

Shift (+/-)	Effect on Economic Capital (EUR/ mln)	
	Jun-10	dec-09
Eur +200bp	-2,224.48	-1,239.23
Usd +200bp	-16.48	5.16
Altro +200bp	-18.86	-17.66
Totale +200bp	-2,259.81	-1,251.74
Eur -200bp	2,192.07	1,634.74
Usd -200bp	12.50	1.75
Altro -200bp	21.33	13.94
Totale -200bp	2,225.90	1,650.44

The amount of the economic value at risk is, in any case, fully consistent with the amount of Tier I capital and Regulatory Capital and is well below the level considered as a critical threshold (set at 20% for a rate shock of 200bp) by the New Capital Accord (Basel II).



Declaration of the Financial Reporting Officer

Pursuant to para. 2, article 154-bis of the Consolidated Law on Banking, 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.

Siena, 26 August 2010

Daniele Bigi

Financial Reporting Officer



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