GRUPPOMONTEPASCHI

PRESS RELEASE[1]

Gruppo Montepaschi: H1 2009 results approved

EUR 401.6 mln net income (pre-PPA, -20.1% YoY on a like for like basis)
EUR 332.1 mln net income (post PPA)
Significant cost reduction (-7.9% YoY on a like for like basis).
Cost/income ratio at 59.7% (vs 66.1% in Dec 2008)
Direct funding up 6.2% YoY; loans up 3.7% YoY
Tier I Ratio up 65 bps from the end of last year
EUR 14 bln total new funding in Q2 2009
Antonveneta's recovery continues: net income at EUR 42mln (pre PPA) and +2,550 new current accounts opened

H1 2009 Highlights

Commercial volumes are up

- Direct funding: +6.2% YoY (accelerating significantly in Q2) ; Loans: +3.7% YoY (on the increase in Q2 as well)
- Interest income: -3.8% YoY on a like for like basis; Revenues: -4.7% YoY on a like for like basis
- Gross income streams from Wealth Management products: EUR 12.2 bln
- Direct funding from insurance premiums: EUR 2.3 bln worth of placements (+4.4% YoY)
- Mortgage loans: disbursements of approx. EUR 5.1 bln
- Q2 2009 total funding from commercial networks up by EUR 4.4 bln from Q1 2009 (+ 16.5% YoY)

Cost cutting increasingly stronger: -7.9% YoY. Roughly EUR 32 mln integration costs incurred in H1. Cost/income ratio at 59.7% (compared to 66.1% at the end of 2008).

- Personnel expenses (-6.9% YoY): 730 employees (approx. 2% of total Group employees at 12/31/2008) left. Headcount reduction of approx. 1,600 units since the end of 2007: 2011 target (net headcount reduction of approx. 2,000 resources) expected to be achieved by year end.
- Other administrative expenses decreased by 10.6% YoY, partially as a result of synergies for an amount equal to 80% of annual target of EUR 115 mln.

Cost of credit: 95 bps; rigorous policies on financial assets and risks and charges. Net income in excess of EUR 332 mln.

- The cost of credit stood at 95 bps (annualized); NPL loss provisions were up 60 bps from March 2009. The general reserve for performing loans was up 7 bps from March 2009.
- Net provisions for risks and charges and other operating income stood at approx. EUR -35 mln.
- Net income: EUR 401.6 mln (pre PPA) (EUR 332.1 mln post PPA)

Positive signals from Antonveneta

- Antoveneta: +2.550 new current accounts opened in the first seven months of the year; direct funding is showing a double-digit growth. H1 2009 net income (pre-PPA): approx. EUR 42 mln.
- Former Antonveneta branches (merged into BMPS): Direct funding: +15% YoY; Loans: +1% YoY

Net equity on the increase; RWAs down (-EUR 5 bln compared to March 2009); asset disposal continues

- Net shareholders' equity in excess of EUR 15.1 bln (+6.8% YoY). Total Capital Ratio at 10.1% (+80 bps compared to the end of 2008). Tier I Ratio at 5.8% (+65 bps from the end of last year; +20 bps from March 2009). Considering the T-Bond impact, the Tier I ratio stood at 7.3% and Total Capital Ratio at 11.7%.
- Process to establish a consortium for the purpose of a transaction in ‘instrumental’ real estate has been completed; further impact of 40 bps on capital ratios is expected at closing.

[1] In order to make a proper analysis of trends possible, 2008 comparison data were restated to take into account the cost of loans associated with the Antonveneta acquisition (assuming they were taken out at the beginning of the year) as well as the line-by-line purging of Intermonte items following the dismissal of Intermonte in H2 2008.

<u>Montepaschi Group consolidated results - Highlights</u>

Siena, 28 August 2009 – Yesterday the Board of Directors of Banca Monte dei Paschi di Siena Spa approved the Montepaschi Group accounts as at 30 June 2009.

Despite the global economic downturn, in the first half of 2009 the Montepaschi Group as a whole posted positive commercial and economic results, with funding generally on the increase and important cost/income ratio signals, which enabled a strengthening of the Q1 favourable trends in operating charges.

With respect to **capital and commercial aggregates**, volumes grew and so did the market share. In particular, market share (m.s.) has improved in lending (7.5% m.s) and direct funding (approx. 7% m.s, +20 bps compared to March 2009).

With regard to the development of financial and insurance activity, **total revenues stood at EUR 2,933 mln at 30 June 2009 (as against 3,079 mln at 30 June 2008 on a like for like basis). More specifically, basic income totalled approx. EUR 2,787 mln (vs/. EUR 3,004 mln at 30 June 2008 on a like-for-like basis).**

In particular, a comparison of **consolidated total revenues** with 2008 values on a like-for-like basis highlights the following:

- A partial **interest income reduction** compared to H1 2008 **(-3.8%)**, with its 'commercial components' continuing to suffer from lower-than-expected loan trends and from a progressively lower direct funding contribution on the back of the lengthy downturn in market rates.

- **Fees were down 15% from H1 2008 (-0.8% in Q2 over Q1 2009). However, revenues from asset management could recover in Q2**, as a consequence of a positive trend in placement of products and a recovery in assets management. Conversely, the downturn in revenues from traditional services continued in the wake of the negative business cycle.

- **Net income from trading/valuation of financial assets** was positive by approx. EUR 79 mln (vs/. EUR 48.4 mln at 30 June 2008 on a like for like basis).

Total revenues also include **dividends, similar income and profit/losses from equity investments**. These **totalled approx. EUR 67 mln** (EUR 33.9 mln in H1 2008) thanks to a positive revenue contribution from equity investments (mainly AXA-MPS).

The share of traditional revenues (basic income + dividends) continues to be the highest in Europe and accounted for 97.3% of total revenues in the 6-month period.

As a whole, **consolidated total revenues stood at EUR 2,933.3 mln (-4.7% from 30 June 2008 on a like-for-like basis).**

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

- **"Net adjustments for impairment loans"** amounted to EUR 686.7 mln **(up 52.1% from 30 June 2008 on a like for like basis) and resulted in a provisioning rate of approx. 95 bps** mostly as a consequence of more defaults resulting from the deterioration of the economic scenario and of a limited demand for loans, within the framework of the Group's usual, rigourous prudential provisioning policy.

- **"Net adjustments for impairment of financial assets"** were negative by approx. EUR 23 mln.

In order to cope with the difficult external scenario that became significantly more challenging in the course of the year, actions aimed at structural cost reduction (in line with measures undertaken in previous financial years) have become more aggressive. **Operating expenses were down 7.9% from the same period of last year** as a result of **structural benefits from the headcount reduction and rearrangement actions** taken in the second half of last year and further carried out in 2009, as well as from the reorganization processes which have been put in place. **Cost/income ratio down to 59.7% (from 66.1% at the end of last year).** More specifically:

- **"Personnel expenses** " (EUR 1,112 mln) **decreased by 6.9% YoY on a like for like basis**.

- **"Other administrative expenses** (EUR 562 mln) **were down 10.6% YoY on a like for like basis** mainly as a result of the stringent cost management measures adopted. The yearly dynamics, which benefited from a favourable seasonality in the the first part of the year, is nevertheless structural and dependent upon an ongoing and rigourous control over costs (particularly of those arising out of the reorganization processes that have been put in place) and over the cost management measures that have been adopted.

- **"Net adjustments to the value of tangible and intangible fixed assets "** declined by 2.0% and stood at EUR 77.4 mln.

As a result of the above, the **net operating income** stood at EUR 473 mln.

A contribution to net income also came from **net provisions for risks and liabilities and other operating income/costs**, which were negative by approx. EUR 35 mln (vs/. around EUR -20 mln at 30 June 2008) and EUR 32 mln worth of "one-off" **charges**, in connection with the integration of Banca Antonveneta and the related rearrangement initiatives set forth in the Business Plan. These charges consist in IT costs and other expenses for an amount of EUR 9.4 mln, and "one off" personnel charges for an amount of approx. EUR 22.5 mln. These refer mostly (EUR 21.5 mln) to the actions defined under the early retirement scheme (incentive-based severance and "Solidarity Fund") and take account not only of the resources who left the Group in H1 2009, but also of the employees who are expected to leave by the end of the year.

Against this background, the **operating income before taxes,** stood at approx. EUR 403 mln.

Gain (losses) on fixed assets due for disposal, net of taxes amounted to approx. EUR 196 mln, mainly resulting from capital gains associated to the sale of Mps Asset Management Sgr SpA, ABN AMRO Asset Management and other Group asset management companies to Clessidra.

Finally, **income taxes for the financial year** amounted to approx. EUR -194 mln.

The **consolidated net income** of the Montepaschi Group before Purchase Price Allocation (PPA) stood at approx. EUR 402 mln, Considering the net effects of PPPA, the value was EUR 332.1 mln.

Moving on to the individual business units of the Group, satisfactory results were posted by Banca MPS as well as by Antonveneta and Biverbanca.

Banca MPS

- Net income: EUR 431 mln (inclusive of intra-Group one-off dividends)

Antonveneta

- Net income: approx. EUR 42 mln (pre PPA)

Biverbanca

- Net income: approx. EUR 15 mln (pre PPA)

With respect to *Segment Reporting* obligations under IFRS 8, highlights include the following:

Retail and Private Banking:

- total revenues: -15% YoY.
- customer loans: -0.6% YoY.
- direct funding: +12.1% YoY.

Corporate Banking

- total revenues: +11% YoY.
- customer loans: +3.2% YoY.
- direct funding: +25.3% YoY.

<u>Capital aggregates</u>

Despite the difficult economic scenario and the Group's organizational rearrangement efforts, Group results **highlight a progressive upturn in commercial activities, with trends getting strengthened in the months following the term closure, particularly in terms of new client acquisition and asset management.** As a consequence, the Montepaschi Group **could consolidate and, in some instances, enhance its market position**.

With respect to funding aggregates, total stocks stood at approximately **EUR 278 bln (+6,3% compared to 30 June 2008), namely up by EUR 14 bln from Q1 figures (direct funding in particular), with recovery in asset management volumes resuming after a long period of time**.

Direct funding stood at approx. EUR 148 bln, up by EUR 8.3 bln from 31 March 2009 and growing considerably as compared to same period last year (+6,2%). The aggregate benefits from the still positive contribution from commercial activity which increased by EUR 4.4 bln (+16.5% YoY) as compared to Q1 2009, whereas the growth in institutional clients was more moderate **as part of the funding policies adopted by the Group with a view to seizing the refinancing-at-marginal-rates opportunities offered by the ECB**. **The market share was approx. 7% at 30 June 2009.**

Indirect funding exceeded EUR 130 bln.

More specifically, in the first six months of 2009 intense **activity in the asset management business** resulted into approx. **EUR 12.2 bln worth of placements**, **up 64% from the same period of last year on a like-for-like basis,** despite negative trends in the financial sector. More in detail, **bonds grew considerably** (+30% on a like-for-like basis) **as did the insurance business**, (+4.4% compared to 30 June 2008 on a like-for like basis) driven by traditional policies (+125% vs/.June 2008 on a like-for-like basis).

With respect to credit management, customer loans amounted to approximately EUR 145 bln and were basically in line with levels at 31 March 2009 **and up 3.7% from June 2008 (market share approx. at 7.5%).** Throughout the six-month period, **initiatives aimed at supporting the entrepreneurial and manufacturing sector** to mitigate the effects of the unfavourable economic scenario went on and were extended into a set of measures – such as easier access to credit, tailored credit ceilings, 'bonuses' – targeting all businesses in general, with a special focus on the most 'virtuous' and socially responsible; **households**, were also included in the approach by means of the so-called "Combatti la Crisi" (= Fight the crisis) relief plan which envisages the suspension of mortgage loan instalments for a period of up to 12 months, the introduction of a mortgage loan called "Mutuo MPS Protezione" and an insurance policy called "Mutuo Sicuro Plus".
With regard to individual products, a good trend was recorded in **mortgage loans** placed by the Group's commercial networks, which stood at approx. EUR 5.1 bln**.**

With respect to credit quality, the increase in impaired credit as compared to March 2009 affected all types of credit facilities and was particularly high in terms of watchlist loans which were impacted by the transfer of a significant position classified under Large Corporate (net of which watchlist loans were up by approx. 19%).

The latter exposure accounted only for a minimum writedown as it does not entirely represent a direct risk for the Montepaschi Group, in consideration of the "*cash collaterals"* paid by other banks[2].

As compared to March, **net NPLs** at the end of June were up 2.9%. Recovery flows are EUR 304 mln, regard to (impaired loan accounts) closed, writebacks could be posted for an amount of EUR 73 mln.

In particular, loss provisions on gross non-performing loans were at 56.3 % (compared to 55.7% at the end of March 2009). Portfolio value adjustments on (gross) performing loans were up and exceeded the 0.6% reference aggregate.

In conclusion, it is noted that Fitch Ratings affirmed its long- and short-term MPS rating (A, F1) and upgraded Special Servicer Ratings of MPS Gestione Crediti (RSS2-, CSS2- from previous RSS3+, CSS3+) in August 2009.

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

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The Manager responsible for drafting the Company's financial reports, CEO Mr. Marco Morelli, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to documentary evidence, books and accounting records.

[2] The exposure to impaired loans includes (in the category of 'watchlist loans') the refinancing of a leveraged buyout of SAECO International Group Spa worth approx. EUR 540mln. The loan was disbursed entirely by Banca Antonveneta (as a supported lender) which, based on the agreements entered into between the parties, has received guarantees and cash collaterals from the other banks participating in the transaction. Therefore, the direct share of risk borne by GMPS amounts to approx. EUR 40mln. **In this connection, it is noted that the exposure was entirely paid off by full and final settlement in July 2009.**

MPS GROUP - RECLASSIFICATION PRINCIPLES FOR OPERATING PURPOSES

The following accounting statements illustrate balance-sheet and profit-and-loss accounts reclassified on the basis of operating criteria. In particular, the major changes introduced to the income statement of the two financial years involve aggregations and reclassifications of accounts for the purpose of giving a clearer view of the trends of the Group's operations. Following are the major changes as at 30 June 2009 (additional details are provided in the comparative statements reported in the "Annexes" section):

a) **"Net profits/losses from trading/valuation of financial assets"** in the reclassified income statement, includes the items under Account 80 (Net profit/loss from trading), Account 100 (Profit/loss from the sale or repurchase of loans, financial assets available for sale and held upon maturity and financial liabilities) and Account 110 (Net profit/loss from financial assets and liabilities designated at fair value), integrated with the dividends from some "sophisticated" securities transactions closely associated with the trading component (approx. EUR 202 mln as at 30/06/09) and adjusted with the "cost of funding" of said transactions (approx. EUR 4 mln), once eliminated from "interest expense and similar charges";

b) **"Dividends, similar income and Profits (losses) from equity investments"** in the reclassified income statement incorporates account 70 "Dividends and similar income" and a portion of account 240 "Profits (losses) from equity investments" (approx. EUR 59 mln as at 30 June 2009); dividends from some sophisticated transactions, as outlined under item a) above, have been eliminated from the aggregate;

c) **"Net valuation adjustments to impaired loans"** in the reclassified income statement were determined by reclassifying charges for an amount of about EUR 21 mln (namely, value adjustments to junior notes for an amount of approx. 18 mln and charges in relation to financial plans amounting to approx. 3 mln), which are more properly classified under "Net provisions for risks and charges and other operating income/charges";

d) "**Personnel expenses**" in the reclassified income statement were purged of the H1 2009 portion of "one off charges" associated with the integration of Banca Antonveneta into the Group and the pertaining initiatives of reorganization as approved in the 2008-2011 Business Plan which were reclassified under "Integration charges";

e) **"Other administrative expenses"** in the reclassified income statement were integrated with the portion of stamp duty and client expenses recovery (approx. EUR 109 mln) posted under Account 220 "*Other operating charges/income*". The aggregate was also purged of "One off charges" amounting to EUR 9 mln, which were reclassified under "integration charges";

f) **"Net provisions for risks and charges and other operating income/charges"** in the reclassified income statement result from the difference of Account 220 "*Other operating charges/income*" and Account 190 "*Net provisions for risks and charges*", once purged of additional items as described under the previous paragraphs.

g) "**Integration charges**" in the reclassified income statement, which include the one-off charges associated with the integration of Banca Antonveneta and related reorganization initiatives as a portion of currently quantifiable charges, were eliminated from **personnel expenses** (approx. 23 mln) and from **other administrative expenses** (approx. 9 mln);

h) **"Dividends, similar income and Profits (losses) from equity investments"** in the reclassified income statement is posted net of components which were reclassified under "Dividends and similar income" (as per item b) above) for an amount of approximately 59 mln concerning the portion of equity investments undertaken mainly in the insurance business;

i) The effects of PPA *(Purchase Price Allocation*[3]*)* (in particular: **"Interest income" for an amount of approx. EUR 61 mln and depreciation/amortization for an amount of approx. EUR 40 mln)** were purged of such effects and the related amounts have been reclassified under one account named ***"Net effects of the Purchase Price Allocation"*.**

In addition to these reclassifications and with a view to facilitating the interpretation of Group trends, as a result of the expected loss of control of the **"Asset Management companies"**, it was necessary to integrate the amount of **net commissions ,** affected by the sale under IFRS 5 in Q1 (abt. EUR 23 mln) which, all other things being equal, will be considered as income from third parties rather than an intragroup P&L component ("accounts being eliminated"). Said initiatives had an impact on the account of the reclassified income statement – **"Profit (loss) from discontinued operations after taxes".**

Following are the major changes in the reclassification of the **consolidated balance-sheet** :

[3] PPA: fair value valuation of the main potential assets and liabilities purchased.

a) **"Tradeable Financial assets"** on the assets side of the reclassified balance-sheet include Account 20 (*Financial assets held for trading purposes*), Account 30 (*Financial assets designated at fair value*) and Account 40 (*Financial assets available for sale)*;

b) **"Other assets"** on the assets side of the reclassified balance-sheet incorporate Account 80 (*Hedging derivatives*), Account 90 (*Valuation adjustments to financial assets subject to general hedging*), Account 140 (*Fiscal assets*), Account 150 (*Non-current assets and groups of discontinued assets*) and Account 160 (*Other assets*);

c) **"Due to customers and securities"** on the liabilities side of the reclassified balance-sheet include Account 20 (*Due to customers*), Account 30 (*Outstanding securities*) and Account 50 (*Financial liabilities designated at fair value)*;

d) **"Other liabilities"** on the liabilities side of the reclassified balance-sheet incorporate Account 60 (*Hedging derivatives*), Account 70 (*Valuation adjustments to assets of financial liabilities subject to general hedging*), Account 80 (*Fiscal liabilities*), Account 90 (*Liabilities linked with groups of discontinued assets*) and Account 100 (*Other liabilities*);

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The comparative statements of the reclassified consolidated income statement and balance-sheet and the accounting statements are enclosed with the "Annexes" section.

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MONTEPASCHI GROUP			
• INCOME STATEMENT FIGURES (in millions of euros)	**06/30/2009**	**06/30/2008** like for like basis (1)	**Chg %** (1)
Income from banking activities	2,786.6	3,004.0	-7.2%
Financial and insurance income (loss)	2,933.3	3,078.8	-4.7%
Net operating income	472.5	733.1	-35.6%
Net profit (loss) for the period	332.1	486.8	n.m.
• BALANCE SHEET FIGURES AND INDICATORS (in mln of euros)	**06/30/2009**	**06/30/2008**	**Chg %**
Direct funding	147,635	139,000	6.2
Indirect funding	130,352	122,629	6.3
of which: assets under management	*46,499*	*53,131*	-12.5
of which: assets under custody	*83,853*	*69,497*	20.7
Customer loans	145,111	139,909	3.7
Group net equity	15,124	14,159	
• KEY LOAN QUALITY RATIOS (%)	**06/30/2009**	**12/31/2008**	
Net non-performing loans/Customer loans	2.83	2.49	
Net watchlist loans/Customer loans	2.57	1.77	
• PROFITABILITY RATIOS (%)	**06/30/2009**	**12/31/2008**	
Cost/Income ratio	59.7	66.1	
R.O.E. (on average equity)	3.2	8.1	
R.O.E. (on year-end equity)	3.2	11.9	
Net adjustments to loans / Year-end investments	0.95	0.73	
• CAPITAL RATIOS (%)	**06/30/2009**	**12/31/2008**	
Solvency ratio	10.1	9.3	
Tier 1 ratio	5.8	5.1	
• INFORMATION ON BMPS STOCK	**06/30/2009**	**12/31/2008**	
Number of ordinary shares outstanding	5,545,952,280	5,545,952,280	
Number of preference shares outstanding	1,131,879,458	1,131,879,458	
Number of savings shares outstanding	18,864,340	18,864,340	
Price per ordinary share (€):	from **12/31/08** to **06/30/09**	from **12/31/07** to **12/31/08**	
average	1.14	1.97	
low	0.77	1.22	
high	1.59	2.98	
• OPERATING STRUCTURE	**06/30/2009**	**12/31/2008**	**Chg. abs.**
Total head count - year-end	32,582	32,867	-285
Number of branches in Italy	3,108	3,104	4
Financial advisor branches	169	167	2
Number of branches & rep. offices abroad	39	39	

(1) In order to make a proper analysis of trends possible, 2008 comparison data were restated to take into account the cost of funding associated with the Antonveneta acquisition (assuming they were taken out at the beginning of the year) as well as the line-by-line purging of Intermonte items following the dismissal of Intermonte in H2 2008 (classified under 'Profit from groups of assets held for disposal after taxes') and the effects of Purchase Price Allocation (calculated as of the beginning of June 2008 for Banca Antonveneta) which affected the Group's net income.

R.O.E. on average equity: net income for the period/average of net shareholder's equity (including net income). End of period R.O.E. = net income for the period / net equity at the end of the previous year, purged of shareholders' pay out

MONTEPASCHI GROUP

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

ASSETS	**06/30/2009**	**06/30/2008** (°)	**Chg %**
Cash and cash equivalents	798	807	-1.1
Receivables :			
a) Customer loans	145,111	139,909	3.7
b) Due from banks	13,017	14,553	-10.6
Financial assets held for trading	32,707	27,677	18.2
Financial assets held to maturity	0	0	1.9
Equity investments	721	548	31.6
Underwriting reserves/reinsurers			
Tangible and intangible fixed assets	10,468	10,655	-1.7
of which:			
a) goodwill	*6,670*	*7,673*	*-13.1*
Other assets	9,241	12,381	-25.4
Total assets	**212,062**	**206,529**	**2.7**

LIABILITIES	**06/30/2009**	**06/30/2008** (°)	**Chg %**
Payables			
a) Due to customers and securities	147,635	139,000	6.2
b) Due to banks	21,826	27,218	-19.8
Financial liabilities from trading	18,710	13,298	40.7
Provisions for specific use			
a) Provisions for staff severance indemnities	347	564	-38.6
b) Reserve for retirement benefits	441	452	-2.5
c) Other reserves	886	817	8.5
Other liabilities	6,820	10,702	-36.3
Underwriting reserves			
Group portion of shareholders' equity	15,124	14,159	6.8
a) Valuation reserves	513	337	52.3
b) Redeemable shares			
c) Capital instruments	47	79	-40.6
d) Reserves	5,768	4,787	20.5
e) Share premium account	4,035	3,998	0.9
f) Share capital	4,487	4,451	0.8
g) Treasury shares (-)	-57	-15	n.s.
h) Net profit (loss) for the year	332	522	-36.4
Minority interests in shareholders' equity	273	319	-14.4
Total liabilities and shareholders' equity	**212,062**	**206,529**	**2.7**

(°) Historical figures published in 2008 Report.

■ INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA (in mln €)

MONTEPASCHI GROUP	06/30/2009	06/30/2008 (1)	Chg Abs.	Chg %	06/30/2008 like for like basis (2)	Chg % like for like basis (2)
Net interest income	**2,000.6**	**2,167.8**	**-167.2**	**-7.7%**	**2,078.7**	**-3.8%**
Net commissions	786.1	945.7	-159.6	-16.9%	925.3	-15.0%
Income from banking activities	**2,786.6**	**3,113.4**	**-326.8**	**-10.5%**	**3,004.0**	**-7.2%**
Dividends, similar income and profits (losses) from equity investments	66.7	33.9	32.7	96.4%	33.9	n.m.
Net result from realisation/valuation of financial assets	79.3	55.7	23.6	42.3%	48.4	63.7%
Net gain (loss) from hedging	0.7	-7.6	8.4	n.m.	-7.6	n.m.
Financial and insurance income (loss)	**2,933.3**	**3,195.4**	**-262.1**	**-8.2%**	**3,078.8**	**-4.7%**
Net adjustments for impairment of:						
a) loans	-686.7	-451.6	-235.1	52.1%	-451.6	52.1%
b) financial assets	-23.0	8.2	-31.1	n.s.	8.2	n.m.
Net financial and insurance income (loss)	**2,223.6**	**2,751.9**	**-528.4**	**-19.2%**	**2,635.3**	**-15.6%**
Administrative expenses:	-1,673.7	-1,836.1	162.5	-8.8%	-1,823.2	-8.2%
a) personnel expenses	-1,111.8	-1,201.4	89.6	-7.5%	-1,194.6	-6.9%
b) other administrative expenses	-561.9	-634.7	72.9	-11.5%	-628.7	-10.6%
Net adjustments to the value of tangible and intangible fixed assets	-77.4	-79.1	1.7	-2.2%	-78.9	-2.0%
Operating expenses	**-1,751.1**	**-1,915.3**	**164.2**	**-8.6%**	**-1,902.2**	**-7.9%**
Net operating income	**472.5**	**836.7**	**-364.2**	**-43.5%**	**733.1**	**-35.6%**
Net provisions for risks and liabilities and Other operating income/costs	-34.8	-20.2	-14.6	72.3%	-19.8	75.9%
Income on equity investments	-3.1	200.3	-203.4		200.3	
Integration costs	-31.9	-138.3	106.4		-138.3	
Impairment on goodwill and financial assets		-138.1	138.1	n.m.	-138.1	n.m.
Gains (losses) from disposal of investments	0.0	27.8	-27.8	n.m.	27.8	n.m.
Gain (loss) from current operations before taxes	**402.6**	**768.2**	**-365.5**	**-47.6%**	**665.0**	**-39.5%**
Taxes on income for the year from current operations	-193.9	-274.7	80.8	-29.4%	-241.1	-19.6%
Gain (loss) from current operations after taxes	**208.7**	**493.4**	**-284.7**	**-57.7%**	**423.9**	**-50.8%**
Gain (loss) on fixed assets due for disposal, net of taxes	195.5	81.6	114.0	n.m.	90.2	n.m.
Gain (loss) for the year including minority interests	**404.2**	**575.0**	**-170.8**	**-29.7%**	**514.2**	**-21.4%**
Minority interests in profit (loss) for the year	-2.6	-12.4	9.8	-79.0%	-11.4	-77.0%
Net profit (loss) for the year pre PPA	**401.6**	**562.6**	**-161.0**	**-28.6%**	**502.8**	**-20.1%**
Purchase Price Allocation (PPA)	-69.5	-10.2	-59.4	n.m.	-16.0	n.m.
Net profit (loss) for the year post PPA	**332.1**	**552.4**	**-220.4**	**n.m.**	**486.8**	**n.m.**

(1) Data at 30/06/08 are the sum of the first 2 quarters as shown in the quarterly trend in income statement figures reclassified according to operating criteria in Report 2008; Antonveneta values are included from the beginning of the year. Note that the pro quota financial impact for the first 5 months 2008 of Antonveneta acquisition was not taken into account.

(2)) In order to make a proper analysis of trends possible, 2008 comparison data were restated to take into account the cost of funding associated with the Antonveneta acquisition (assuming they were taken out at the beginning of the year) as well as the line-by-line purging of Intermonte items following the dismissal of Intermonte in H2 2008 (classified under 'Profit from groups of assets held for disposal after taxes') and the effects of Purchase Price Allocation (calculated as of the beginning of June 2008 for Banca Antonveneta) which affected the Group's net income.

MONTEPASCHI GROUP

■ **RECLASSIFIED BALANCE SHEET** (in millions of euros) - Quarterly Trend -

ASSETS	06/30/2009	03/31/2009	12/31/2008 (°)	09/30/2008 (°)	06/30/2008 (°)	03/31/2008 (°)
Cash and cash equivalents	798	860	1,026	678	807	536
Receivables :						
a) Customer loans	145,111	144,708	145,353	144,496	139,909	107,749
b) Due from banks	13,017	11,935	17,616	17,331	14,553	11,708
Financial assets held for trading	32,707	28,946	26,974	25,067	27,677	30,726
Financial assets held to maturity	0	0	0	0	0	0
Equity investments	721	597	583	614	548	817
Underwriting reserves/reinsurers						
Tangible and intangible fixed assets	10,468	10,489	10,559	10,621	10,655	3,127
of which:						
a) goodwill	*6,670*	*6,670*	*6,709*	*7,633*	*7,673*	*961*
Other assets	9,241	10,086	11,685	11,584	12,381	7,799
TOTAL ASSETS	**212,062**	**207,621**	**213,796**	**210,391**	**206,529**	**162,463**

LIABILITIES	06/30/2009	03/31/2009	12/31/2008 (°)	09/30/2008 (°)	06/30/2008 (°)	03/31/2008 (°)
Payables						
a) Due to customers and securities (°)	147,635	139,309	142,466	142,425	139,000	110,447
b) Due to banks	21,826	23,395	27,209	25,609	27,218	15,613
Financial liabilities from trading	18,710	20,609	18,967	15,605	13,298	18,506
Provisions for specific use						
a) Provisions for staff severance indemnities	347	504	540	553	564	366
b) Reserve for retirement benefits	441	436	430	445	452	417
c) Other reserves	886	910	922	843	817	488
Other liabilities	6,820	7,159	8,159	10,492	10,702	7,723
Underwriting reserves						
Group portion of shareholders' equity	15,124	15,019	14,824	14,185	14,159	8,644
a) Valuation reserves	513	303	401	206	337	433
b) Redeemable shares						
c) Capital instruments	47	47	47	79	79	70
d) Reserves	5,768	5,857	4,909	4,824	4,787	5,433
e) Share premium account	4,035	4,094	4,094	3,991	3,998	547
f) Share capital	4,487	4,487	4,487	4,451	4,451	2,032
g) Treasury shares (-)	-57	-70	-37	-8	-15	-61
h) Net profit (loss) for the year	332	301	923	641	522	190
Minority interests in shareholders' equity	273	279	279	236	319	259
Total liabilities and shareholders' equity	**212,062**	**207,621**	**213,796**	**210,391**	**206,529**	**162,463**

(°) Historical figures published in 2008 Report.

QUARTERLY TREND IN INCOME STATEMENT FIGURES RECLASSIFIED ACCORDING TO OPERATING CRITERIA (mln€)

MONTEPASCHI GROUP	2nd quarter 2009	1 st quarter 2009	2008 (*historical data) 4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008	Quarterly Avg 09	Quarterly Avg 08
Net interest income	987.5	1,013.1	1,069.9	1,031.0	1,097.9	1,069.8	1,000.3	1,067.2
Net commissions	391.4	394.7	397.4	443.5	471.8	473.8	393.0	446.6
Income from banking activities	**1,378.9**	**1,407.8**	**1,467.4**	**1,474.5**	**1,569.8**	**1,543.6**	**1,393.3**	**1,513.8**
Dividends, similar income and profits (losses) from equity investments	45.4	21.2	-39.3	20.2	21.2	12.7	33.3	3.7
Net result from realisation/valuation of financial assets	31.5	47.8	-167.5	-1.6	80.6	-24.9	39.6	-28.3
Net gain (loss) from hedging	-5.8	6.5	3.3	0.0	-0.4	-7.2	0.4	-1.1
Financial and insurance income (loss)	**1,450.0**	**1,483.3**	**1,264.0**	**1,493.1**	**1,671.2**	**1,524.2**	**1,466.6**	**1,488.1**
Net adjustments for impairment of:								
a) loans	-400.1	-286.6	-424.0	-189.6	-235.5	-216.1	-343.4	-266.3
b) financial assets	-5.2	-17.8	-3.2	0.3	12.0	-3.9	-11.5	1.3
Net financial and insurance income (loss)	**1,044.7**	**1,178.9**	**836.8**	**1,303.8**	**1,447.7**	**1,304.2**	**1,111.8**	**1,223.1**
Administrative expenses:	-821.9	-851.8	-1,018.2	-920.8	-928.7	-907.4	-836.8	-943.8
a) personnel expenses	-537.4	-574.4	-652.4	-595.4	-599.4	-602.0	-555.9	-612.3
b) other administrative expenses	-284.5	-277.4	-365.8	-325.4	-329.3	-305.5	-280.9	-331.5
Net adjustments to the value of tangible and intangible fixed assets	-39.4	-38.0	-36.8	-40.7	-39.5	-39.7	-38.7	-39.1
Operating expenses	**-861.3**	**-889.8**	**-1,054.9**	**-961.4**	**-968.2**	**-947.1**	**-875.5**	**-982.9**
Net operating income	**183.4**	**289.1**	**-218.1**	**342.4**	**479.5**	**357.1**	**236.3**	**240.2**
Net provisions for risks and liabilities and Other operating income/costs	-24.1	-10.7	-153.8	-12.7	-39.4	19.2	-17.4	-46.7
Income on equity investments	-5.0	1.9	-0.9	-23.5	200.3		-1.5	44.0
Integration costs	-27.6	-4.3	-162.2	-21.4	-138.3		-16.0	-80.5
Impairment on goodwill and financial assets			-399.6	-4.5	-41.5	-96.6		-135.6
Gains (losses) from disposal of investments	0.0	0.0	0.1	0.0	20.2	7.7	0.0	7.0
Gain (loss) from current operations before taxes	**126.6**	**276.0**	**-934.5**	**280.3**	**480.7**	**287.4**	**201.3**	**28.5**
Taxes on income for the year from current operations	-58.0	-135.9	1,245.8	-126.4	-158.9	-115.8	-97.0	211.2
Gain (loss) from current operations after taxes	**68.6**	**140.1**	**311.2**	**153.9**	**321.8**	**171.6**	**104.3**	**239.6**
Gain (loss) on fixed assets due for disposal, net of taxes	1.7	193.8	5.0	-15.6	76.2	5.4	97.8	17.7
Minority interests in profit (loss) for the year	-2.5	-0.1	1.3	1.4	-7.1	-5.3	-1.3	-2.4
Net profit (loss) for the year pre PPA	**67.8**	**333.9**	**317.5**	**139.7**	**390.9**	**171.7**	**200.8**	**255.0**
Purchase Price Allocation (PPA)	-36.3	**-33.3**	**-35.7**	**-21.0**	**-10.2**		**-34.8**	**-16.7**
Net profit (loss) for the year post PPA	**31.5**	**300.6**	**281.9**	**118.7**	**380.8**	**171.7**	**166.0**	**238.3**

(*) 2008 figures are that published in 2008 Report. Please notice that these values include Antonveneta from the beginning of the year, but the pro quota financial impact for the first 5 months 2008 of Antonveneta acquisition was not taken into account.

CONSOLIDATED FINANCIAL STATEMENT

(in euro)

	Assets	06/30/2009	12/31/2008
10	Cash and cash on deposit	797,840,400	1,026,368,224
20	Financial assets held for trading	22,936,547,231	21,797,695,397
30	Financial assets at fair value	209,434,445	180,037,943
40	Financial assets available for sale	9,560,608,889	4,996,021,136
50	Financial assets held to maturity	2,922	2,867
60	Due from banks	13,016,836,089	17,615,715,668
70	Loans to costumers	145,111,021,793	145,353,189,754
80	Hedging derivatives	128,239,253	99,160,129
90	Value adjustment on financial assets w ith generic coverage (+/-)	*27,818,507*	*31,102,587*
100	Equity investment	720,976,367	583,028,120
110	Technical reserves reassured w ith third parties	-	-
120	Fixed Assets	2,774,400,379	2,792,580,036
130	Intangible assets	7,694,052,713	7,765,931,945
	of which: goodwill	*6,669,694,822*	*6,708,545,822*
140	*Tax assets*	*4,075,614,701*	*4,180,434,932*
	a) current	574,580,107	604,372,499
	b) anticipated	*3,501,034,594*	*3,576,062,433*
150	Non current assets (or disposal groups) held for sale and discontinued operations	101,070,348	272,091,502
160	Other	4,907,914,003	7,102,616,334
	Total	212,062,378,040	213,795,976,574

(in euro)

	Liabilities and shareholders' equity	06/30/2009	12/31/2008
10	Due to banks	21,826,331,569	27,208,645,978
20	Due to costumers	81,803,037,310	81,596,414,386
30	Securities	48,645,524,169	47,157,555,961
40	Financial liabilities held for trading	18,710,476,641	18,967,188,840
50	Financial liabilities at fair value	17,186,388,750	13,711,900,007
60	Hedging derivatives	542,251,872	389,889,284
70	Value adjustment on financial liabilities (+/-)	-	-
80	Tax Liabilities	202,871,847	1,399,193,303
	a) Current	*94,826,712*	*1,283,515,253*
	b) postponed	*108,045,135*	*115,678,050*
90	Liabilities in disposal groups held for sale ans discontinued operations	-	45,384,071
100	Other	6,074,745,490	6,324,870,383
110	Staff severance indemnity reserve	346,564,115	539,822,794
120	Reserve for risks and other charges	1,327,026,307	1,352,022,438
	a) pension fund and similar obligations	*440,641,303*	*429,819,893*
	b) other provisions	*886,385,004*	*922,202,545*
130	Techical reserves	-	-
140	Revaluation reserves	512,718,984	401,169,657
150	Refundable shares	-	-
160	Capital instruments	46,871,091	46,871,091
170	Reserves	5,768,078,317	4,909,020,124
180	Paid-in Capital	4,035,020,545	4,094,436,080
190	Share capital	4,486,786,372	4,486,786,372
200	Own shares (-)	(57,219,575)	(36,962,960)
210	Minority interests (+/-)	272,837,703	279,016,681
220	Profit (loss) for the year	332,066,533	922,752,084
	Total liabilities and Shareholders'equity	**212,062,378,040**	**213,795,976,574**

(in unità di euro)

	P&L	06/30/2009	06/30/2008	06 30 2008* including definitive PPA effects
10	Interest and similar income	3,886,161,236	4,309,559,590	4,305,583,075
20	Interest and similar expense	(1,950,611,064)	(2,620,784,121)	(2,618,877,810)
30	**Net Interest Income**	**1,935,550,172**	**1,688,775,469**	**1,686,705,265**
40	Commissions earned	867,880,803	751,998,221	751,998,221
50	Commission expense	(104,795,198)	(89,621,276)	(89,621,276)
60	**Net Commissions**	**763,085,605**	**662,376,945**	**662,376,945**
70	Dividends and other income	209,873,637	541,918,064	541,918,064
80	Net Profit from trading	(110,649,461)	(496,729,872)	(496,729,872)
90	Net Profit from hedging	707,228	(5,289,234)	(5,289,234)
100	Profit / Loss	(4,223,185)	10,126,557	12,112,944
	a) loans	9,141,642	28,120	28,120
	b) available for sale financial assets	(5,067,751)	9,573,631	11,560,018
	c) held to maturirty investment	-	-	-
	d) other financial assets	(8,297,076)	524,806	524,806
110	Fair Value financial assets and liabilities	(3,990,081)	31,136,298	31,136,298
120	**Total Income**	**2,790,353,915**	**2,432,314,227**	**2,432,230,410**
130	Net value adjustments on:	(730,475,857)	(453,537,388)	(453,537,388)
	a) loans	(707,492,503)	(352,358,811)	(352,358,811)
	b) available for sale financial assets	(12,354,940)	(107,815,528)	(107,815,528)
	c) held to maturirty investment	-	-	-
	d) other financial assets	(10,628,414)	6,636,951	6,636,951
140	**Net Income from financial operation**	**2,059,878,058**	**1,978,776,839**	**1,978,693,022**
150	Net Premiums	-	-	-
160	Net Income loss from insurance operations	-	-	-
170	**Net income from banking and insurance activities**	**2,059,878,058**	**1,978,776,839**	**1,978,693,022**
180	Administrative expenses	(1,815,944,121)	(1,594,823,109)	(1,594,823,109)
	a) personnel	(1,135,259,932)	(969,089,427)	(969,089,427)
	b) other administrative expenses	(680,684,189)	(625,733,682)	(625,733,682)
190	Provisions for risks and charges	(20,695,086)	13,186,645	13,186,645
200	Valuation adjustments to fixed assets	(53,366,532)	(37,915,737)	(37,522,438)
210	Valuation adjustments to intangible assets	(63,754,648)	(23,029,594)	(32,687,502)
220	Other operating income/expenses	116,014,155	131,948,187	131,948,187
230	**Operating costs**	**(1,837,746,232)**	**(1,510,633,608)**	**(1,519,898,217)**
240	Income (loss) from investments	55,515,808	205,575,716	205,575,716
250	Net value adjustments on tangible and intangible assets designated at fair value	-	-	-
260	Value adjustments of goodwill	-	(172,500)	(172,500)
270	Income (loss) from disposal of investments	4,247	27,828,611	27,828,611
280	**Income (loss) before taxes from continuing operations**	**277,651,881**	**701,375,058**	**692,026,632**
290	Income taxes	(154,712,920)	(228,829,240)	(225,289,424)
300	**Income (loss) after taxes from continuing operations**	**122,938,961**	**472,545,818**	**466,737,208**
310	Income (loss) from disposal of non continuing operations net of taxes	211,735,175	60,705,603	60,705,603
320	**Profit (loss) for the period prior to minority interests**	**334,674,136**	**533,251,421**	**527,442,811**
330	Profit (loss) prior to minority interests	2,607,603	11,097,768	10,059,865
340	**Profit (loss) for the period**	**332,066,533**	**522,153,653**	**517,382,946**

* Income statement figures as at 30 June 2008 have been restated taking account of the transition from temporary to final PPA of subsidiaries BAV and Biver