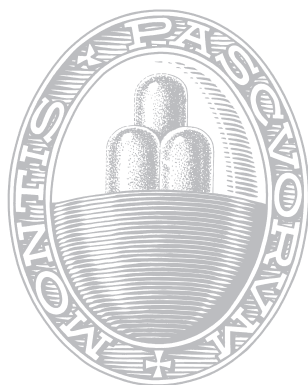


Pillar 3 Disclosure

31 March 2010



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



Pillar 3 Disclosure

31 March 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 hereinafter the “Circular”).

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 around three complementary elements (“Pillars”).

More specifically, Pillar 3 was designed on

the notion that Market Discipline can be

harnessed to reinforce capital regulation

to promote safety 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

information, that is fully comprehensive

and reliable, on capital adequacy,

risk exposures and risk identification,

measurement and management processes.

In Italy, Pillar 3 disclosure is pursuant to

Title IV, Chapter 1 of Bank of Italy Circular

263 of 27.12.2006 (“New Regulations

for the Prudential Supervision of Banks”,

Under the Circular, banks that are

authorised to use internal models in their

assessment of capital requirements for

credit or operational risk - as is the case

with the Montepaschi Group - are required

to publish at least a quarterly report, on

the basis of differentiated criteria and

approaches.

The information provided is both qualitative

and quantitative and is presented in four

tables as defined in Appendix A, Title IV,

Chapter 1 of the aforementioned Circular.

In accordance with regulations, therefore,

the current document provides an update

of the quantitative information contained

in Tables 3 and 4 with regard to the

breakdown of Regulatory Capital and

Capital Adequacy respectively, as at 31

March 2010.

For other information not contained in

this document, please refer to the 2009 full

year Report.

Information has been updated according

to the templates and criteria adopted for



previous reports. It should be noted that the quantitative information provided herein is not subject to specific reporting to the Bank of Italy and is the result of an assessment process that endeavours to be as accurate as possible.

The Update is prepared by the Parent Company at consolidated level.

Unless otherwise indicated, all the amounts in this report are stated in TEUR (Thousand Euros).

The Montepaschi Group regularly publishes its Pillar 3 disclosure on its website at: www.mps.it/Investor+Relations.



Table 3 - Regulatory capital

Quantitative information

Table 3.1 - Breakdown of Regulatory Capital

	mar-10	dec-09
Total Tier 1 positive items	17.830.316	17.689.738
Total Tier 1 negative items	8.105.021	8.028.078
Total items to be deducted	560.180	568.233
Tier 1 capital - Tier 1	9.165.115	9.093.427
Total Tier 2 positive items	6.266.447	6.349.436
Total Tier 2 negative items	48.941	84.385
Total items to be deducted	560.180	568.233
Tier 2 capital - Tier 2	5.657.326	5.696.818
Items to be deducted from Tier 1 and Tier 2 capital	416.777	409.818
Regulatory Capital	14.405.664	14.380.427
Tier 3 capital - Tier 3	-	-
Regulatory Capital inclusive of Tier 3 Capital	14.405.664	14.380.427



Table 3.1.1 - Breakdown of Tier 1 and Tier 2 Capital

	mar-10	dec-09
Capital	4,553.774	4,553.774
Share premium	4,048.066	4,048.671
Reserves	6,065.117	5,842.272
Non-innovative capital instruments	470.596	470.596
Innovative capital instruments	650.000	650.000
Profit for the period	142.763	224.426
Prudential filters: increases in Tier 1 capital	1,900.000	1,900.000
Total Tier 1 positive items	17,830.316	17,689.738
Treasury shares	40.314	32.079
Goodwill	6,723.204	6,723.204
Other intangible assets	797.638	803.156
Loss for the period	-	-
Other negative items	-	-
Prudential filters: decreases in Tier 1 capital	543.865	469.639
Total Tier 1 negative items	8,105.021	8,028.078
Shareholdings in credit and financial institutions with a share of $\geq 20\%$ of the equity of the investee	45.284	50.566
Shareholdings in credit and financial institutions with a share of $> 10\%$ but $< 20\%$ of the equity of the investee	28.240	30.090
Shareholdings in credit and financial institutions with a share of $\leq 10\%$ of the equity of the investee	-	-
Shareholdings in insurance companies	61.411	62.332
Surplus of expected losses in respect of related write-downs	425.245	425.245
Total items to be deducted	560.180	568.233
Total Tier 1 capital	9,165.115	9,093.427



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

	mar-10	dec-09
Valuation reserve	161.156	226.258
Non-innovative capital instruments not eligible for inclusion in Tier 1 capital	-	-
Hybrid capitalization instruments	3.191.978	3.191.978
Subordinated liabilities	2.913.313	2.931.200
Total Tier 2 positive items	6.266.447	6.349.436
Other negative items	3.228	5.462
Prudential filters: deductions from Tier 2 capital	45.713	78.923
Total Tier 2 negative items	48.941	84.385
Shareholdings in credit and financial institutions with a share of $\geq 20\%$ of the equity of the investee	45.284	50.566
Shareholdings in credit and financial institutions with a share of $> 10\%$ but $< 20\%$ of the equity of the investee	28.240	30.090
Shareholdings in insurance companies	61.411	62.332
Surplus of expected losses in respect of related write-downs	425.245	425.245
Total items to be deducted	560.180	568.233
Total Tier 2 capital	5.657.326	5.696.818
Items to be deducted from Tier 1 and Tier 2 capital	416.777	409.818
Regulatory Capital	14.405.664	14.380.427
Tier 3 Capital	-	-
Regulatory Capital inclusive of Tier 3 Capital	14.405.664	14.380.427



Table 4 - Capital Adequacy

Quantitative information

Table 4.1 - Capital requirements and capital ratios

	mar-10	dec-09
Credit Risk		
Standardized approach	6.257.678	6.453.797
Advanced Internal Rating Based approach	3.036.199	2.958.171
Total	9.293.877	9.411.968
Market Risk		
Standardized approach	638.924	580.144
Internal models	-	-
Concentration risk	-	-
Total	638.924	580.144
Operational Risk		
Foundation approach	53.714	53.714
Standardized approach	-	-
Advanced approaches	649.844	648.544
Total	703.558	702.258
Adjustment to capital requirements for intra-group transactions	-1.097.992	-1.072.389
Regulatory Capital Floor	218.035	49.961
Other requirements	-	-
Aggregate Capital Requirements	9.756.401	9.671.942
Risk-weighted assets	121.955.012	120.899.279
Tier 1 Ratio	7,5%	7,5%
Total Capital Ratio	11,8%	11,9%



Table 4.2 - Capital requirements for Credit Risk

Standardized Approach	mar-10	dec-09
Exposures to governments and central banks	350	363
Exposures to local authorities	54.800	52.307
Exposures to non-profit organisations and public institutions	59.546	81.787
Exposures to multilateral development banks	-	-
Exposures to international organisations	-	-
Exposures to regulated intermediaries	346.265	325.301
Corporate exposures	3.315.983	3.778.744
Retail exposures	722.411	782.819
Exposures secured by real estate	648.999	355.302
Past due exposures	488.599	448.817
Exposure to high risk counterparties for regulated purposes	91.909	96.606
Exposures in the form of guaranteed bank bonds	-	-
Short term corporate exposures	-	-
Exposures to Undertakings for Collective Investments (UCI's)	28.927	27.886
Other exposures	464.847	466.126
Exposures to securitizations	35.042	37.739
Total Standardized Approach	6.257.678	6.453.797
Advanced Internal Rating Based Approach		
Corporate exposures	2.140.476	2.186.615
Retail exposures	894.122	769.712
↳ Secured by real estate	486.667	312.801
↳ Qualifying revolving	29	36
↳ Individuals	407.426	456.874
Other assets	1.601	1.844
Total Advanced Internal Rating Based Approach	3.036.199	2.958.171
Total Credit Risk	9.293.877	9.411.968



Table 4.3 - Capital requirements for Market Risk

Standardized Approach	mar-10	dec-09
General risk	374.288	337.647
Specific risk	178.022	179.507
Position risk of units in collective investment undertakings (UCI's)	50.627	29.874
Options	9.485	9.113
Exchange risk	26.502	24.004
Position risk in commodities	-	-
Total Standardized Approach	638.924	580.144
Internal models		
Total Internal models	-	-
Concentration risk	-	-
Total Market Risk	638.924	580.144

Table 4.4 - Capital requirements for Operational Risk

Requirements by approach	mar-10	dec-09
Foundation approach	53.714	53.714
Standardized approach	-	-
Advanced approaches	649.844	648.544
Total Operational Risk	703.558	702.258

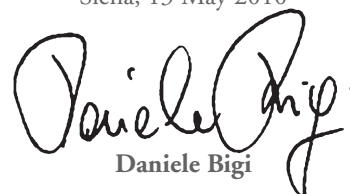


Declaration of the Financial Reporting Officer

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 document corresponds to the underlying documentary evidence and accounting records.

Reporting Officer, Mr. Daniele Bigi,
declares that the accounting information
contained in this document corresponds to

Siena, 13 May 2010



Daniele Bigi

Financial Reporting Officer



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