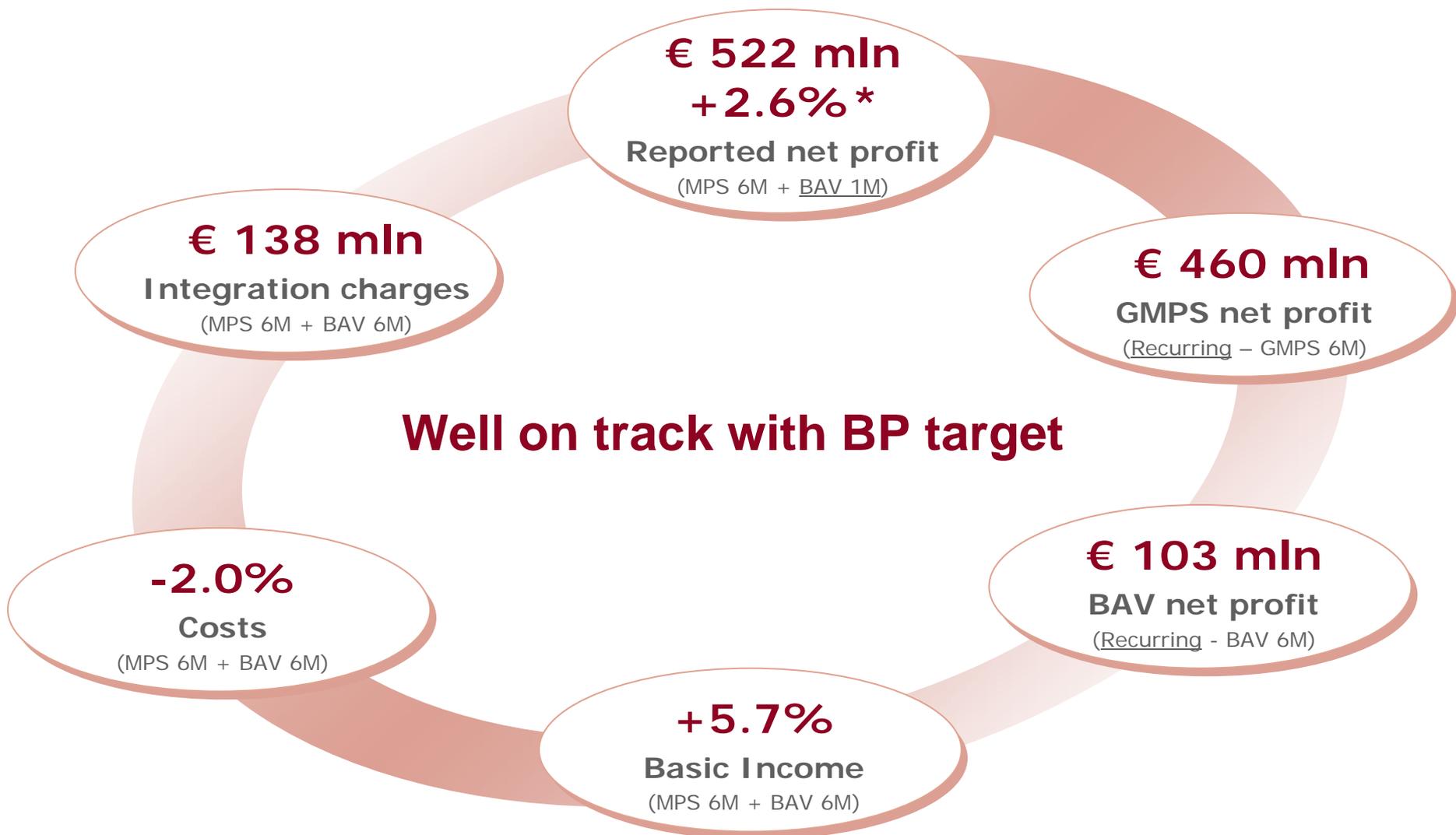


# GRUPPOMONTEPASCHI

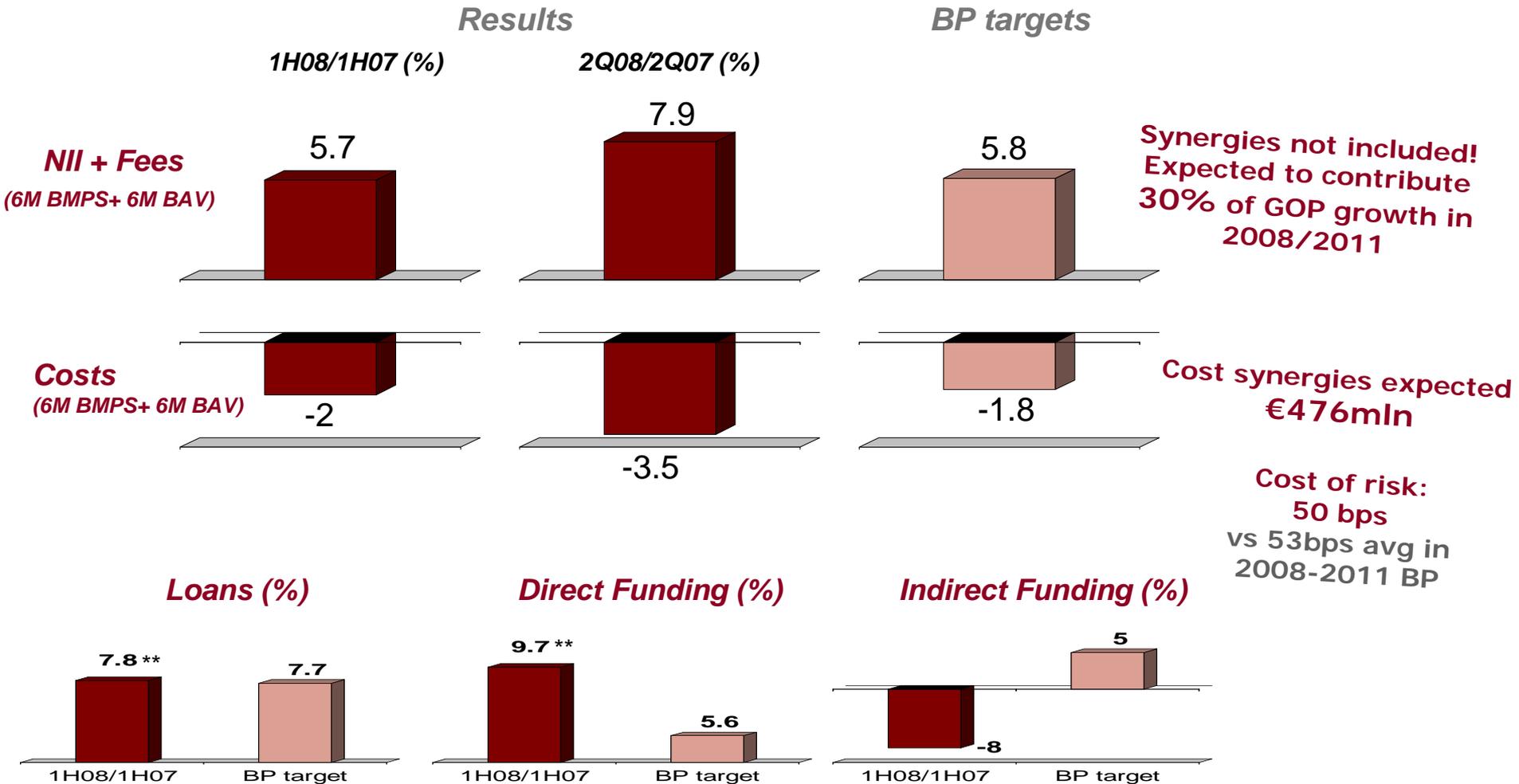
*1H 2008 Results*

*Siena  
29<sup>th</sup> August 2008*

# 1H08 GMPS key figures



# Pro-forma results\* vs Business Plan target before synergies



\* Includes BAV for 6 months

\*\* Ex BAV: Inclusive of BAV: Loans +7.5%; direct funding +8.5%

# GMPS and BAV: excellent results in a difficult environment

## BMPS

(stand alone)

- ❑ Recurring revenues: +7.3% vs 1H07
- ❑ Cost control still stringent: -0.5% vs 1H07
- ❑ +4% net new customers, increase in business market share

## BAV

(Banca Antonveneta  
stand alone)

- ❑ Recurring revenues: +1.1% vs 1H07, +7.6% 2Q08 vs 1Q08
- ❑ Costs well under control: -6.0% YoY and -1.1% 2Q vs 1Q
- ❑ Direct funding: +9.7% YoY

## Synergies

- ❑ FY08 staff reduction planned already completed
- ❑ FY08 ASA savings targets already met
- ❑ BAM integration approved and to be completed by 3Q08

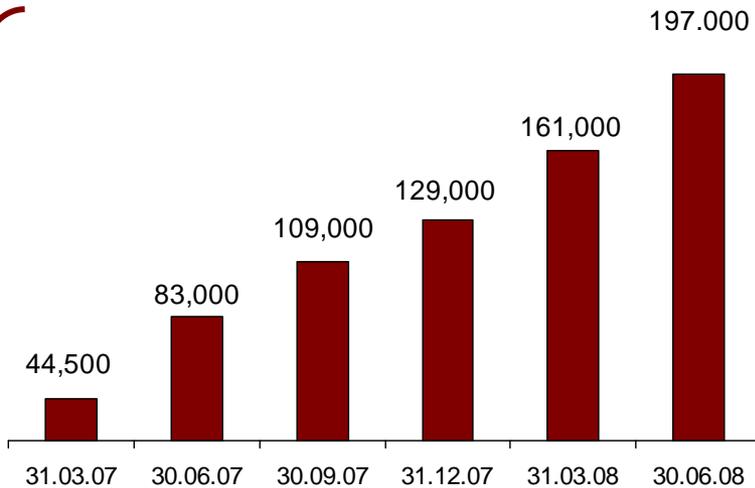
## Tier 1 and TCR (E)

- ❑ Tier 1 at 5.1% in 1H08, 5.4% with B2 advanced full impact\*
- ❑ Total capital at 9.4%, 9.8% with B2 advanced full impact\*
- ❑ B2 standard for BAV and product companies

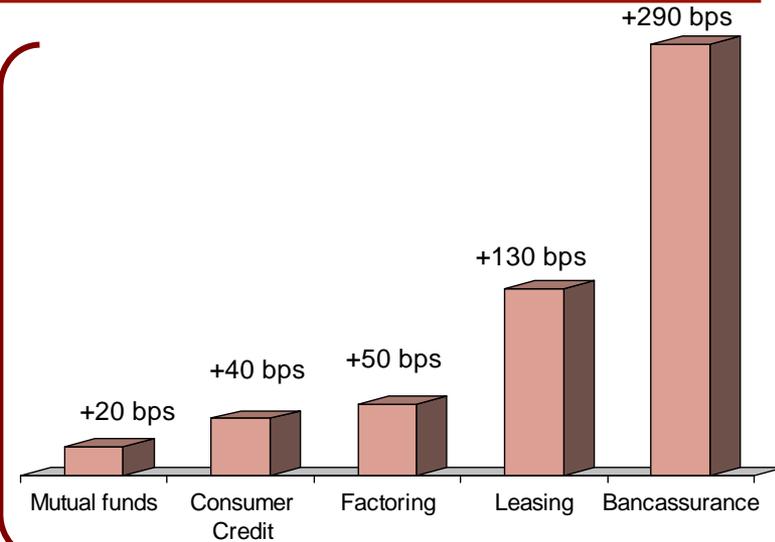
\* Estimates including expected benefit from asset disposal in accordance with IFRS5 (Banca Monte Parma and MPS Sgr)

# Driven by a world-class franchise network ...

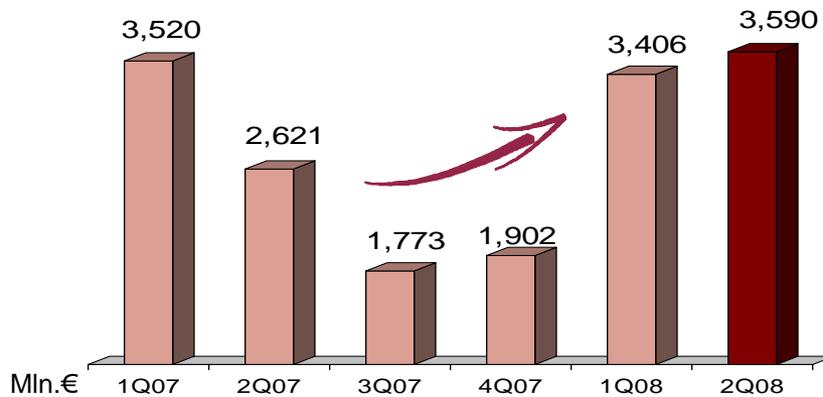
Net New Clients\*



Market shares\*\* vs Dec 07



WM Gross Flows



4% Increase in GMPS customer base

New Savings inflows €7bn in 1H08

\*Active customers of BMPS, BAM, BT and B. Personale; ex BAV. Total GMPS (stand alone) new clients, including Consumit exclusive clients: +295,115 since June 2007.  
 \*\* Not comparable with other figures reported: Mutual funds calculations are based on the new methodology and include foreign funds; Direct funding and Bancassurance were restated to include the sale of Banca Depositaria; loans include Consumit loans.

# ... while completing many extraordinary activities

## Fund-raising

Right issue/Tier 1: € 5 bn + € 1 bn



**Completely subscribed**

Upper Tier II: € 2.2 bn



**Better than expected**  
(planned amount € 2 bn)

Asset disposal: € 850 mln cash inflows



**47%**  
of expected cash inflows

BAV IT integration: completed on June 2nd



**4 months earlier**  
than expected

BAM incorporation



**Approved yesterday**  
by Shareholders

Integration costs: € 138 mln\*



**25%**  
of integration costs planned

Staff rationalization: 980 exits



**82%**  
of 2008 planned exits

Staff requalification (from BO to FO): 260



**35%**  
of requalifications planned in BP

ASA synergies: € 33 mln of savings



**2008 target met ahead of schedule**

## Group restructuring

## Efficiency improvement

# Agenda

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**Economic results of new MPS Group**

**MPS Group (stand-alone)**

**Antonveneta (stand-alone)**

**Business Plan update**

**Liquidity position and capital ratios**

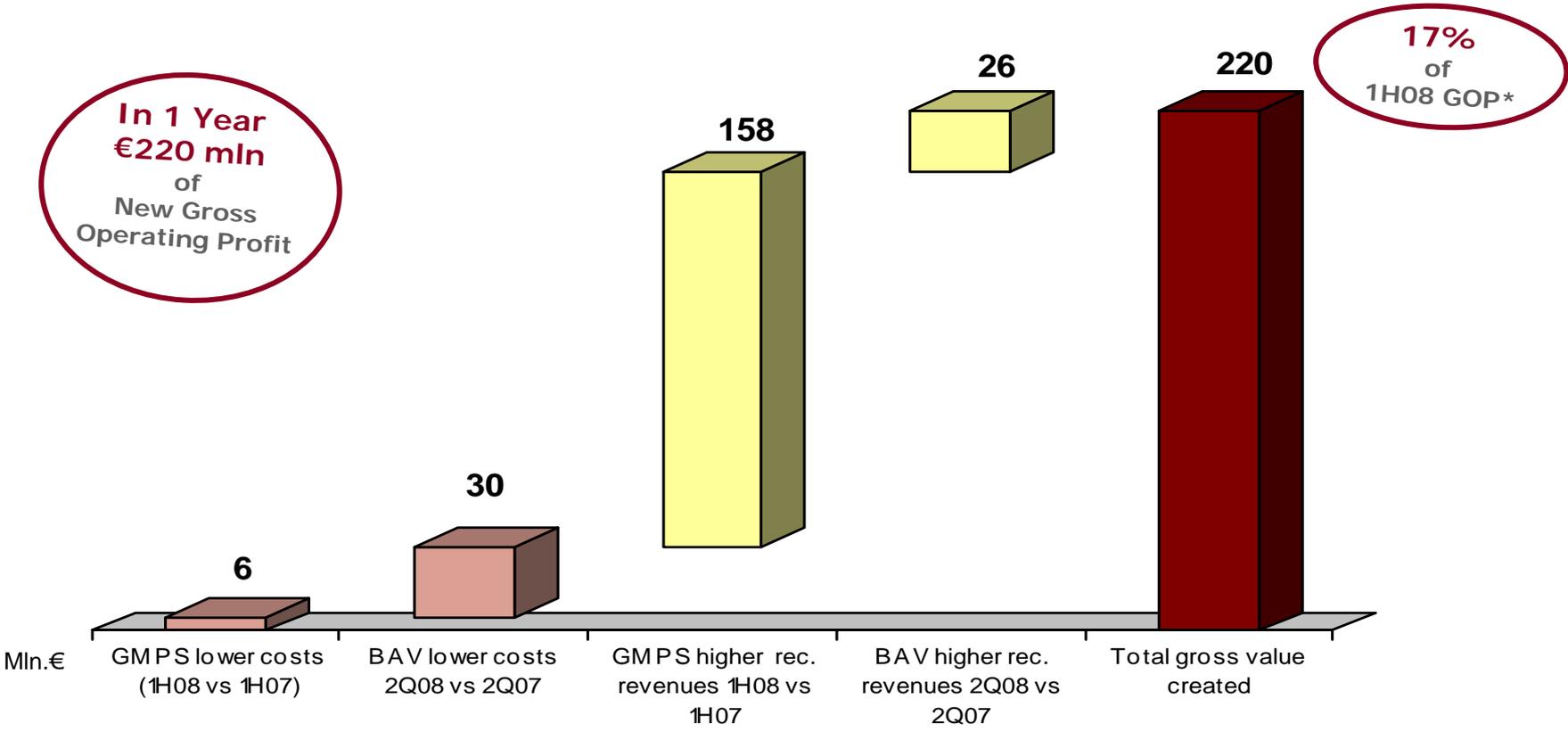
# 1H08 GMPS Results - Highlights

Profit & Loss (mln €)	Incl. BAV for 1 MONTH		Incl. BAV for 6 MONTHS	
	1H08	1H08	1H08	1H08
Net Interest Income	1,720.3	2,167.8	+10.6% YoY*	
Net Fees	728.1	945.7	-4.1% YoY*	
Basic Income	2,448.4	3,113.4	+5.7% YoY*	
Total Revenues	2,516.5	3,195.4	-€181mln (€150mln net impact) Hopa/Fingruppo	
LLP and provisions on fin. assets	431.0	581.4		
Operating Costs	1,482.2	1,915.3	-2.0% YoY*	
Net Operating Income	603.4	698.7	+€200mln (€196mln net impact) mainly capital gains from Banca Depositaria	
Gains from asset disposal	200.3	200.3		
Integration charges	56.9	138.3	-€138mln (€96mln net impact) integr. charges	
PPA effect	-10.2	-10.2		
Taxes	251.9	274.7	Appr. +64mln (€57mln net impact) others**	
Net Income	522.2	552.4		

\*Pro forma and including cost of funding

\*\* Gains on assets due for dismissal (Interbanca) and real estate gains

# P&L structural growth confirmed in BMPS and starting in BAV



- ❑ The new Group has been able to create €220mln worth of structural growth, with a strong contribution from BMPS (NII and fees: +€158mln vs 1H07)
- ❑ Acquired in June 2008, BAV started contributing in 2Q08. In 2Q08, structural growth was mainly generated through cost control

\*1H08 pro-forma Gross Operating Profit (Total revenues - Total Costs) for the new Group including BMPS and BAV

# Agenda

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**Economic results of new MPS Group**



**MPS Group (stand-alone)**

**Antonveneta (stand-alone)**

**Business Plan update**

**Liquidity position and capital ratios**

# 1H08 and 2Q08 GMPS Results (stand alone-Pre BAV)

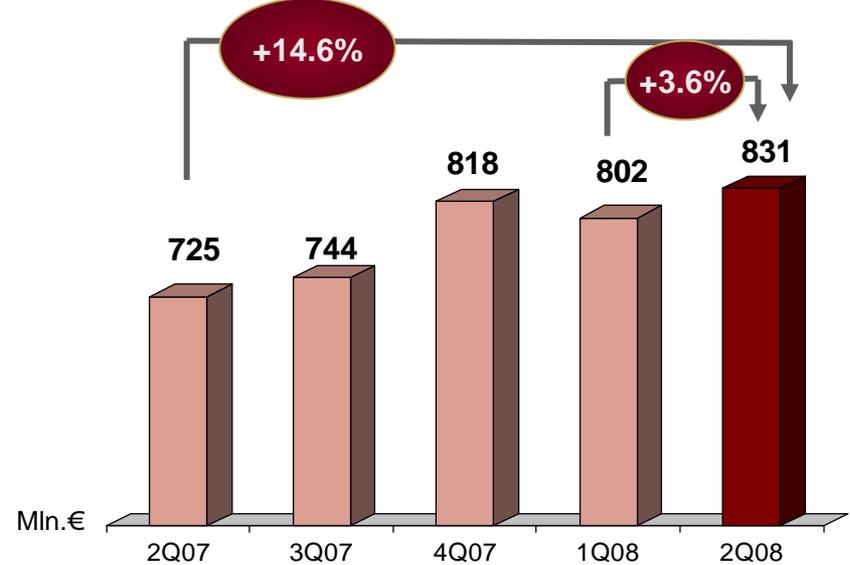
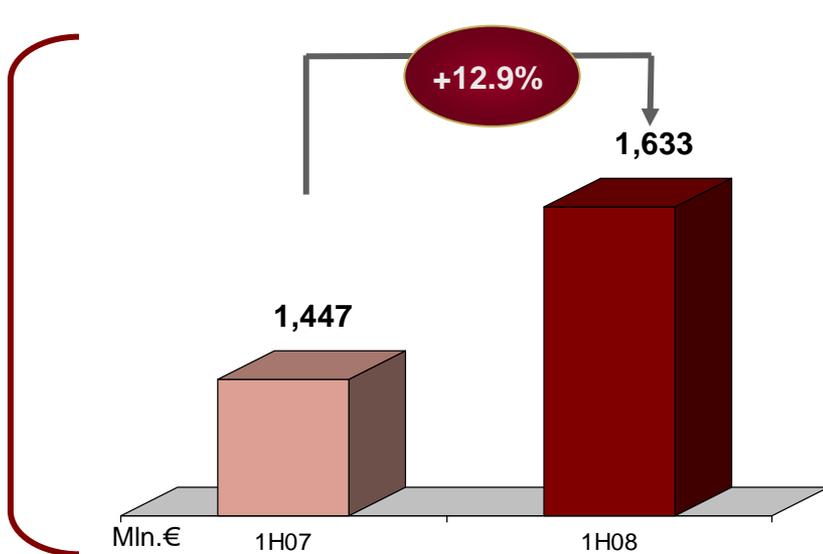
## Profit & Loss\*

(mln€)

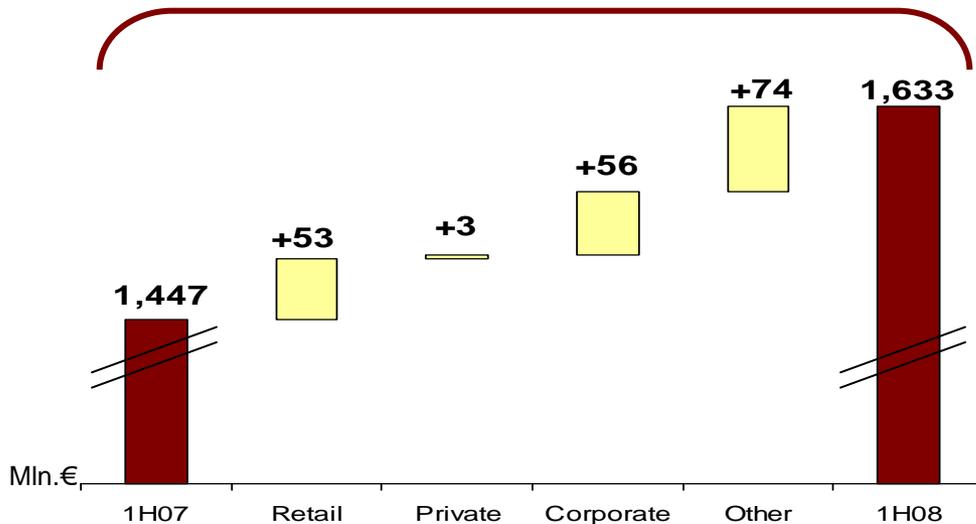
	1H08	1H08/1H07	2Q08	2Q08/2Q07
<b>Net Interest Income</b>	1,633.1	12.9%	830.9	14.6%
<b>Net Fees</b>	698.2	-3.8%	342.1	-4.4%
<b>Basic Income</b>	2,331.2	7.3%	1,173.0	8.3%
Trading	50.7	-76.4%	79.0	-36.7%
Dividend and other revenues	15.9	-71.9%	11.7	-70.2%
<b>Total Revenues</b>	2,397.9	-2.5%	1,263.7	1.3%
<b>Operating Costs</b>	1,398.0	-0.5%	711.0	-0.7%
Personnel costs	884.1	-0.7%	444.7	-1.3%
Other admin expenses	457.9	-0.7%	238.5	-1.0%
<b>Loan Loss Provisions</b>	325.4	39.8%	198.5	61.5%
<b>Provisions on financial assets</b>	89.9	n.s.	20.6	n.s.
<b>Net Operating Income</b>	584.7	-29.2%	333.6	-19.7%
<b>Gains from asset disposal</b>	200.3	n.s.	200.3	n.s.
<b>Taxes</b>	284.9	-13.0%	186.2	23.5%
<b>Net Income</b>	539.3	2.6%	349.1	31.1%

\* As per IFRS 5, MPS Sgr and Banca Monte Parma were deconsolidated and included under gain/losses on assets due for dismissal

# Net Interest Income: strong pick-up QoQ



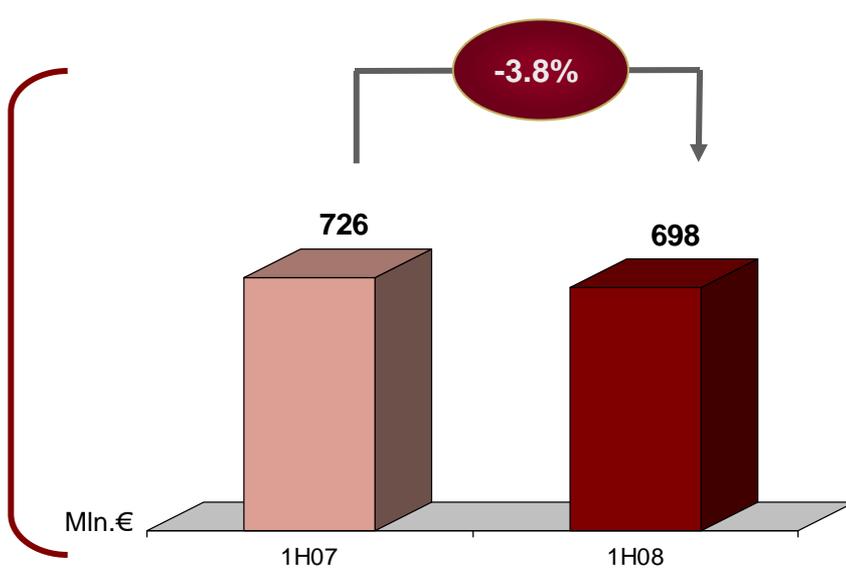
Contribution of Individual Business Areas



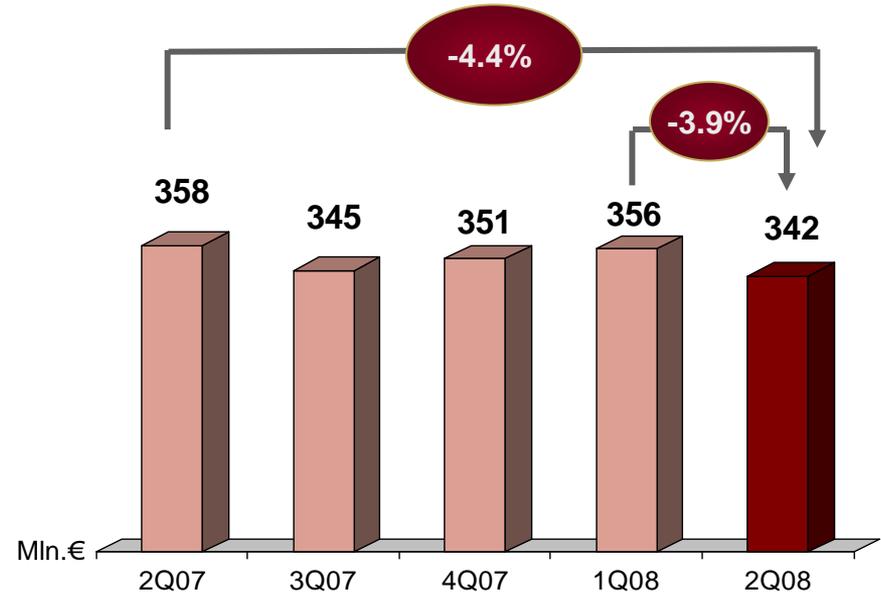
2008 includes

- QoQ increase: 60% from spread impact and 40% from volumes increase
- One-off items: appr. +€10 mln

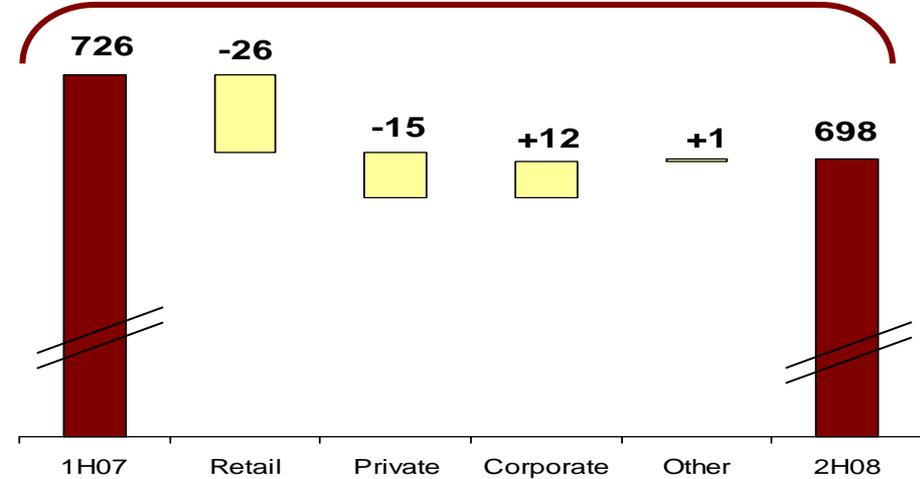
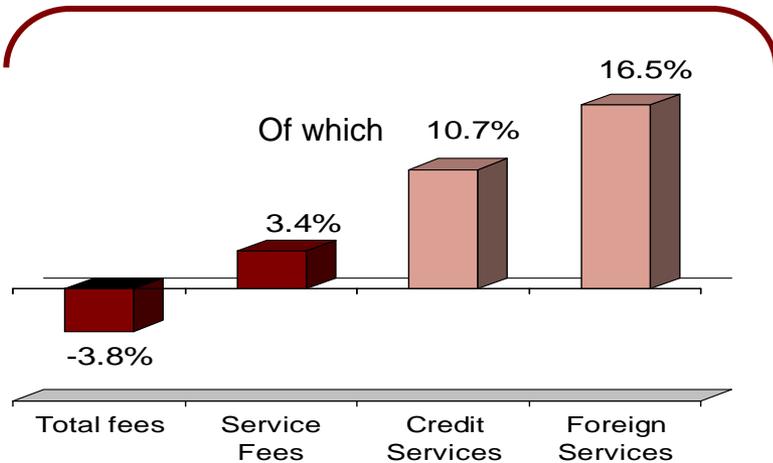
# Net fees: traditional fees partially offset AuM fee slowdown



Main Fees (YoY)

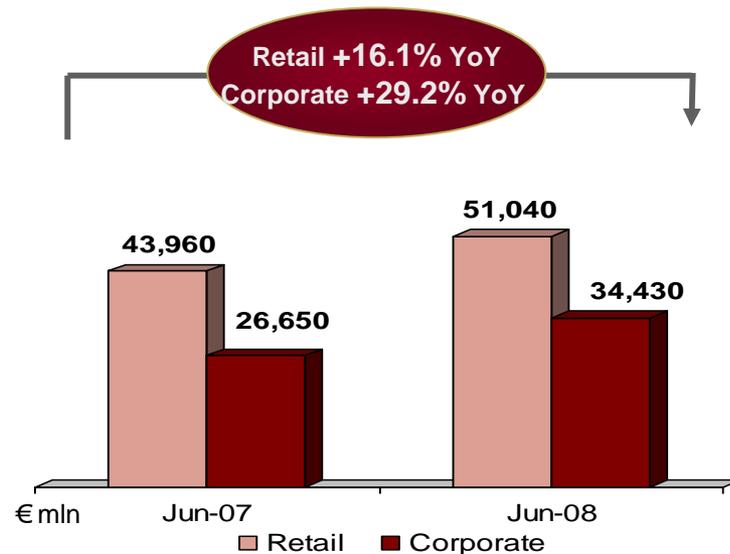
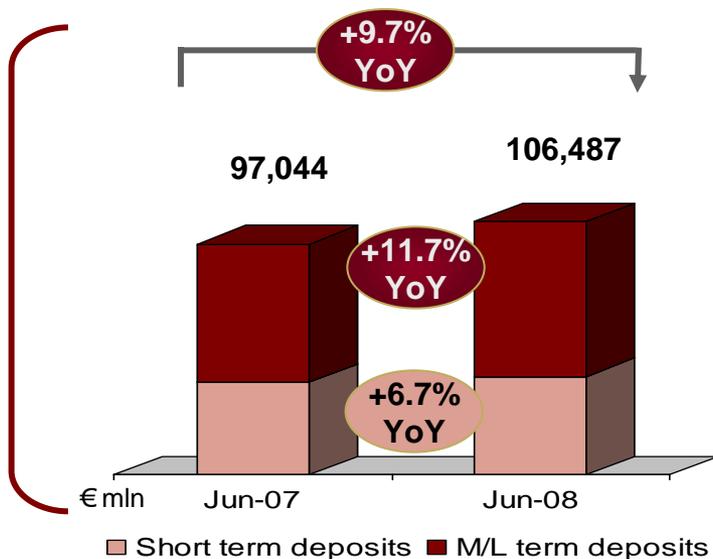


Contribution of Individual Business Areas

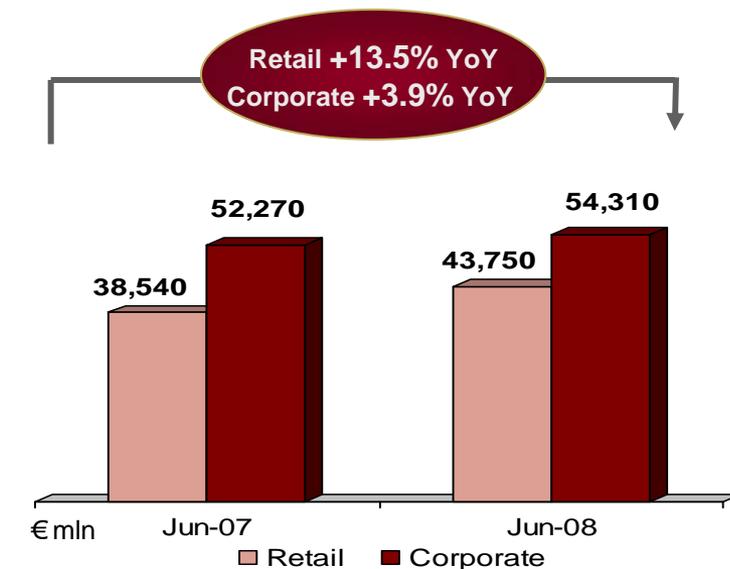
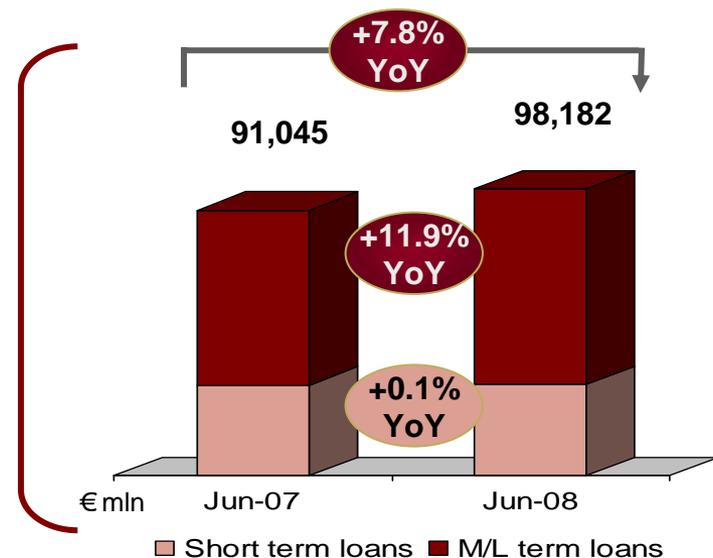


# Performance of direct funding and loans

Direct funding\*



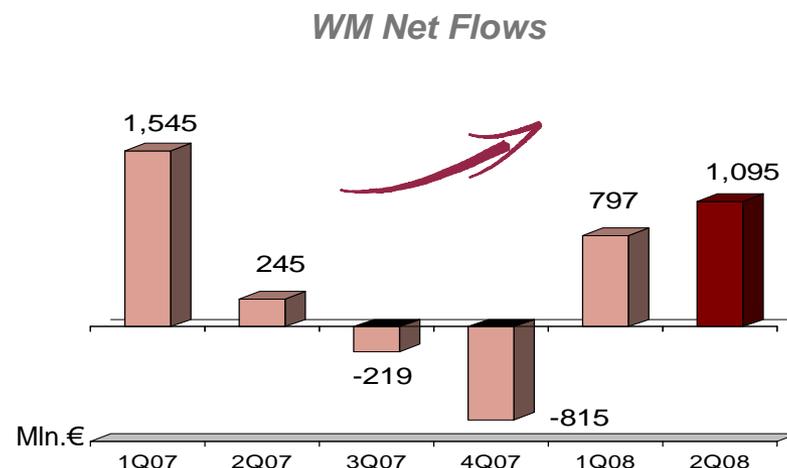
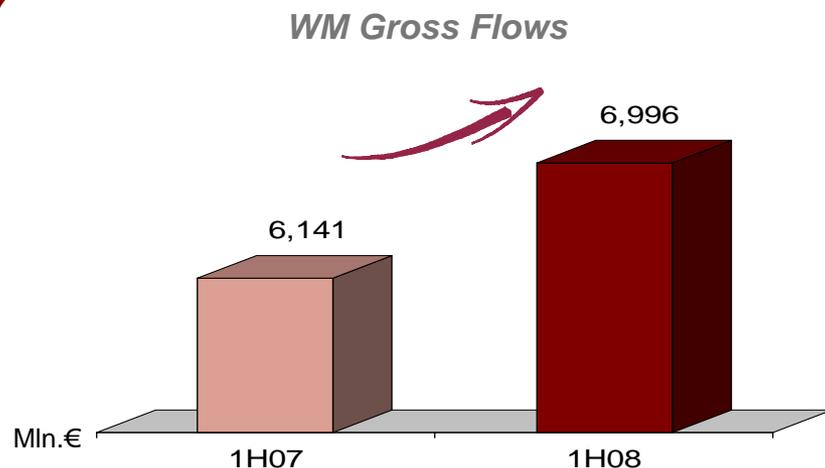
Loans\*



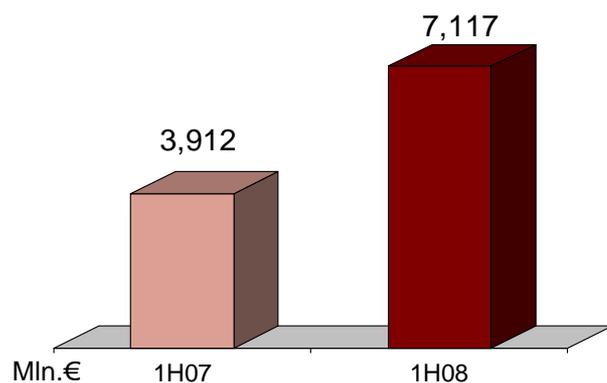
\* Commercial network, ex BAV. GMPS (stand alone) growth calculated on average balance: Direct funding +10%, Loans +11.8%

# Wealth Management flows

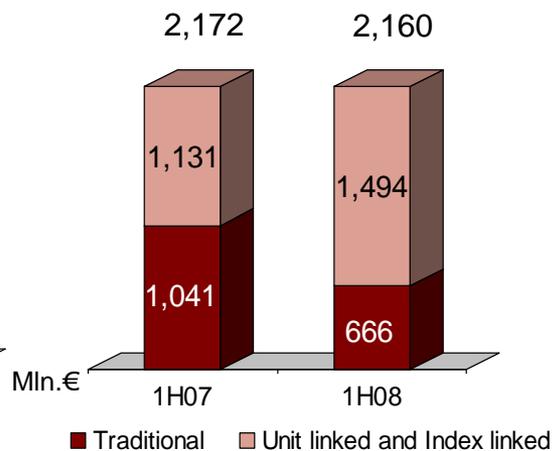
WM Gross and Net flows



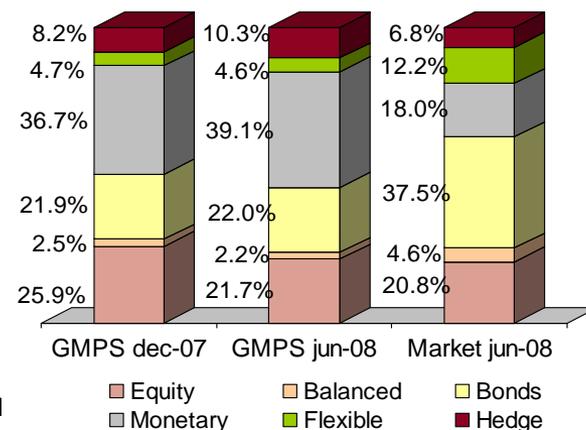
## Bonds



## Bancassurance



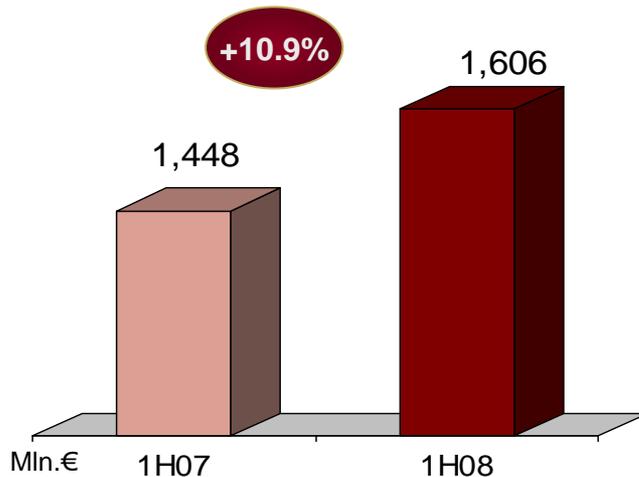
## Mutual Funds Business Mix



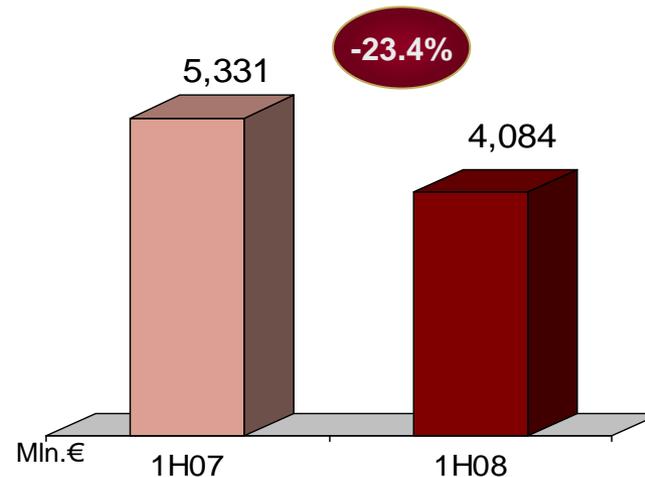
# Lending Flows breakdown

consum.it  
&  
Mortgages

Consumer Finance Flows



Mortgages flows

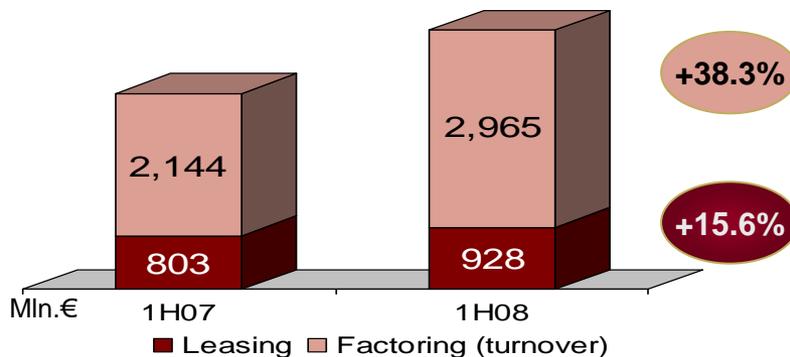


MPS  
LEASING & FACTORING

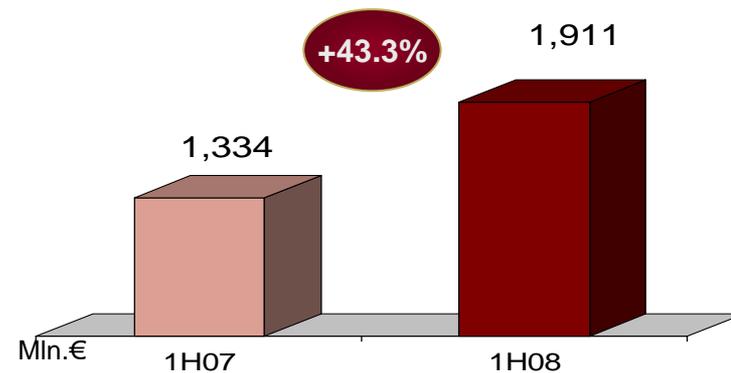
&

MPS  
CAPITAL SERVICES BANCA PER LE IMPRESE

Leasing and Factoring (turnover) Flows

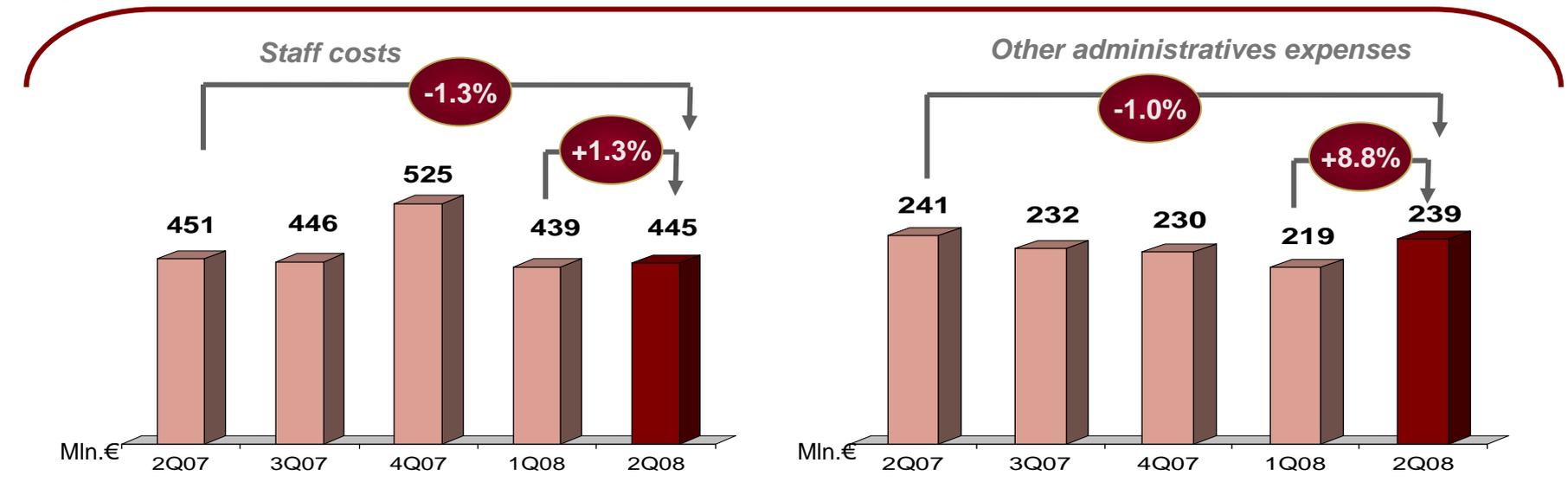
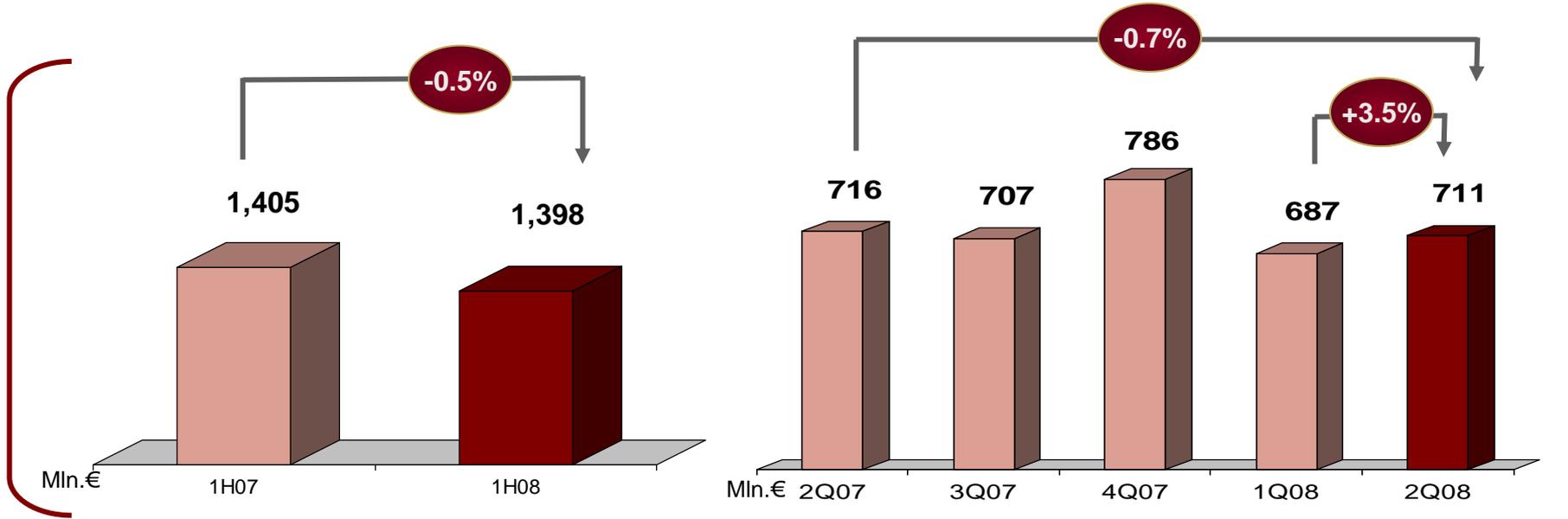


Capital Services Credit Flows



\*Refers to the commercial network

# Strong cost reduction still in place

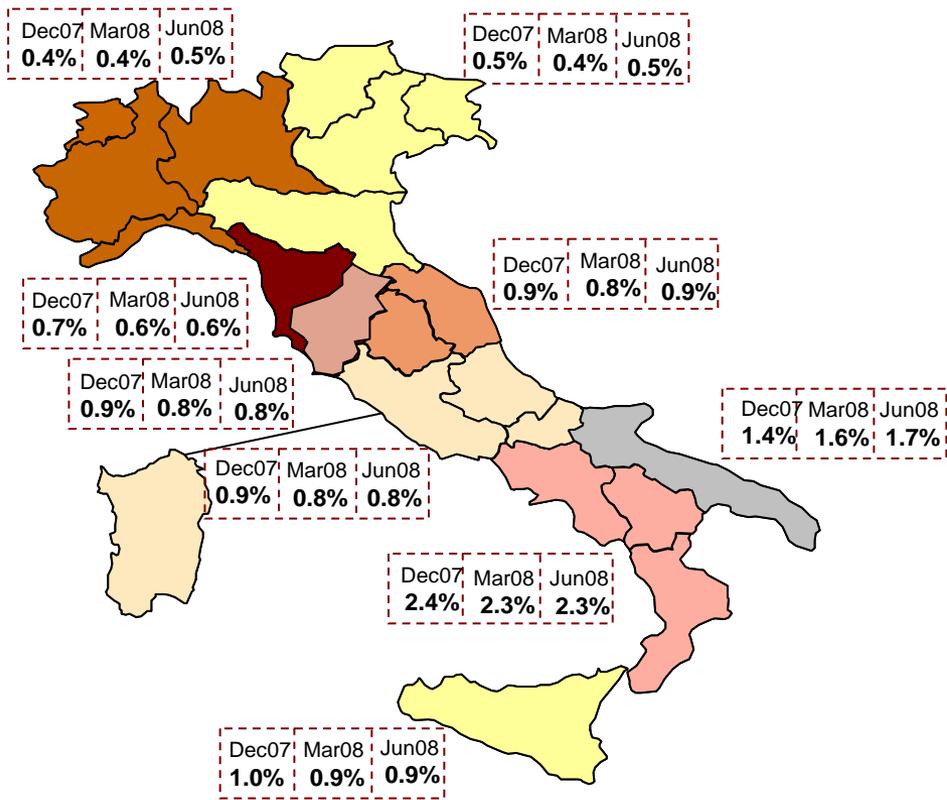


# Asset Quality Under Control\*

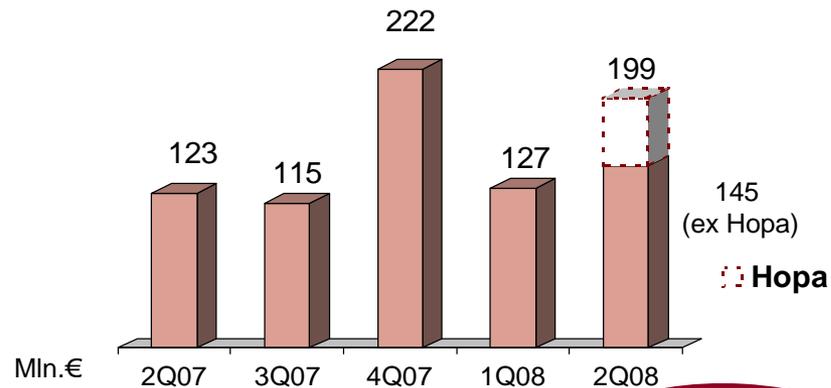
## Doubtful loans/Loans per Geographical Area\*\*



**Total:** Dec07: 0.8% Mar08: 0.8% Jun08: 0.9%

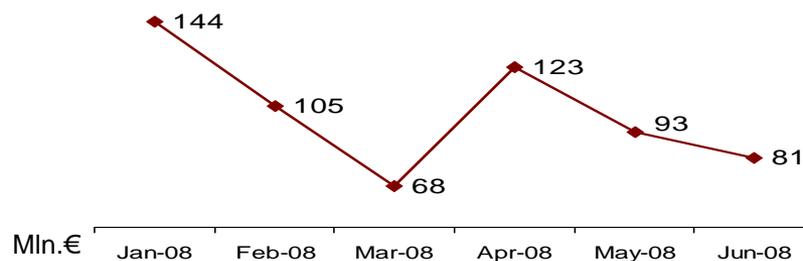


## Loan Loss provisions



**Provisioning 55 bps (50bps ex Hopa)**

## NPL flows



\* BMPS Group (pre BAV). BAV details on slide 24

\*\*Figures refer to Banca MPS

# Agenda

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**Economic results of new MPS Group**

**MPS Group (stand-alone)**



**Antonveneta (stand-alone)**

**Business Plan update**

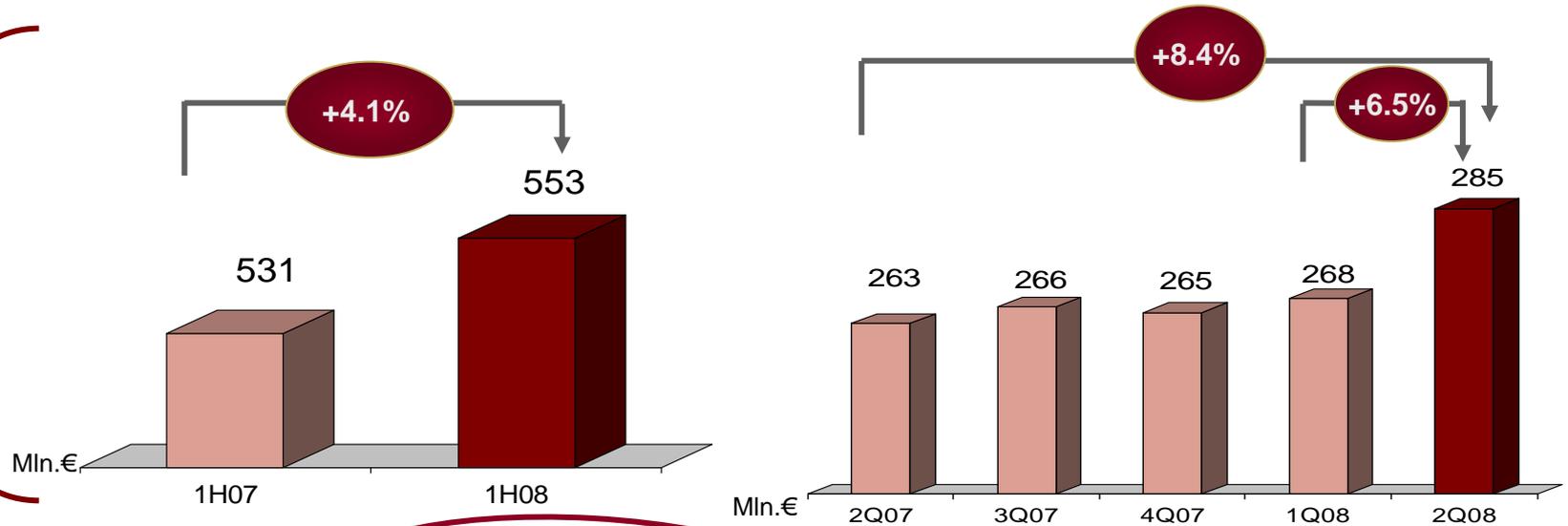
**Liquidity position and capital ratios**

# 1Q08 and 2Q08 BAV Results (stand alone)

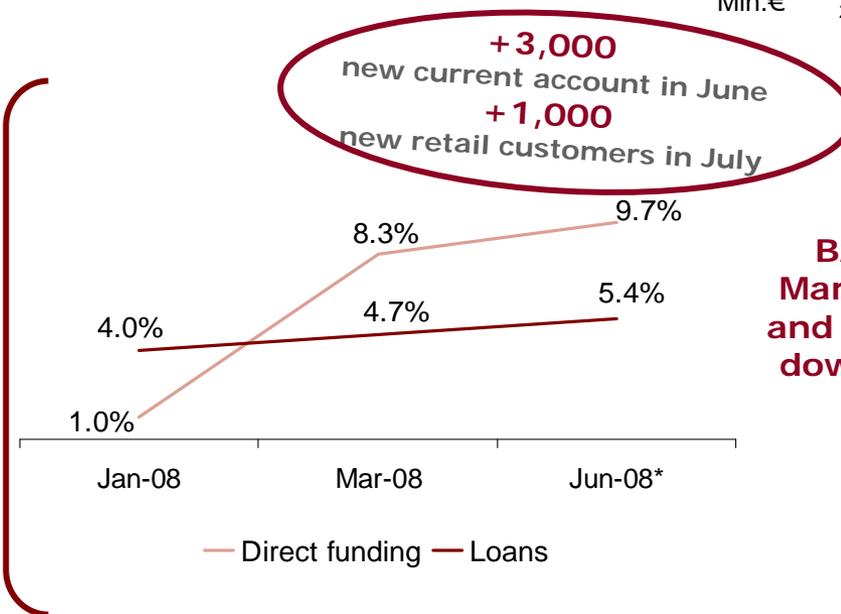
<b>Profit &amp; Loss</b> (mln€)	<b>1Q08</b>	<b>2Q08</b>	<b>2Q08/1Q08</b>	<b>2Q08/2Q07</b>
<b>Net Interest Income</b>	267.7	285.0	+6.5%	+8.4%
<b>Net Fees</b>	117.7	129.8	+10.3%	+2.9%
<b>Basic Income</b>	385.4	414.8	+7.6%	+6.6%
Trading	3.3	1.6	<i>n.s.</i>	<i>n.s.</i>
Dividend and other revenues	1.3	9.1	<i>n.s.</i>	<i>n.s.</i>
<b>Total Revenues</b>	<b>390.0</b>	<b>425.5</b>	<b>+9.1%</b>	<b>+4.5%</b>
<b>Operating Costs</b>	<b>-260.1</b>	<b>-257.2</b>	<b>-1.1%</b>	<b>-10.6%</b>
Personnel costs	-162.6	-154.8	-4.8%	-7.9%
Other admin expenses	-86.1	-90.7	+5.3%	-15.6%
<b>Loan Loss Provisions</b>	<b>-89.2</b>	<b>-37.0</b>	<i>n.s.</i>	<b>-33.3%</b>
<b>Provisions on financial assets</b>	<b>-31.2</b>	<b>-8.7</b>	<i>n.s.</i>	<i>n.s.</i>
<b>Net Operating Income</b>	<b>9.5</b>	<b>122.6</b>	<i>n.s.</i>	<i>n.s.</i>
Integration charges		-81.4		
<b>Gains/losses on assets due for dismissal</b>		<b>67.5</b>		
Taxes	-17.2	5.6		
<b>Net Income</b>	<b>-18.5</b>	<b>95.0</b>		

# Net Interest Income, loans and direct funding

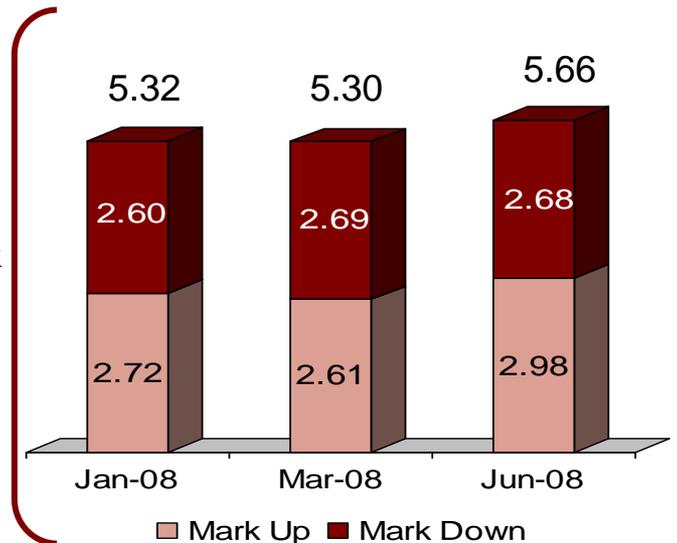
Net interest income



BAV network: Direct funding and loans YoY performance



BAV Mark up and mark down\*\*

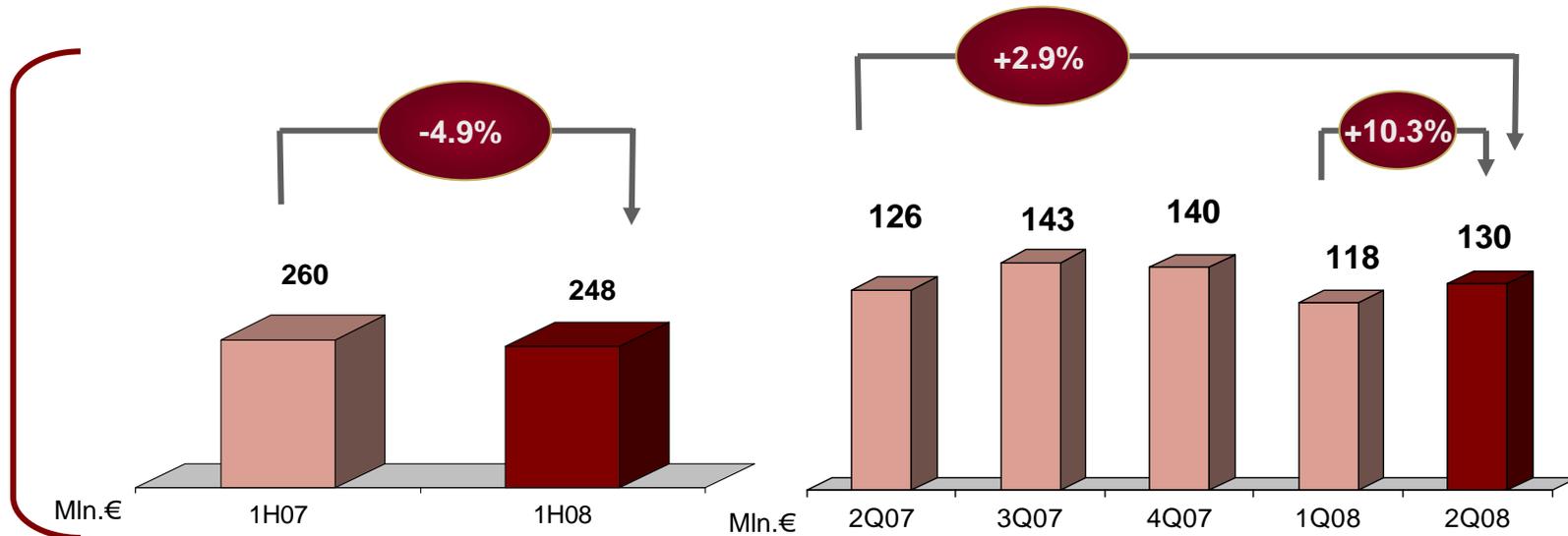


\* Including Key clients positions

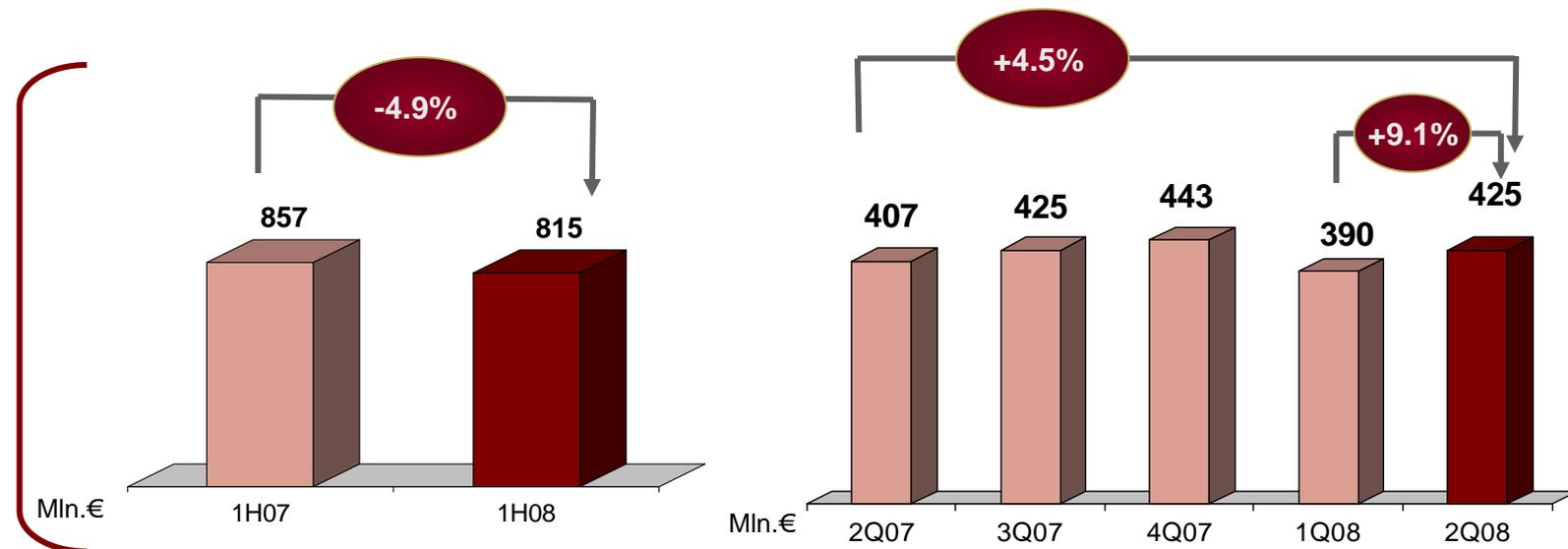
\*\* On current accounts

# Net fees and revenues: strong recovery in 2Q

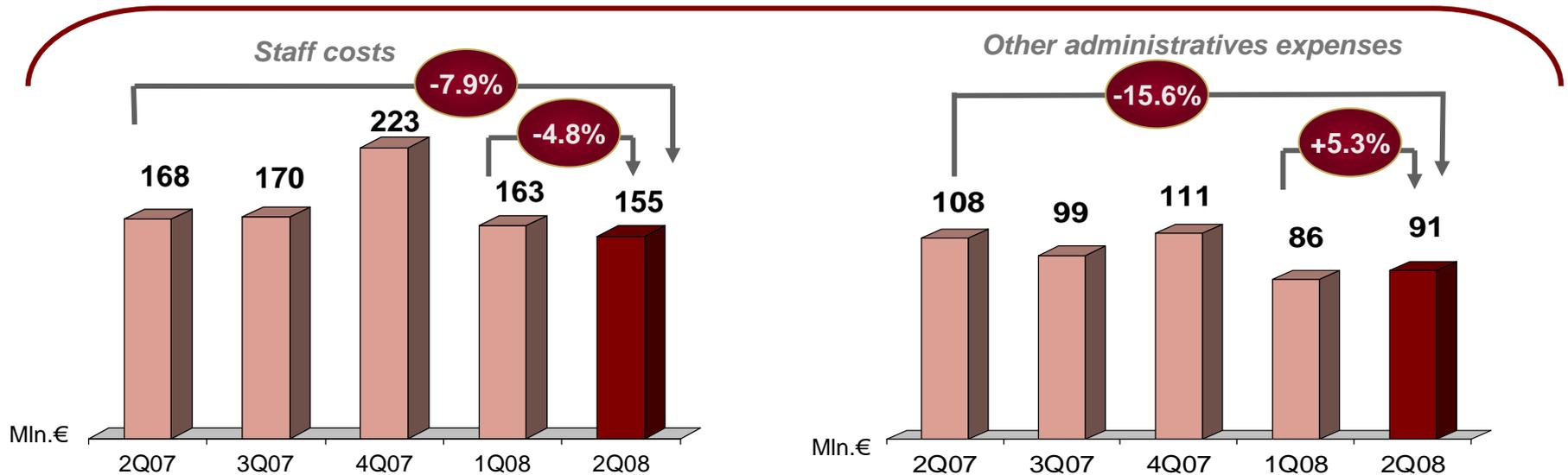
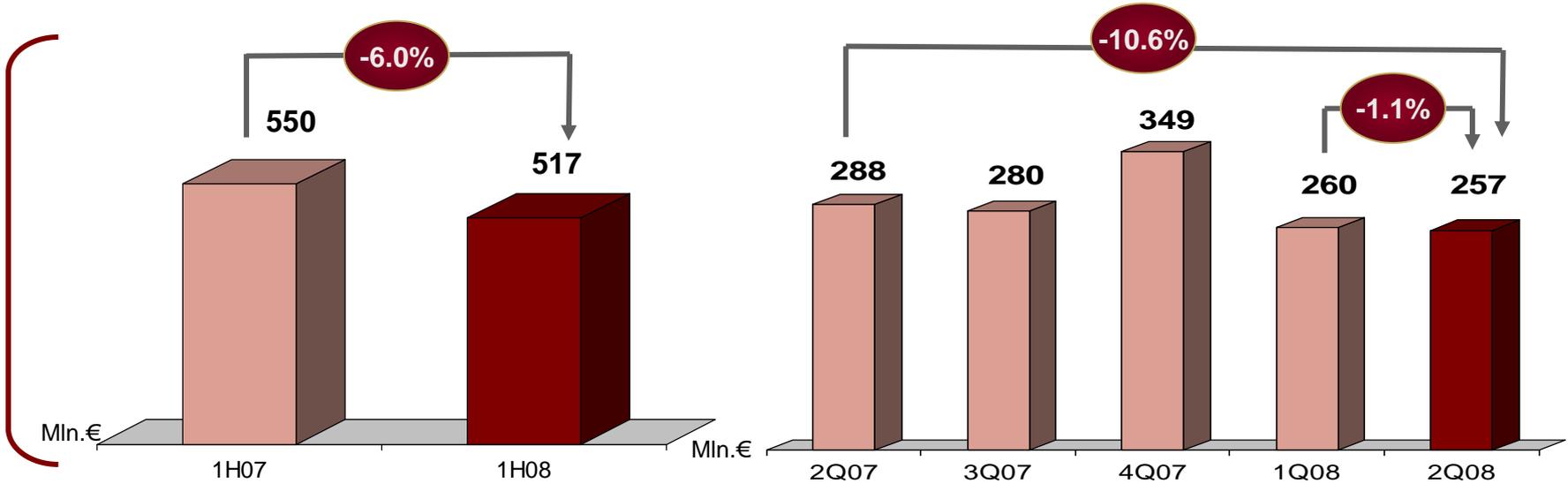
Net fees



Total revenues

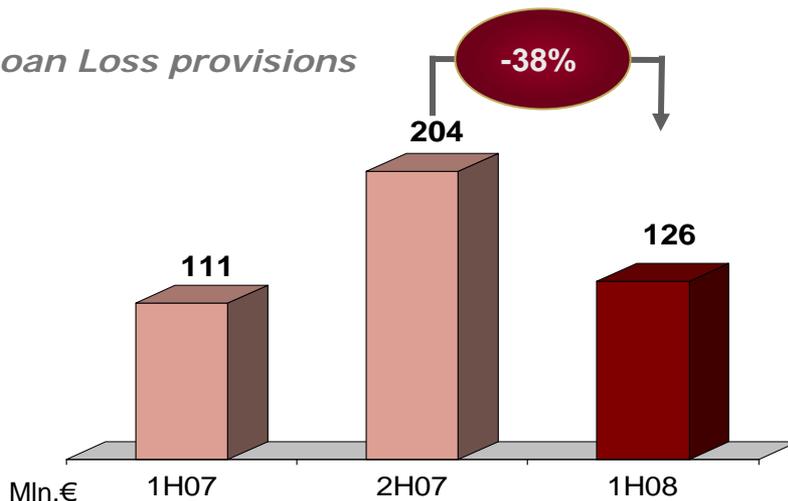


# Costs: first results of the ongoing restructuring process delivered



# Asset Quality: improved coverage and NPL flow slow-down

Loan Loss provisions



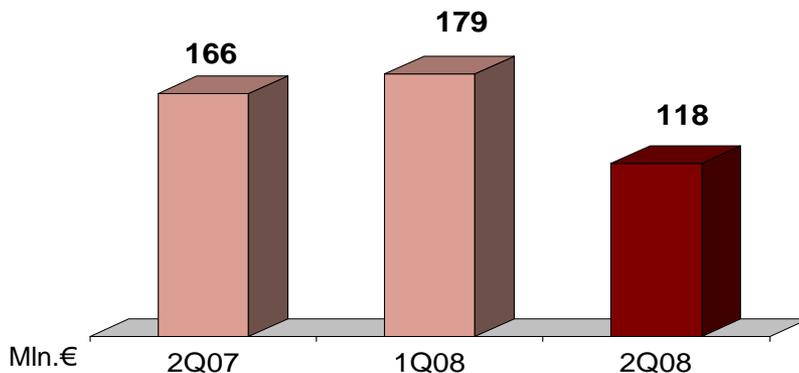
Loan Loss provisions

Provision/loans\*  
**80 bps**  
(1H08 annualized)  
**50 bps**  
(2Q08 annualized)

NPL Coverage

at 69%

NPL flows



**+€100 mln**  
of generic provisions  
(at 0.5% of performing loans,  
in line with GMPS)  
through PPA

\* Loans refer to the commercial network

# Agenda

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**Economic results of new MPS Group**

**MPS Group (stand-alone)**

**Antonveneta (stand-alone)**

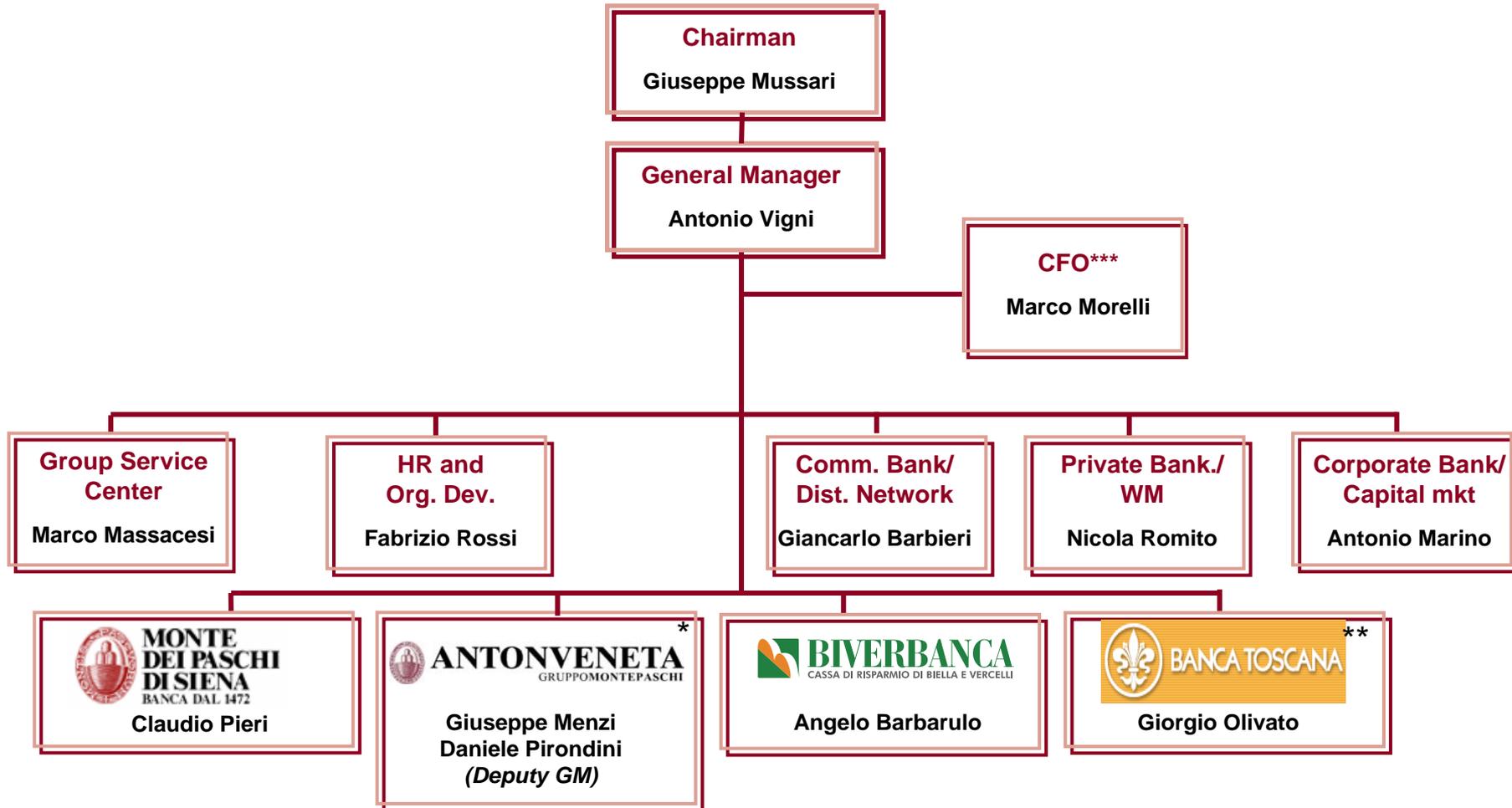


**Business Plan update**

**Liquidity position and capital ratios**

# The management team

## GRUPPOMONTEPASCHI

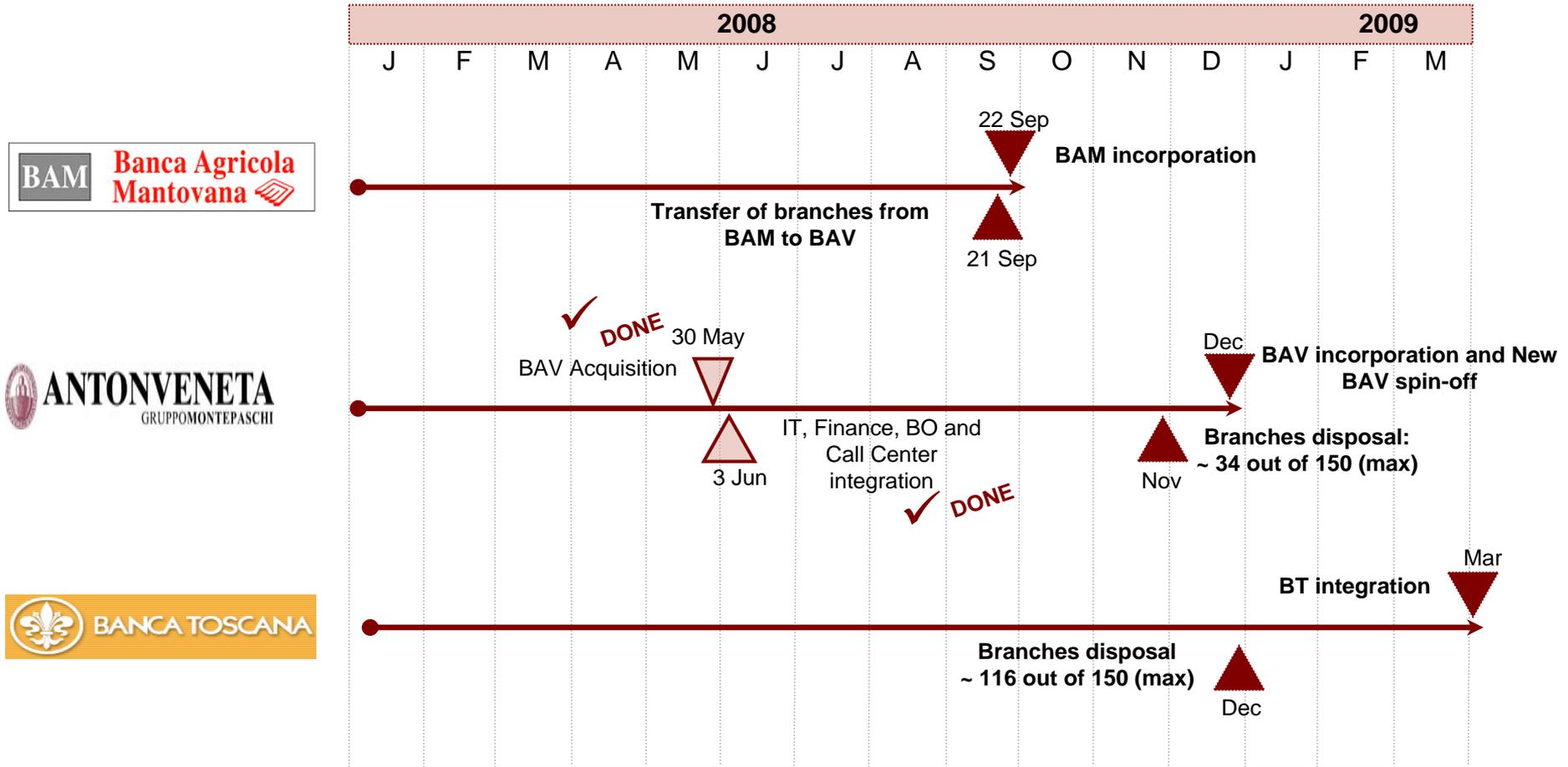


\*To be integrated

\*\* To be incorporated by 1Q09

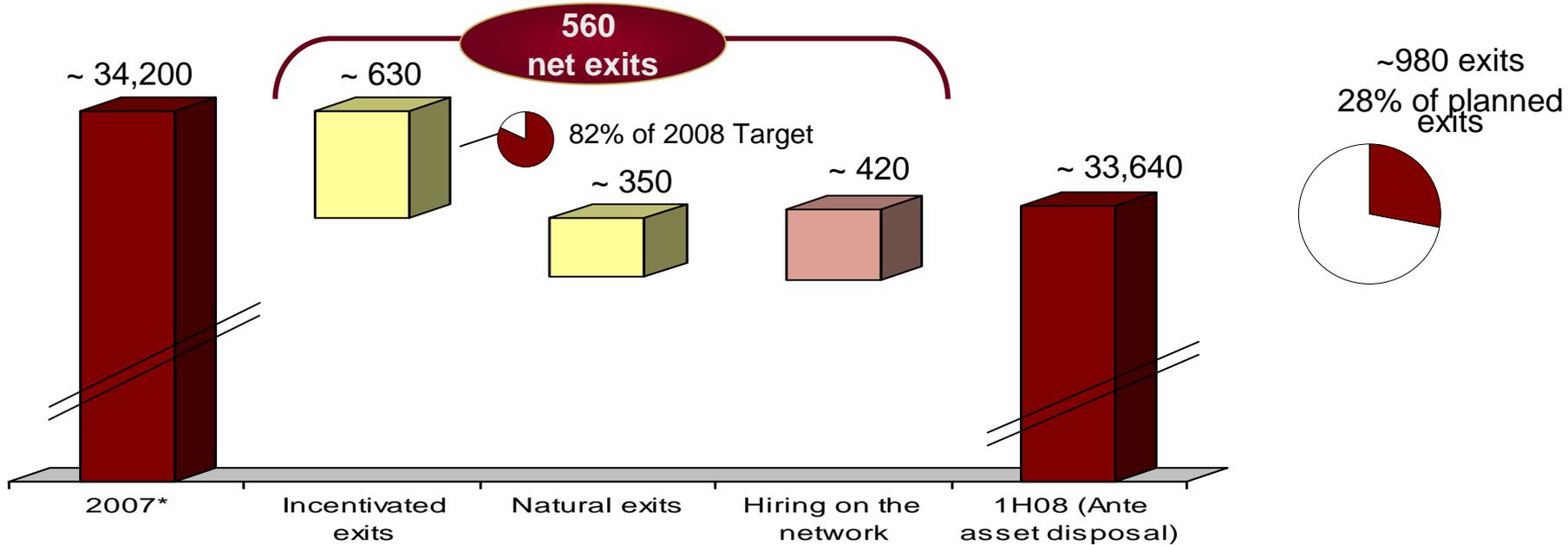
\*\*\* Senior Manager in charge of drawing up company accounts: Daniele Pirondini

# Group restructuring: next steps

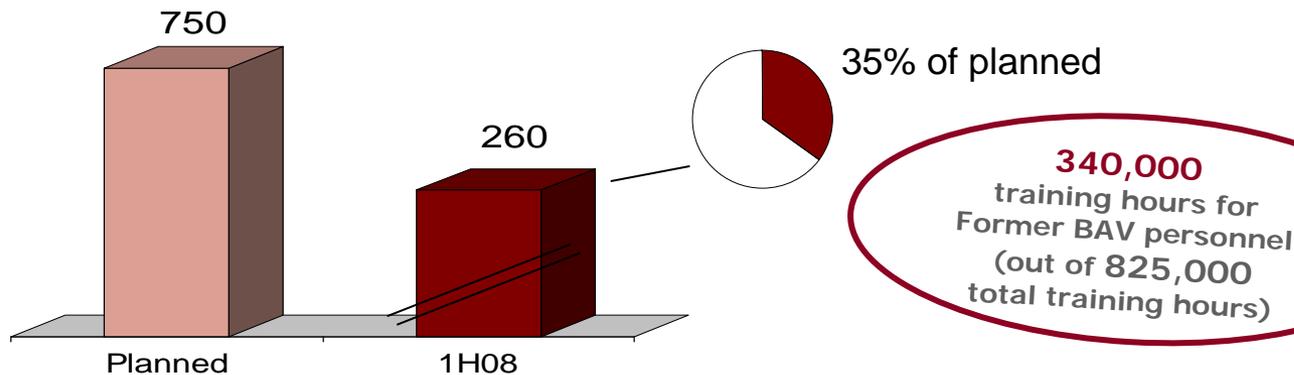


Group restructuring to be completed by 1Q 09

# Cost synergies: headcount reduction

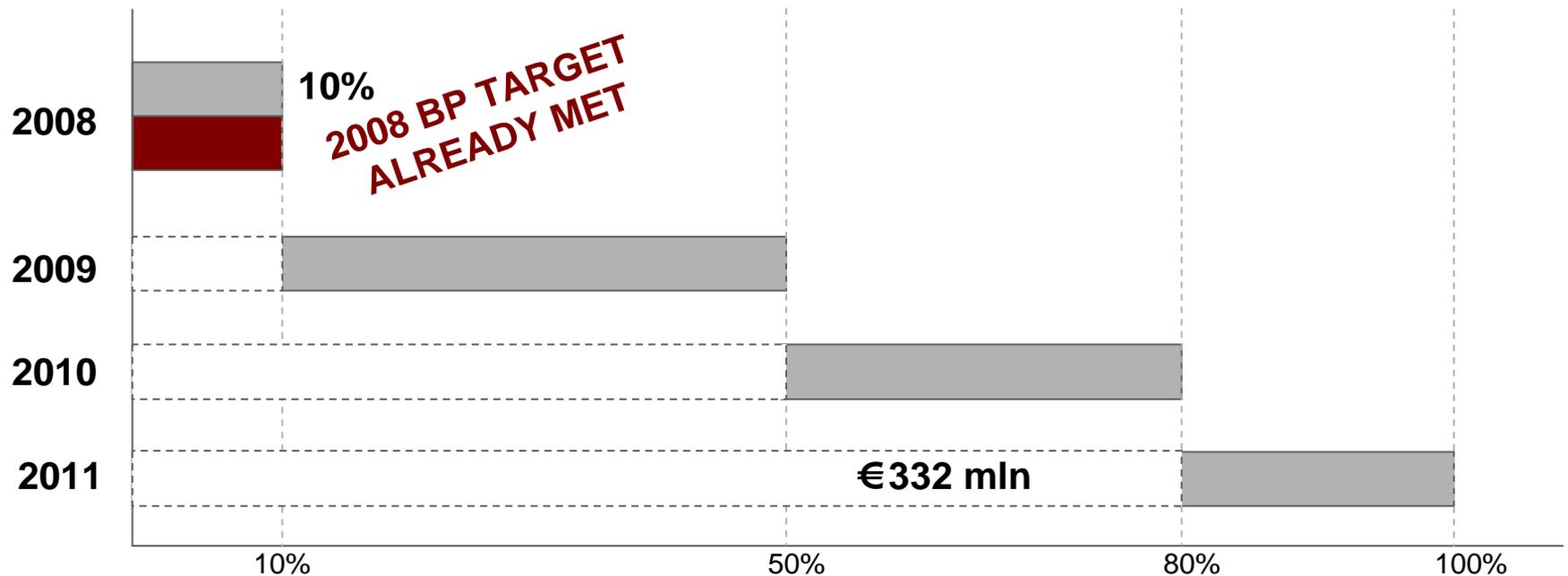


**Requalification  
(from BO to FO)**



\* FTE. Includes Antonveneta (9383) and Biver (696)

# Cost synergies (ASA): ahead of schedule

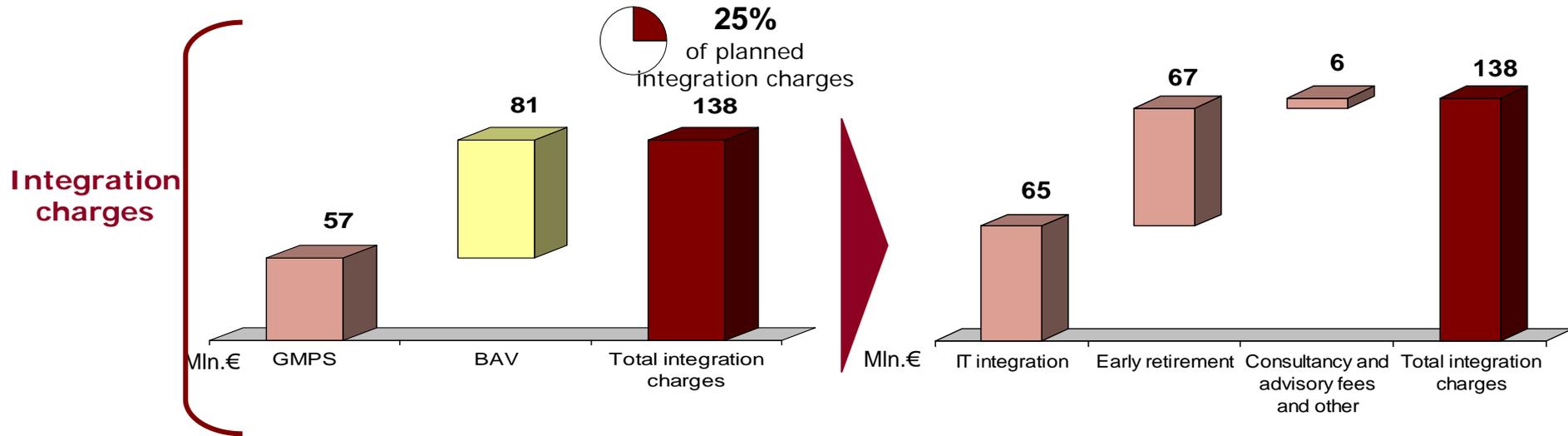


- Reached in 1H08
- Embedded thanks to IT integration
- Planned

**IT integration  
planned for Sep 08  
but executed in June 08**

**P&L impact  
first expected in 3Q09**

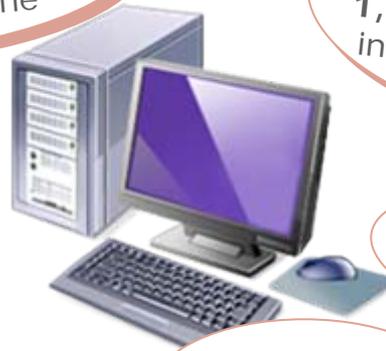
# Integration Charges highlights



## IT integration and the size of a "Big Bang solution"

**Record integration time:**  
4.5 months (17 Jan – 31 May)  
Roll out date: 2 June

**Size:**  
994 branches  
11,000 workstations  
1,100 ATMs  
65,000 POS  
9,000 employees



**Training:**  
49,000 training hours  
To 7,000 employees  
1,400 resources supporting BAV staff  
in the first 2 months after integration

**Customer care:**  
Extraordinary Help Desk

**Cost:**  
€ 65 mln

# Agenda

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**Economic results of new MPS Group**

**MPS Group (stand-alone)**

**Antonveneta (stand-alone)**

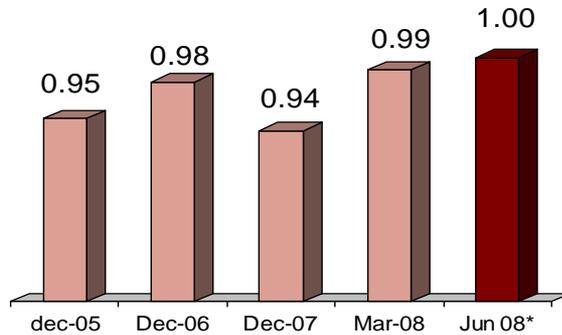
**Business Plan update**



**Liquidity position and capital ratios**

# Liquidity Position after BAV acquisition in line with plan

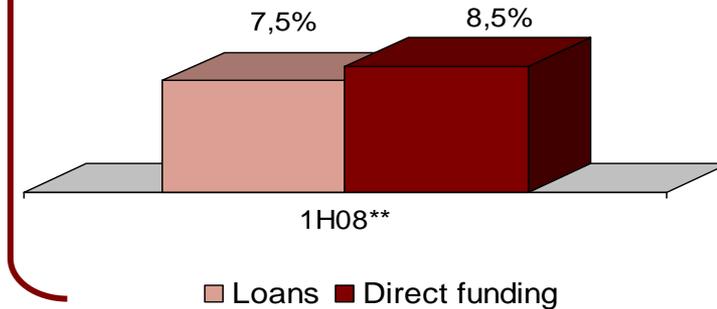
*Loan / Deposit ratio*



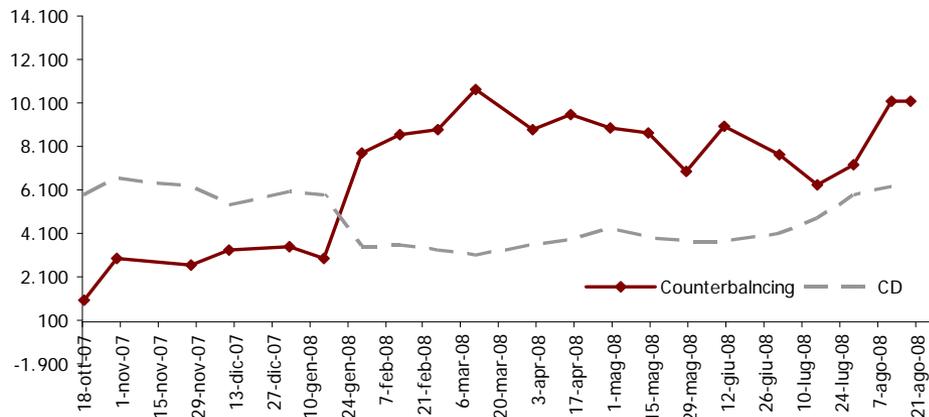
**Loan/Dep Ratio post BAV at 1x**

**Volumes Growth: a well balanced mix**

*Loans and Direct funding performance*



*CD Programme and Counterbalancing Capacity (€/000)*



**Counterbalancing capacity: +€10bn**

- Commercial network liquidity totally under control
- Negative interbanking exposure due to BAV financing

The Counterbalancing capacity is the total amount of the assets immediately disposable in order to face liquidity needs

\* Reported figures, including BAV

\*\* Referred to the commercial network, including BAV

# BAV PPA\*: significant reduction of goodwill expected from the €7.6bn reported in 2Q08

mln€

BAV Goodwill (Pre-PPA)		7,293
<b>Fair Value</b>	Loans	+583
	Provisioning on performing loans**	-101
	Real Estate and others	+185
	Other assets and liabilities	+105
	Deferred taxes	-230
	<b>TOTAL PPA</b>	<b>541</b>
BAV Goodwill (Post-PPA)		6,752
Other expected intangibles		478
Goodwill (Post-PPA) net of BAV intangibles		6,274

**PPA Biver  
€ 33 mln**

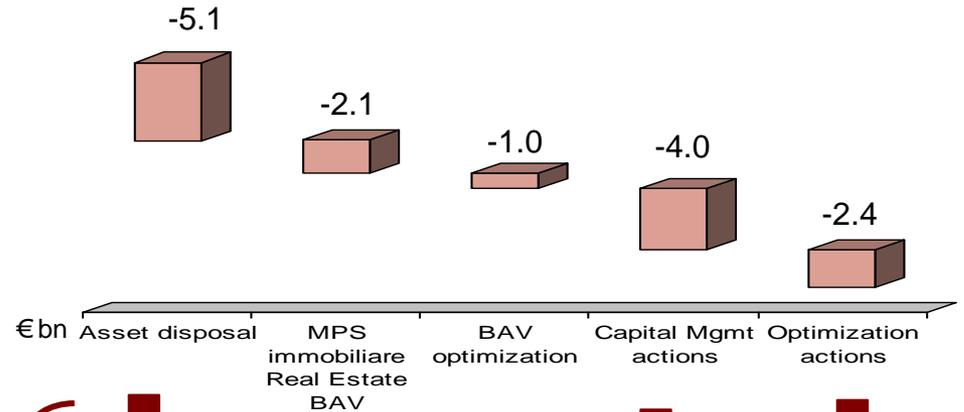
\* Preliminary data

\*\* Higher risk expected, according to conservative GMPS criteria

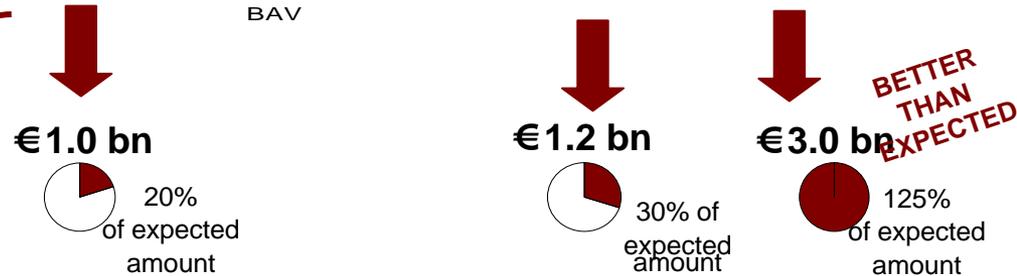
# Tier 1 and TCR evolution

Further improvement from:

## 1. RWA optimization 2008 vs 2007



Results achieved (June 08)

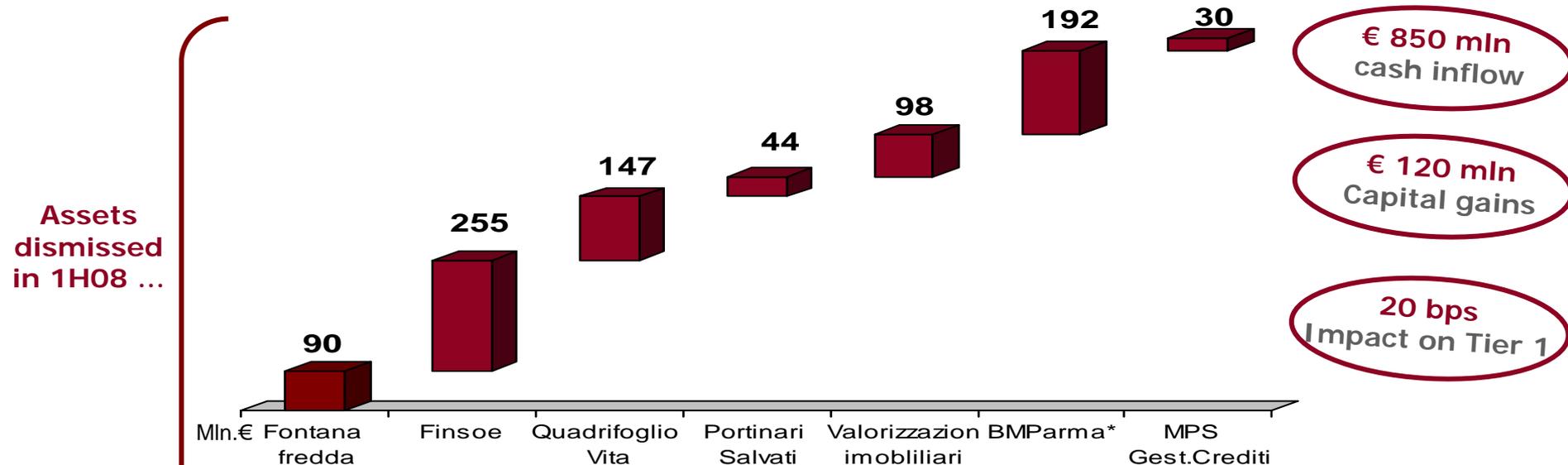


## 2. Asset disposal

\* Estimates include expected benefit from asset disposal in accordance with IFRS5 (Banca Monte Parma and MPS Sgr)

\*\* B2 advanced full impact; B2 standard for BAV and product companies

# Assets dismissed in 1H08 and to be dismissed in 2H08



... and to be dismissed in 2H08

<u>Asset</u>	<u>Status</u>
Marinella	Exclusive agreement with CCC-Unieco
Via Normanni (Rome)	2 binding offers received
Branches (125-150)	Information Memorandum sent to potential bidders
MPS SGR	Binding offer from FRM Holdings Ltd/Clessidra Sgr
MPS Immobiliare	In progress

\* Subject to regulatory approval

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## Declaration

In accordance with section 2, Article 154-bis of the 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.

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# Annexes

# 1H08 GMPS and BAV One off items

<b>GMPS Net One off items (Net profits base €539mln)</b>	<b>1Q08</b>	<b>2Q08</b>	<b>1H08</b>
<b>Positive one-off items:</b>			
Capital gains from Banca Depositaria		195	195
Capital gains from Fontanafredda		28	28
Capital gains from Palazzo Portinari		22	22
Others		19	19
<b>Total Positive one-off items</b>		<b>264</b>	<b>264</b>
<b>Negative one-off items:</b>			
Hopa/Fingruppo	-62.8	-55.2	-118
Finsoe disposal		-35	-35
Negative results from Bancassurance (Quadrifoglio Vita)		-24	-24
Valorizzazioni Immobiliari Disposal		-9	-9
<b>Total Negative one-off items</b>	<b>-62.8</b>	<b>-123.2</b>	<b>-186</b>
<b>Net One-off items</b>	<b>-62.8</b>	<b>140.8</b>	<b>+78</b>

<b>BAV Net One off items (Net profits base €76mln)</b>	<b>1H08</b>
<b>Positive one-off items:</b>	
Capital gains from Interbanca	67.5
<b>Total Positive one-off items</b>	<b>67.5</b>
<b>Negative one-off items:</b>	
Hopa	-32.0
Integration costs	-55.0
Parmalat	-7.0
<b>Total Negative one-off items</b>	<b>-94</b>
<b>Net One-off items</b>	<b>-27</b>

# Gmps + BAV year-to-date

## Profit & Loss

(mln€)

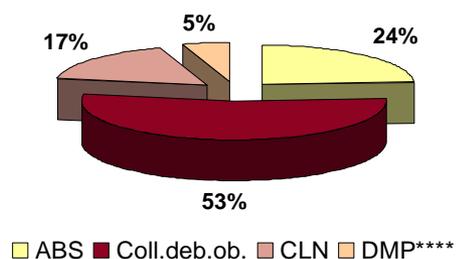
	1H08	1H08/1H07	2Q08	2Q08/2Q07
Net Interest Income	2,167.8	10.6%	1,097.9	13.2%
Net Fees	945.7	-4.1%	471.8	-2.5%
Basic Income	3,113.4	5.7%	1,569.8	7.9%
Trading	55.7	-79.7%	80.6	-43.5%
Dividend and other revenues	26.3	-55.5%	20.8	-43.2%
Total Revenues	3,195.4	-3.2%	1,671.2	2.1%
Operating Costs	1,915.3	-2.0%	968.2	-3.5%
Personnel costs	1,201.4	-1.0%	599.4	-3.1%
Other admin expenses	634.7	-4.4%	329.3	-5.5%
Loan Loss Provisions	451.6	31.3%	235.5	32.0%
Provisions on financial assets	129.8	n.s.	29.3	n.s.
Net Operating Income	698.7	-30.3%	438.2	-4.7%
Integration charges	138.3	n.s.		n.s.
Taxes	274.7	-33.6%	158.9	-12.7%
Net Income	552.4	-13%	380.8	28%

# Structured Credit portfolio: conferred the good quality

**Negligible US subprime exposure\*\* – No monoline\*\*\* –  
Negligible leveraged finance exposure\*\*\*\* –  
No Conduits –No Sivs**

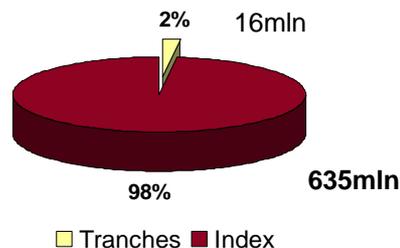
## LONG

Structured Credit Portfolio:  
€1,963 bn\*

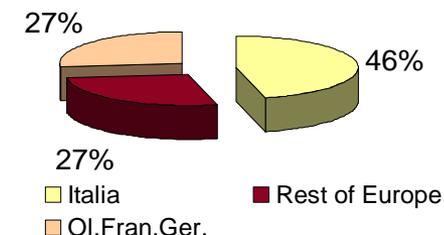


## SHORT

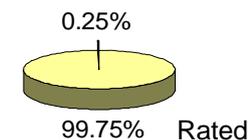
Credit Structure Portfolio:  
€651mln



## ABS: Geographic breakdown



## Credit Portfolio: Rating breakdown



**Negligible Junior  
tranches exposure**

**No guarantee  
released to subprime mortgages**

**€ 58 mln written off from P/L plus €49 mln from valuation reserves  
(total write-offs: 17% of portfolio)**

\* Nominal Value, exc 500 mln€ Italian Republic-related bonds

\*\* Exposure for 50 mln.€, position hedged

\*\*Only indirect exposure for € 2 mln

\*\*\*\* Nominal exposure €13mln

\*\*\*\*\*Dynamically managed portfolio

# Disclaimer

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