GRUPPO**MONTEPASCHI**

PRESS RELEASE[1]

Montepaschi Group 2008 Results Approved

Group net income at EUR 953[2] mln inclusive of integration charges (EUR 321.9 mln)
and asset writedowns (EUR 542.3 mln[3])
Basic income up 2,5% yoy, costs down 0,8% yoy
Costs synergies exceeded BP targets
Equity net of goodwill stood at EUR 8.1 mld (+24% over September 2008)
BMPS net income at EUR 1,223 mln

2008 Highlights

Montepaschi Group business soundness and brand power were confirmed

- Interest income: +8.2% yoy (+3.8% in Q4 vs/. Q3)
- Basic income +2.5% yoy
- Direct funding: +3.6% yoy; Loans: +6.9% yoy

Group reorganization picked up speed, with cost synergies exceeding BP targets

1) Headcount:
- Net exits: 1,100 employees[4] (or 92% of BP target)
- Headcount net reduction before asset disposal expected to amount to 2,000 employees by 2011 (thus exceeding the 1,200 target), with further structural cost savings vs BP target
- 700 employees (or 93% of BP target) were requalified from back-office to front-office tasks

2) Other administrative expenses:
- The 2008 cost synergy target was exceeded. Further synergies in the amount of EUR 115 mln are expected for 2009.

3) Group reorganization:
- The merger by incorporation of BAM and Banca Antonveneta was completed; the integration of Banca Toscana into BMPS will become legally effective on 03/30/09
- Integration charges amounted to EUR 321.9 mln (or 56% of BP total i.c.), of which around EUR 50mln refer to exits to be completed in 2009.

A strict budget policy was implemented to reduce risks

1) Impairment of financial assets and goodwill amounted to EUR 542.3mln (of which EUR 399.6mln in Q4)
2) Lending expenses: 73bps

Capital ratios were strenghtened

1) Net Equity: +4,5% over September 2008; Equity net of goodwill per share: EUR 1.20
2) Total Assets/Equity Ratio: 14.4 times (vs/. 14.8 times in Sept. 2008)
3) Weight of financial assets: 12.6% vs/. 13.4% in June 2008

The BoD resolved to apply for the issue of EUR 1.9 bln's worth of special bonds to be bought by the Italian Ministry of Economy and Finance. The company intends to repay those bonds by June 2013 with the revenues from the asset disposal process started in 2008 and any capital management measures that should be deemed necessary.

4) Tier I Ratio at 5.6%. BIS II AIRB floor RWAs at 90%. Tier I Ratio at 7,1% post T-Bond.

The Board of Directors recommended that a dividend of Euro 0,013 per ordinary share be approved by the Shareholders' Meeting to be held in first call on April 29th.

First 2009 results and outlook:

- Growth of the main commercial aggregates as of February 2009: Direct Funding +9.8% yoy
- Good performance of the finance and bancassurance business in the first two months of 2009
- Doubtful loans as of February 2009: +4.3% yoy
- 2009 operating costs: a decrease by <u>at least</u> 3% over 2008 is expected

1Data at 31/12/2008 include Antonveneta economic values (5 months). 2007 data were restated with the same criteria used for 2008 data and include Banca Antonveneta and Biverbanca figures (12 months).
2 Post-PPA net profit (with contribution of BAV from the start of the year). Net profit (as showed in accounting shemes) includes Antonveneta contribution for 7 months and is around 923 mnl€.
3 Writedowns of goodwill and financial assets.
4 Does not include 218 exits from asset disposal transactions (Intermonte SIM, MPS AM SGR and minor companies).

Montepaschi Group consolidated results - Highlights

Siena, March 27th, 2009 – Yesterday the Board of Directors of Banca Monte dei Paschi di Siena Spa approved the Montepaschi Group accounts as of December 31st, 2008.

2008 was characterized by a significant decline in production, buying and selling, as well as by an increasingly serious crisis of the asset management business and by higher corporate default rates. The size of those phenomena increased over the year. Despite such a difficult scenario, the Montepaschi Group strenghtened its relationships with its customers by focusing on its traditional lending business, by adjusting the supply of products and services to customer requirements and by completing a major organizational and commercial restructuring consistent with the 2008-2011 Business Plan guidelines (including the merger by incorporation of Banca Antonveneta and Banca Agricola Mantovana into the Parent Bank, BMPS). The consolidated **net income** of the Montepaschi Group before Purchase Price Allocation (PPA) amounted to EUR 1,020 mln (EUR 953 mln after PPA). This good performance was also the consequence of a strict policy that favoured writedowns and provisions.

Tangible net equity stood at EUR 8,115 mln (+24% over September 2008). Tier I ratio came to 5.6%. The Group is still focusing on asset disposal as a way to pay back the subordinated debt as soon as possible.

With respect to capital and commercial aggregates, volumes grew, as did market share. Core revenues (basic income) were up by 2.5%.

More specifically, an analysis of **consolidated total revenues** on a like-for-like basis highlights the following:

- **Interest income** grew by 8.2% over 2007. On a quarterly basis, Q4 was up 3.8% from Q3 2008 and 3.9% from Q4 2007. The last three months of 2008 benefited from the positive contribution of commercial aggregates as well as from the half-year component (approx. EUR 25 mln) of junior notes, as was the case in Q4 2007 and in H1 2008.

- **Fees decreased by 9% compared to 2007** as a consequence of the negative trend of income from the asset management business, which suffered both from negative market performance and from the disinvestments that hit this sector as a whole.

  Moreover, Q4 results were affected by the definitive restatement after the reorganization of the group which caused a one-off negative impact in the amount of approx. EUR 21 mln. When purged of that, the structural contribution of fees for the quarter would have amounted to **EUR 418 mln**.

- **Net income from trading/valuation of financial assets** was negative by approx. EUR 113 mln, with Q4 being in the negative by approx. EUR 167 mln due to the adjustment of the securities and derivatives portfolio to current market values, which were seriously penalized by the market crisis becoming more severe in the last part of the year.

The Montepaschi Group availed itself of the amendment to IAS 39 and IRS 7 issued by the IASB on 10/13/08, pursuant to which certain financial assets other than derivatives can be restated and moved from items "valued at fair value" to other categories under particular circumstances[5].

Total revenues also included **dividends, similar income and profit/losses from equity investments. These totalled approx. EUR 15 mln, down from approx. EUR 151 mln in 2007 (**which however benefited from **a positive contribution of ~EUR 98 mln by the Group's insurance companies, which in 2008 was negative by approx. EUR 30 mln).**

As a whole, **consolidated total revenues** stood at EUR 5,952.5 mln.

Highlights on costs associated to lending and financial assets include the following:

- **Net provisions and adjustments to impaired loans** amounted to EUR 1,065.2 mln **(up 20.4% on a like-for-like basis) and include writedowns associated to the Fingruppo/Hopa stake (EUR 54 mln).** This results in a provisioning rate of approx. 73 bps on end-of-year loans (or approx. 70 bps when purged of the Hopa/Fingruppo writedowns).

- **Net provisions and adjustments of impaired financial assets** were positive by approx. EUR 5 mln.

To cope with external challenges, which became even more serious in the last part of the year, the structural cost reduction measures taken in previous years were intensified. **Operating charges decreased by 0.8% on a like-for-like basis,** partially as a result of administrative cost synergies in the amount of approx. **EUR 55 mln** (compared to the EUR 48 mln stated in the BP) and **of the structural benefits from the headcount reduction and rearrangement** implemented both in the second half of the previous fiscal year and in 2008. In particular, 1,100 net exits were posted to the 2008 accounts (plus 300 more to be achieved in 2009), accounting for 92% of the BP target. More specifically, incentive-based headcount reduction measures (early retirement incentives and solidarity fund) involved 1,426 employees (1,119 of whom left the Group in 2008, with 307 more to follow in 2009). 690 employees left as part of ordinary turnover and 710 new employees joined the network. Based on the flows planned for 2009, a reduction of about 2,000 units before asset disposal is expected by 2011 (well above the BP target of 1,200 units), with further **structural economies compared to BP 2011 estimates**. The enhancement of the distribution network is also well ahead of the target, following the conversion of 700 employees (93% of the BP target) from back-office to front-office tasks.

More specifically:

- **Personnel expenses** amounted to approx. EUR 2,449 mln, down **0.6%** despite the increase caused by the renewal of the collective labour agreement (with the new salary tables effective since January 1st, 2008).

[5] Total benefit after taxes: approx. EUR 112 mln.

- **Other administrative expenses** amounted to approx. EUR 1,326 mln, down 0.7% despite the project costs associated to the development of the new Group Business Plan, mostly as a result of aggressive cost management actions.

- **Net value adjustments to tangible and intangible assets** decreased by 4.1% and stood at approx. EUR 157 mln.

As a result of the above, **net operating income** stood at approx. EUR 961 mln. As highlighted above, such income reflects the impact of an unprecedented financial crisis, which translated into total writedowns of equity stakes and securities held for trading in the amount of approx. EUR 300 mln. If purged of that, and of the one-off gains posted in 2007 (mainly EUR 160 mln from the disposal of the Borsa Italiana stake), the "structural" operating income would remain unchanged year on year.

Finally, a contribution to net income also came from a number of non-core business transactions **whose total contribution was negative by approx. EUR 847 mln.** More specifically, positive items included: **income from investment disposal** (approx. EUR 28 mln) associated to the sale of real estate property by MP Banque and Banca Toscana, and **income from equity investments** (approx. EUR 176 mln) mostly associated to the sale of Banca Depositaria to the Intesa-San Paolo Spa Group on May 14, 2008 (resulting in a capital gain of approx. EUR 198 mln) and the disposal of the Fontanafredda and Finsoe stakes (which resulted in a profit of approx. EUR 30 mln and a loss of approx. EUR 35 mln, respectively). Negative items include: **net provisions for risks and charges and other operating income/charges amounting to approx. –EUR 187 mln; value adjustments to goodwill**[6] **and other financial assets (approx. EUR 542 mln, of which EUR 151 mln** resulting from the IAS 36 impairment test) and **charges in the amount of approx. EUR 322 mln** (EUR 162 mnl in Q4 alone) associated to the integration of Banca Antonveneta into the Montepaschi Group and the related re-organization initiatives resolved as part of the Business Plan. These account for 56% of total charges planned for the three-year period[7].

As a result of the above, **operating income before taxes** stood at approx. EUR 114 mln.

Finally, **income taxes for the year** were positive by approx. EUR 845 mln, as the balance between the positive effect of goodwill franking as per Art..15 of LD 185/08 (approx. EUR 1,190 mln) and the negative value (approx. EUR 345 mln) of income taxes for the year and **profit (losses) from asset groups due for disposal after taxes** (approx. EUR 71 mln) mainly associated to Mps Asset Management Sgr SpA and its subsidiaries, to Banca Monte Parma and Quadrifoglio Vita.

The consolidated **net income** of the Montepaschi Group before Purchase Price Allocation (PPA) stood at EUR 1,020 mln (EUR 953 mln post-PPA).

Moving to individual Group business units, satisfactory results were posted both by Banca MPS and by Banca Toscana.

6 According to valuations supported by influential independent experts
[7]For a more detailed analysis, a summary of 2008 non-recurring items is attached to the exhibits.

Banca MPS

- Net income: EUR 1,223 mln

Banca Toscana

- Net income: EUR 145 mln

With respect to *Segment Reporting* obligations under IAS 14, here follow the main highlights:

Commercial Banking/Distribution Network:

- Total revenues: -2.2% year on year
- Net operating income: -11.6% year on year
- Customer loans: +5.7% year on year

Private Banking/Wealth Management:

- Total revenues: -17.6% year on year
- Net operating income: -54.5% year on year
- Direct funding: +25.8% year on year

Corporate Banking/Capital Markets:

- Total revenues: +4.0% year on year
- Net operating income: -11.2% year on year
- Customer loans: +4.0% year on year

Capital Aggregates

In 2008 the commercial operations of the Montepaschi Group (lending and asset management) resulted in a significant increase of the main capital aggregates and associated market shares.

Direct funding stood at EUR 142.5 bln (+3.6% yoy), with indirect funding close to EUR 130 bln. With respect to total funding, total stocks were up by approx. **EUR 8 bln** if purged of the impact of declining financial asset prices caused by the financial crisis.

More specifically, in 2008 the Montepaschi Group (inclusive of Biverbanca and Antonveneta) placed approximately **EUR 11 bln's worth** of savings products, broken down as follows: insurance premiums **EUR 3.3 bln**; linear/structured bonds **EUR 16.5 bln;** mutual funds/Sicavs approx. –EUR 8.8 bln.

Customer loans exceeded EUR 145 bln (+6.9% yoy).

Furthermore, the Montepaschi Group (inclusive of Biverbanca and Antonveneta) posted a significant growth in terms of both lending and market share. **Mortgage loans** granted by the Group's commercial networks stood at approx. EUR 8.9 bln; **consumer credit** amounted to approx. EUR 3 bln; Mps Capital Services Banca per le imprese disbursed over EUR 3.6 bln's worth of loans.

With respect to credit quality, the Montepaschi Group closed 2008 with a EUR 7.3 bln net exposure to impaired loans. On a like-for-like basis, the impaired loans/total loans ratio was approx. 5%, whereas the NPL & watchlist loans/total loans ratio, purged of any writedowns, was approx. 4%.

Loan loss provisions were up from the end of last year and accounted for 43.0% of total gross exposure. More specifically, they accounted for 56.8% (vs. 51.6% at Dec. 31st 2007) of gross NPLs, whose coverage by commercial banks is usually 60% on average.

Following the allocation of the Antonveneta purchase price to different asset classes, goodwill decreased by EUR 981 mln. Equity net of goodwill stood at EUR 8,115 mln (+24% compared to September 2008). Tier I ratio reached 5.6%. The BoD of the Parent Bank gave the CEO a mandate to consider and investigate the type of "Tremonti Bonds" in the amount of EUR 1.9 bln, with a target of resulting positive impact on the Tier I ratio of 150 bps. At the same time, the Group is still focusing on asset disposal as a way to pay back the subordinated debt as soon as possible.

Outlook for the current fiscal year

The economic crisis worsened in the first two months of 2009, and confidence in the prospects of global economy deteriorated even further. With respect to profitability, the decrease in market rates caused a (currently fairly limited) decline in margins, offset by a moderate growth of the lending business from 2008 (with special emphasis on medium-long term loans). 2009 commerciali policies will remain focused on a very strict management of spreads and on a rigorous selection of loans. The contribution of finance was higher than expected.

With respect to credit quality at the end of February, new doubtful loans from the commercial networks and MPS Capital Services grew by 4.3% over the same period of 2008.

On the **positive side, expense trends** appear to be improving as a result of the structural cost-limiting measures associated to the actions envisaged by the Business Plan, which are being executed faster than expected (especially so on the personnel side). A reduction of total operating expenses of at least 3% is expected in 2009.

When approving the impairment test on Group assets pursuant to IAS 36, the BoD, in the light of the new macro-economic scenario, considered updating those economic and financial projections that include a number of non-up-to-date external variables of the Business Plan. Expecting the current situation to remain unchanged until the end of 2010, the Board checked the sustainability of the impairment test on goodwill considering the time span envisaged by IAS between 2009 and 2013. The BoD gave the General Manager a mandate to take any measures and to put forth any recommendations that might be conducive to effectively fighting the deteriorated reference scenario. However, the Board believes the extent of the crisis did not change the internal strategic and structural guidelines and decisions of the Plan, which is being executed according to schedule.

This press release will be posted on the following Web site: www.mps.it

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In accordance with Section 2, Article 154-bis of the Italian Consolidated Law on Finance (TUF), the Financial Reporting Manager Daniele Pirondini, declares that the accounting information contained in this press release corresponds to documentary records, ledgers and accounting entries.

MONTEPASCHI GROUP RESTATEMENT CRITERIA AND RESTATED FINANCIAL SCHEDULES

As mentioned in the previous chapters, in 2008 the MONTEPASCHI Group made an extensive restructuring effort that had its peak in the merger by incorporation of Banca Antonveneta at the end of December. Consequently, the **Group results at Dec. 31, 2008** analyzed in the chapters that follow **were restated by assuming Banca Antonveneta had joined the Group at the beginning of the year[8], in order to make the evolution of trends more easily understandable.**

In the schedules below, both the P&L and the balance sheet were restated according to operating criteria. Also, Banca Antonveneta's results during the first five months of 2008 were integrated on a line-by-line basis (for further details please see the Exhibits section, which includes the reconciliation schedules).
More specifically, the main changes to the <u>P&L account for the two fiscal years</u> were aggregations of items and restatements aimed at making the evolution of trends more easily understandable.
Highlights at 31/12/2008 include the following:

a) The restated P&L item **"Net income from trading/valuation of financial assets"** includes items No. 80 (Net income/loss from trading), 100 (Income/loss from sale or purchase of loans & receivables, financial assets available for sale and held to maturity and financial liabilites) and 110 (Net income from financial assets/liabilities valued at fair value), plus dividends from a number of "complex" securities transactions closely related to trading (approx. EUR 586 mln at 31/12/08), adjusted for these transactions' funding costs (approx. EUR 23 mln), which were deleted from "Interest and similar expenses". Furthermore, approx. EUR 4.5 mln's worth of income from sale of loans & receivables were deleted from this aggregate and posted to "Net value adjustments to impaired loans & receivables", since they can be regarded as loan writeups from an operational standpoint.

b) The restated P&L item **"Dividends, similar income and income/loss from equity investments"** includes items No. 70 "Dividends and similar income" and No. 240 "Income/Loss from equity investments" (negative by approx. EUR 30 mln at 31/12/2008). Furthermore, this aggregate was purged of the dividends from a number of complex transactions, as described above.

c) The restated P&L item **"Net loss provisions for impaired loans"** was determined by restating approx. EUR 49 mln's worth of charges (value adjustments to junior notes: EUR 43.5 mln; charges associated to financial schemes: approx. EUR 8 mln), which were more accurately posted to "Net provisions for risks and charges and other operating income/charges". Furthermore, approx. EUR 4.5 mln's worth of income from the sale of loans & receivables were deleted from "Income from sale of loans & receivables (see a) above) and reallocated.

d) The restated P&L item **"Net loss provisions for impaired financial assets"** was purged from any writedowns (approx. EUR 391 mln), which were posted to item **"Impairment of goodwill and financial assets".**

e) The restated P&L item "**Personnel expenses"** was purged of approx. EUR 153 mln's worth of 2008 "Integration charges" associated to the integration of Banca Antonveneta into the Group and to the related restructuring actions illustrated in the 2008-2011 Business Plan.

f) The restated P&L item **"Other administrative expenses"** was supplemented with approx. EUR 262 mln's worth of recovery of stamp duties and charge-backs of expenses to customers, posted to item No. 220 "*Other operating income/charges"*. Furthermore, this aggregate was purged of "Integration charges" in the amount of approx. EUR 85 mln.

g) The restated P&L item **"Net provisions for risks and charges and Other operating income/charges"** is the difference between items No. 220 "*Other operating income/charges"* and No. 190 "*Net provisions for risks and charges*", further purged as described in c) and d) above.

h) The restated P&L item **"Net adjustments to tangible and intangible assets"** was purged of "Integration charges" in the amount of approx. EUR 2 mln.

i) The restated P&L item **"Integration charges**" includes values deleted from **personeel expenses** (approx. EUR 153 mln), **other administrative expenses** (approx. EUR 85 mln) and **depreciation & amortization** of the Antonveneta deal, as the portion of charges quantifiable to date. **The total restated aggregate also includes the integration charges associated to BAV's first five months results**, broken down as follows: personnel expenses (approx. EUR 32 mln), other administrative expenses (approx. EUR 6 mln), depreciationa & amortization (approx. EUR 43 mln) and illustrated separately (for further details please see the reconciliation schedules included in the Exhibits section).

[8] Data at 31/12/2008 include Antonveneta economic values (5 months). 2007 data were restated with the same criteria used for 2008 data and include Banca Antonveneta and Biverbanca figures (12 months).

j) The item **"Income and losses from equity investments"** includes a portion of item No. 240 "Income/Loss from equity investments" associated to asset disposal (mainly MPS Finance and Banca Monte Parma, approx. EUR 176 mln). The portion related to the insurance business was posted to the "Dividends" item.

k) The item **"Impaiment of goodwill and financial assets"** includes item No. 260 of the P&L: **"Value adjustment of goodwill"** (approx. EUR 151 mln), supplemented with the writedowns of impaired financial assets (approx. EUR 391 mln).

l) The P&L items impacted by Banca Antonveneta's and Biverbanca's temporary PPA *(Purchase Price Allocation[9])* (more specifically: "Interest income", approx. EUR 72 mln and "Depreciation & Amortization, approx. EUR 49 mln) were purged of said impact. The associated amounts were merged into one item called ***"Net economic impact of Purchase Price Allocation"*.**

In addition to the restatements mentioned above, with a view to making the evolution of trends and performance more easily understandable, following the expected loss of control over the companies operating in the **asset management** business, **net fees** impacted by IFRS5 had to be supplemented with the gain expected when the above-mentioned sale is completed (approx. EUR 127 mln), which is to be regarded as income from third parties rather than as infra-Group income. Moreover, with respect to the disposal of **Banca Monte Parma**, in order to provide continuity with preivous quarters, the contribution of BMP was deleted from all aggregates. Those actions impacted the restated P&L item **"Income (losses) from asset groups due for disposal after taxes"** (for further details please see the reconciliation schedules included in the Exhibits section).

Consolidated **balance sheet** restatement highlights include the following:

f) The restated balance sheet item **"Negotiable financial assets"** includes items No. 20 (*Financial Assets held for trading*), 30 (*Financial assets valued at fair value*) and 40 (*Financial assets available for sale).*

g) The restated balance sheet item **"Other assets"** includes items No. 80 (*Hedging derivatives*), 90 (*Value adjustments to financial assets protected by macroheding*), 140 (*Tax assets*), 150 (*Non-current assets and asset groups due for dismissal*) and 160 (*Other assets*).

h) The restated balance sheet item **"Payables to customers and securities"** includes items No. 20 (*Payables to customers*), 30 (*Outstanding securities*) and 50 (*Financial liabilities valued at fair value).*

i) The restated balance sheet item **"Other liabilities"** includes items No. 60 (*Hedging derivatives*), 70 (*Value adjustments to assets of financial liabilities protected by macrohedging*), 80 (*Tax liabilities*), 90 (*Liabilities from asset groups due for dismissal*) and 100 (*Other liabilities*).

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[9] PPA: valuation at fair value of the main potential assets and liabilities acquired.

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/12/08

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MONTEPASCHI GROUP
(Including Antonveneta from the start of the year)

• INCOME STATEMENT FIGURES (in € millions)	**12/31/2008**	**12/31/2007** *Restated*	**% change**
Income from banking activities	6,055.3	5,909.2	2.5
Financial and insurance income (loss)	5,952.5	6,515.9	-8.6
Net operating income	960.9	1,671.7	-42.5
Net profit (loss) for the period	953.0	1,372.9	-30.6
• BALANCE SHEET FIGURES AND INDICATORS (in € millions)	**12/31/2008**	**12/31/2007** *Restated*	**% change**
Direct funding	142,466	137,484	3.6
Indirect funding	129,518	135,268	-4.3
of which: assets under management	*46,362*	*58,506*	-20.8
of which: assets under custody	*83,156*	*76,763*	8.3
Customer loans	145,353	136,022	6.9
Group net equity	14,824	8,649	*<---Published*
• KEY LOAN QUALITY RATIOS (%)	**12/31/2008**	*Published* **12/31/2007**	
Net non-performing loans/Customer loans	2.49	1.88	
Net watchlist loans/Customer loans	1.77	1.13	
• PROFITABILITY RATIOS (%)	**12/31/2008**	**12/31/2007**	
Cost/Income ratio	66.1	60.8	*<---Restated*
R.O.E. (on average equity)	8.1	17.5	*<---Published*
R.O.E. (on year-end equity)	11.9	19.8	*<---Published*
Net adjustments to loans / Year-end investments	0.73	0.52	*<---Published*
• CAPITAL RATIOS (%) *	**12/31/2008**	*Published* **12/31/2007** (a)	
Solvency ratio	9.33	8.9	
Tier 1 ratio	5.14	6.1	
(a) determined using the Bank of Italy's prudential filters.			
• INFORMATION ON BMPS STOCK	**12/31/2008**	*Published* **12/31/07**	
Number of ordinary shares outstanding	5,545,952,280	2,457,264,636	
Number of preference shares outstanding	1,131,879,458	565,939,729	
Number of savings shares outstanding	18,864,340	9,432,170	
Price per ordinary share:			
average	1.97	4.65	
low	1.22	3.61	
high	2.98	5.34	
• OPERATING STRUCTURE	**12/31/2008**	*Published* **12/31/07**	**Abs. change**
Total head count - year-end	32,867	24,863	8,004
Number of branches in Italy	3,104	2,094	1,010
Financial advisor branches	167	139	28
Number of branches & rep. offices abroad	39	35	4

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

R.O.E. on end-of-period equity: net income for the period / net equity at the end of the previous year, purged of any shareholders' income.

* BIS II AIRB, floor RWA at 95%; 66% disposal of MPS AM SGR not included

MONTEPASCHI GROUP

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

ASSETS	**12/31/2008**	**12/31/2007 (°)**
Cash and cash equivalents	1,026	821
Receivables :		
a) Customer loans	145,353	106,388
b) Due from banks	17,616	14,858
Financial assets held for trading	26,974	31,052
Financial assets held to maturity	0	0
Equity investments	583	820
Underwriting reserves/reinsurers	0	0
Tangible and intangible fixed assets	10,559	3,559
of which:		
a) goodwill	*6,709*	*870*
Other assets	11,685	4,578
Total assets	**213,796**	**162,076**

LIABILITIES	**12/31/2008**	**12/31/2007 (°)**
Payables		
a) Due to customers and securities	142,466	113,339
b) Due to banks	27,209	13,743
Financial liabilities from trading	18,967	19,355
Provisions for specific use		
a) Provisions for employee leaving indemnities	540	368
b) Reserve for retirement benefits	430	428
c) Other reserves	922	623
Other liabilities	8,159	5,281
Underwriting reserves	0	0
Group portion of shareholders' equity	14,824	8,649
a) Valuation reserves	401	650
b) Reimbursable shares	0	0
c) Capital instruments	47	70
d) Reserves	4,909	3,996
e) Share premium account	4,094	559
f) Share capital	4,487	2,032
g) Treasury shares (-)	-37	-97
h) Net profit (loss) for the year	923	1,438
Minority interests in shareholders' equity	279	290
Total liabilities and shareholders’ equity	**213,796**	**162,076**

(*) Any deviations from published data are to be ascribed to Biverbanca’s final PPA.

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

Montepaschi Group (including Antonveneta)	12/31/2008 (°)	12/31/2007 (°)	Pro forma Change		12/31/2007
			Abs.	%	Historical Data
Net interest income	**4,268.7**	**3,945.0**	**323.7**	**8.2%**	**2,944.5**
Net commissions	1,786.6	1,964.2	-177.6	-9.0%	1,515.3
Income from banking activities	**6,055.3**	**5,909.2**	**146.1**	**2.5%**	**4,459.8**
Dividends, similar income and profits (losses) from equity investments	14.9	151.3	-136.4	-90.2%	156.3
Net result from realisation/valuation of financial assets	-113.4	456.0	-569.4	n.s.	354.7
Net gain (loss) from hedging	-4.3	-0.6	-3.7	n.s.	-2.7
Financial and insurance income (loss)	**5,952.5**	**6,515.9**	**-563.4**	**-8.6%**	**4,968.2**
Net adjustments for impairment of:					
a) loans	-1,065.2	-884.6	180.7	20.4%	-552.0
b) financial assets	5.3	3.6	-1.7	46.4%	3.3
Net financial and insurance income (loss)	**4,892.6**	**5,635.0**	**-742.4**	**-13.2%**	**4,419.5**
Administrative expenses:	-3,775.1	-3,800.0	-24.9	-0.7%	-2,785.8
a) personnel expenses	-2,449.2	-2,464.4	-15.2	-0.6%	-1,848.9
b) other administrative expenses	-1,325.9	-1,335.6	-9.7	-0.7%	-936.9
Net adjustments to the value of tangible and intangible fixed assets	-156.5	-163.3	-6.7	-4.1%	-115.0
Operating expenses	**-3,931.6**	**-3,963.3**	**-31.7**	**-0.8%**	**-2,900.8**
Net operating income	**960.9**	**1,671.7**	**-710.7**	**-42.5%**	**1,518.7**
Net provisions for risks and liabilities and Other operating income/costs	-186.7	-198.4	11.8	-5.9%	-207.5
Income on equity investments	175.8	26.4	149.4	n.s.	
Integration costs	-321.9	-114.0	-207.9		
Impairment on goodwill and financial assets	-542.3	-58.0	-484.3	n.s.	-41.7
Gains (losses) from disposal of investments	27.9	2.4	25.6	n.s.	0.2
Gain (loss) from current operations before taxes	**113.9**	**1,330.0**	**-1,216.1**	**-91.4%**	**1,269.6**
Taxes on income for the year from current operations	844.7	-713.0	-1,557.7	n.s.	-551.6
Gain (loss) from current operations after taxes	**958.6**	**617.0**	**341.6**	**55.4%**	**718.0**
Gain (loss) on fixed assets due for disposal, net of taxes	70.9	785.2	-714.3	-91.0%	735.2
Minority interests in profit (loss) for the year	-9.6	-29.3	-19.7	-67.1%	-15.6
Net profit (loss) for the year ante PPA	**1,019.8**	**1,372.9**	**-353.1**	**-25.7%**	**1,437.6**
Purchase Price Allocation	-66.8		66.8	n.s.	
Net profit (loss) for the year	**953.0**	**1,372.9**	**-419.9**	**n.s.**	**1,437.6**
Net profit (loss) for the year (excl first five months of Antonveneta)	**922.8**	**1,437.6**	**-514.8**	**n.s.**	**1,437.6**

(°) 2008 data restatements also include Antonveneta's first five months results. With respect to the economic impact of the acquisition, the actually posted data were preserved (7 months only). Data at 31/12/07 include Antonveneta values, re-aggregated according to the Montepaschi Group's operational criteria, and take into account any changes to the consolidation perimeter. With respect to the financial impact of the acquisition, the same values posted for the 7-month period of 2008 were preserved at 12/31/07.

MONTEPASCHI GROUP

■ **RECLASSIFIED BALANCE SHEET - QUARTERLY TREND** (in millions of euros)

ASSETS	12/31/2008	09/31/2008	06/30/2008	03/31/2008 Historical Data	12/31/2007 (*) Historical Data	09/31/2007 (°) Historical Data	06/30/2007 (°) Historical Data	03/31/2007 (°) Historical Data
Cash and cash equivalents	1,026	678	807	536	821	470	454	430
Receivables :								
a) Customer loans	145,353	144,496	139,909	107,749	106,388	100,375	98,829	95,253
b) Due from banks	17,616	17,331	14,553	11,708	14,858	15,089	17,461	14,060
Financial assets held for trading	26,974	25,067	27,677	30,726	31,052	24,956	31,179	36,074
Financial assets held to maturity	0	0	0	0	0	0	0	0
Equity investments	583	614	548	817	820	361	361	424
Underwriting reserves/reinsurers								
Tangible and intangible fixed assets	10,559	10,621	10,655	3,127	3,559	3,359	3,282	3,304
of which:								
a) goodwill	*6,709*	*7,633*	*7,673*	*961*	*870*	*641*	*641*	*641*
Other assets	11,685	11,584	12,381	7,799	4,578	18,547	19,581	20,235
Total assets	**213,796**	**210,391**	**206,529**	**162,463**	**162,076**	**163,158**	**171,147**	**169,779**

LIABILITIES	12/31/2008	09/31/2008	06/30/2008	03/31/2008	12/31/2007	09/31/2007 (°)	06/30/2007 (°)	03/31/2007 (°)
Payables								
a) Due to customers and securities (°)	142,466	142,425	139,000	110,447	113,339	101,714	99,199	95,827
b) Due to banks	27,209	25,609	27,218	15,613	13,743	17,573	21,039	20,627
Financial liabilities from trading	18,967	15,605	13,298	18,506	19,355	12,111	19,384	20,680
Provisions for specific use								
a) Provisions for employee leaving indemnities	540	553	564	366	368	367	366	385
b) Reserve for retirement benefits	430	445	452	417	428	407	407	415
c) Other reserves	922	843	817	488	623	563	569	573
Other liabilities	8,159	10,492	10,702	7,723	5,281	22,476	22,342	23,260
Underwriting reserves								
Group portion of shareholders' equity	14,824	14,185	14,159	8,644	8,649	7,897	7,794	7,971
a) Valuation reserves	401	206	337	433	650	669	767	659
b) Reimbursable shares								
c) Capital instruments	47	79	79	70	70	71	71	71
d) Reserves	4,909	4,824	4,787	5,433	3,996	3,984	3,985	4,509
e) Share premium account	4,094	3,991	3,998	547	559	561	561	561
f) Share capital	4,487	4,451	4,451	2,032	2,032	2,030	2,030	2,030
g) Treasury shares (-)	-37	-8	-15	-61	-97	-137	-134	-112
h) Net profit (loss) for the year	923	641	522	190	1,438	718	514	254
Minority interests in shareholders' equity	279	236	319	259	290	51	47	41
Total liabilities and shareholders' equity	**213,796**	**210,391**	**206,529**	**162,463**	**162,076**	**163,158**	**171,147**	**169,779**

(°) The 2007 values of the items "Other assets " and "Other liabilities " include data from the insurance business, as per IFRS 5.

(*) Any deviations from published data are to be ascribed to Biverbanca's final PPA.

Data up to 30/09/07 do not include Biver Banca, which officially joined the Group in the last few days of 2007.

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

	2008				2007			
Montepaschi Group (including Antonveneta)	4th quarter	3rd quarter	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	1,069.9	1,031.0	1,097.9	1,069.8	1,029.3	956.0	970.1	989.6
Net commissions	397.4	443.5	471.8	473.8	490.8	487.3	484.0	502.1
Income from banking activities	**1,467.4**	**1,474.5**	**1,569.8**	**1,543.6**	**1,520.0**	**1,443.3**	**1,454.1**	**1,491.8**
Dividends, similar income and profits (losses) from equity investments	-39.3	20.2	21.2	12.7	45.8	29.3	37.4	38.9
Net result from realisation/valuation of financial assets	-167.5	-1.6	80.6	-24.9	150.2	31.1	142.7	132.0
Net gain (loss) from hedging	3.3	0.0	-0.4	-7.2	-0.6	-2.7	2.3	0.4
Financial and insurance income (loss)	**1,264.0**	**1,493.1**	**1,671.2**	**1,524.2**	**1,715.4**	**1,501.0**	**1,636.4**	**1,663.1**
Net adjustments for impairment of:								
a) loans	-424.0	-189.6	-235.5	-216.1	-383.3	-157.3	-178.4	-165.6
b) financial assets	-3.2	0.3	12.0	-3.9	-1.1	1.3	4.0	-0.5
Net financial and insurance income (loss)	**836.8**	**1,303.8**	**1,447.7**	**1,304.2**	**1,331.0**	**1,345.0**	**1,461.9**	**1,497.0**
Administrative expenses:	-1,018.2	-920.8	-928.7	-907.4	-974.9	-947.4	-967.1	-910.7
a) personnel expenses	-652.4	-595.4	-599.4	-602.0	-634.3	-616.4	-618.7	-595.0
b) other administrative expenses	-365.8	-325.4	-329.3	-305.5	-340.5	-331.0	-348.5	-315.6
Net adjustments to the value of tangible and intangible fixed assets	-36.8	-40.7	-39.5	-39.7	-46.4	-39.8	-36.7	-40.4
Operating expenses	**-1,054.9**	**-961.4**	**-968.2**	**-947.1**	**-1,021.3**	**-987.1**	**-1,003.8**	**-951.1**
Net operating income	**-218.1**	**342.4**	**479.5**	**357.1**	**309.7**	**357.9**	**458.1**	**545.9**
Net provisions for risks and liabilities and Other operating income/costs	-153.8	-12.7	-39.4	19.2	-212.7	-2.3	21.6	-4.9
Income on equity investments	-0.9	-23.5	200.3					26.4
Integration costs	-162.2	-21.4	-138.3		-114.0			
Impairment on goodwill and financial assets	-399.6	-4.5	-41.5	-96.6	-46.7	-8.7	1.3	-3.9
Gains (losses) from disposal of investments	0.1	0.0	20.2	7.7	0.2	-0.2	0.7	1.7
Gain (loss) from current operations before taxes	**-934.5**	**280.3**	**480.7**	**287.4**	**-63.6**	**346.7**	**481.7**	**565.2**
Taxes on income for the year from current operations	1,245.8	-126.4	-158.9	-115.8	-156.9	-142.1	-182.0	-232.1
Utile (Perdita) della operatività corrente al netto delle imposte	**311.2**	**153.9**	**321.8**	**171.6**	**-220.5**	**204.6**	**299.8**	**333.1**
Gain (loss) on fixed assets due for disposal, net of taxes	5.0	-15.6	76.2	5.4	752.7	12.4	8.3	12.0
Minority interests in profit (loss) for the year	1.3	1.4	-7.1	-5.3	-3.1	-7.9	-10.6	-7.7
Net profit (loss) for the year ante PPA	**317.5**	**139.7**	**390.9**	**171.7**	**529.0**	**209.1**	**297.5**	**337.4**
Purchase Price Allocation	-35.7	-21.0	-10.2					
Net profit (loss) for the year	**281.9**	**118.7**	**380.8**	**171.7**	**529.0**	**209.1**	**297.5**	**337.4**

(°) The 2008 data were restated also aggregating the results of the first five months of Antonveneta; as to the income statement effects of the purchase, the values which were actually recorded (7th month) were kept. The data as of 31/12/2007 include the values of Antonveneta which are re-aggregated according to the management criteria of the MPS Group and take into account the changes occurred in the consolidation area. As to the financial effects of the acquisition as of 31/12/2007, the same values recorded in 2008 were kept.

(in euro)

	Assets	12/31/2008	12/31/2007
10	Cash and cash on deposit	1,026,368,224	821,089,517
20	Financial assets held for trading	21,797,695,397	26,246,463,503
30	Financial assets at fair value	180,037,943	-
40	Financial assets available for sale	4,996,021,136	4,805,215,609
50	Financial assets held to maturity	2,867	3,019
60	Due from banks	17,615,715,668	14,858,265,765
70	Loans to costumers	145,353,189,754	106,388,352,149
80	Hedging derivatives	99,160,129	42,306,654
90	Value adjustment on financial assets with generic coverage (+/-)	31,102,587	16,853,585
100	Equity investment	583,028,120	820,080,233
110	Technical reserves reassured with third parties	-	-
120	Fixed Assets	2,792,580,036	2,429,764,239
130	Intangible assets	7,765,931,945	1,129,484,824
	of which: goodwill	*6,708,545,822*	*869,692,085*
140	Tax assets	4,180,434,932	1,102,704,627
	a) current	*604,372,499*	*581,433,678*
	b) anticipated	*3,576,062,433*	*521,270,949*
150	Non current assets (or disposal groups) held for sale and discontinued operations	272,091,502	310,605,335
160	Other	7,102,616,334	3,105,203,621
	Total	**213,795,976,574**	**162,076,392,680**

2007 Figures don't include BAV

	Total liabilities and Shareholders'equity	12/31/2008	12/31/2007
10	Due to banks	27,208,645,978	13,742,750,063
20	Due to costumers	81,596,414,386	60,436,581,201
30	Securities	47,157,555,961	39,808,798,078
40	Financial liabilities held for trading	18,967,188,840	19,355,217,544
50	Financial liabilities at fair value	13,711,900,007	13,093,848,021
60	Hedging derivatives	389,889,284	51,659,243
70	Value adjustment on financial liabilities (+/-)	-	-
80	Tax Liabilities	1,399,193,303	247,851,351
	a) Current	1,283,515,253	*94,698,154*
	b) postponed	115,678,050	*153,153,197*
90	Liabilities in disposal groups held for sale ans discontinued operations	45,384,071	2,863,322
100	Other	6,324,870,383	4,978,924,468
110	Staff severance indemnity reserve	539,822,794	367,908,549
120	Reserve for risks and other charges	1,352,022,438	1,050,811,614
	a) pension fund and similar obligations	429,819,893	*427,748,723*
	b) other provisions	922,202,545	*623,062,891*
130	Techical reserves	-	-
140	Revaluation reserves	401,169,657	650,359,070
150	Refundable shares	-	-
160	Capital instruments	46,871,091	70,411,547
170	Reserves	4,909,020,124	3,996,475,026
180	Paid-in Capital	4,094,436,080	559,171,863
190	Share capital	4,486,786,372	2,031,866,478
200	Own shares (-)	(36,962,960)	(96,625,258)
210	Minority interests (+/-)	279,016,681	289,962,082
220	Profit (loss) for the year	922,752,084	1,437,558,418
	Total liabilities and Shareholders'equity	**213,795,976,574**	**162,076,392,680**

2007 Figures don’t include BAV

P&L

(in euro)

		12/31/2008	12/31/2007
10	Interest and similar income	10,316,025,034	7,375,916,530
20	Interest and similar expense	(6,564,689,920)	(4,461,488,428)
30	**Net Interest Income**	**3,751,335,114**	**2,914,428,102**
40	Commissions earned	1,663,520,249	1,711,376,140
50	Commission expense	(214,781,863)	(196,042,949)
60	**Net Commissions**	**1,448,738,386**	**1,515,333,191**
70	Dividends and other income	619,475,001	570,505,553
80	Net Profit from trading	(828,804,425)	(410,997,249)
90	Net Profit from hedging	(1,807,018)	(2,668,138)
100	Profit / Loss	78,806,549	214,251,710
	a) loans	*3,034,270*	*4,186,404*
	b) available for sale financial assets	*78,136,942*	*216,842,762*
	c) held to maturirty investment	-	-
	d) other financial assets	*(2,364,663)*	*(6,777,456)*
110	Fair Value financial assets and liabilities	72,974,889	29,463,190
120	**Total Income**	**5,140,718,496**	**4,830,316,359**
130	Net value adjustments on:	1,359,971,786	(647,251,760)
	a) loans	*1,002,281,117*	*(613,951,774)*
	b) available for sale financial assets	*361,298,172*	*(36,607,810)*
	c) held to maturirty investment	-	-
	d) other financial assets	*(3,607,503)*	*3,307,824*
140	**Net Income from financial operation**	**3,780,746,710**	**4,183,064,599**
150	Net Premiums	-	-
160	Net Income loss from insurance operations	-	-
170	**Net Income from financial and insurance operations**	**3,780,746,710**	**4,183,064,599**
180	Administrative expenses	(3,885,056,975)	(3,011,511,137)
	a) personnel	*(2,348,181,329)*	*(1,848,924,239)*
	b) other administrative expenses	*(1,536,875,646)*	*(1,162,586,898)*
190	Provisions for risks and charges	(154,106,113)	(103,466,768)
200	Valuation adjustments to fixed assets	(89,127,117)	(67,349,905)
210	Valuation adjustments to intangible assets	(101,586,668)	(47,651,175)
220	Other operating income/expenses	334,234,617	175,104,683
230	**Operating costs**	**(3,895,642,256)**	**(3,054,874,302)**
240	Income (loss) from investments	145,500,620	141,931,824
250	Net value adjustments on tangible and intangible assets designated at fair value	-	-
260	Value adjustments of goodwill	(150,854,000)	(732,000)
270	Income (loss) from disposal of investments	27,985,155	185,425
280	**Income (loss) before taxes from continuing operations**	**(92,263,771)**	**1,269,575,546**
290	Income taxes	929,848,471	(551,586,330)
300	**Income (loss) after taxes from continuing operations**	**837,584,700**	**717,989,216**
310	Income (loss) from disposal of non continuing operations net of taxes	93,524,402	735,210,499
320	**Profit (loss) for the period prior to minority interests**	**931,109,102**	**1,453,199,715**
330	Profit (loss) prior to minority interests	8,357,018	15,641,297
340	**Profit (loss) for the period**	**922,752,084**	**1,437,558,418**

2007 Figures don’t include BAV