GRUPPOMONTEPASCHI

PRESS RELEASE[1]

Good YoY Performance in Q1 2011

Increases in operating income (+45.8%), revenues (+6.4%), net income (+94.2% excluding non-recurring items), lending (+4.2%) and direct funding (+5%) Capital strengthening continues: Tier I at 9.1%

Net operating income: EUR 348.7 mln (+45.8% YoY)
Best result since mid-2008

Total revenues: EUR 1,482.6 mln (+6.4% YoY)
Best result in the last two years

Cost / Income: 57.7% (vs 61.6% at end of 2010)

Net income: EUR 140.3 mln (vs EUR 72.2 mln in Q1 2010 excluding non-recurring items)

Lending: + 4.2%, direct funding +5.0%, + 22,000 customers

- ✓ Income from banking and insurance came to EUR 1,482.6 mln (+6.4% YoY) on the back of good performance in profit from trading/valuation of financial assets as well as gains on interests consolidated at equity
- ✓ Operating costs: +1.1% YoY (down, net of real estate deal completed at the end of 2010). Additional benefits expected during the year from approved reorganisation
- ✓ Loan loss provisions: -10.5% YoY. Cost of credit: 71 bps (vs 74 bps at end of 2010)
- ✓ NPL coverage: 56.2% (vs 56% at end of 2010); NPL inflows down 13% YoY
- ✓ Total funding: approx. + EUR 5 bln in Q1 and +7% YoY
- ✓ Interbank position: improving by approx. EUR 6 bln as compared to end of 2010
- ✓ Treasury securities and derivatives down by over EUR 4 bln in Q1
- ✓ Loan/Deposit Ratio at 0.96 (0.99 at end of 2010). In the first five months of the year, EUR 4 bln in issuance on the institutional market vs EUR 2.9 bln coming to maturity by the end of 2011
- ✓ Shareholders' equity: EUR 17.5 bln (+ EUR 341 mln on end of 2010). Tier I at 9.1% (or 9.5%, if real estate deal effects were factored in)
- ✓ Strong growth in operating income of Group product companies: MPS Capital Services +92%, Consum.it +101%, MPS L&F +86%

Siena, 12 May 2011 – Today, the Board of Directors of Banca Monte dei Paschi di Siena Spa approved the 2011 first quarter results. In a persistently difficult market environment, the Montepaschi Group increased its

[1] *The figures for 2010 are those published in the Report on Operations as at 31/12/10, which take account of of the changes brought about to the operating scope subsequent to the divestiture of business in 2010 and operations held for sale at the end of 2010 (MP Monaco SAM and MPS Venture SpA). Funding and lending volumes as at 31 March 2011 are those which were restated to take account of the afore-mentioned effects (see Consolidated Report on Operations as at 31/12/2010).*

capital base, while still centering its funding and lending business on the needs of households and businesses. Evidence of this lies in the notable improvement of its "core banking" indicators (22,000 new customers in the quarter, customer retention at 98.8% (from 95.3% at year end), customer acquisition rate at 6% (from 5.7% at year-end) and competitive position. Performance-wise, the Montepaschi Group closed the first quarter of 2011 positively, both in economic terms (net profit exceeding EUR 140 mln vs a result of EUR 142 mln registered in 1Q2010, which however included non-recurring items for an amount of approx. EUR 70 mln) and in terms of funding and lending (total funding +7% YoY, lending +4.2%). Particularly satisfactory was the fact that net operating profit came to EUR 348.7 mln (up **45.8% on Q1 2010, the best result since mid-2008**), driven by growing revenues (+6.4% YoY, the highest in the last two years), significantly lower Loan loss provisions (-10.5% YoY) and substantially stable Operating costs (+1.1% YoY). Capital strengthening continues, with Tier 1 up to 9.1% from 8.4% in December 2010 (it was 7.5% in December 2009).

Profit and loss results for Q1 2011

In Q1 2011, the income statement posted EUR 1,483 mln in income from banking and insurance, up 5.4% on Q4 2010 and 6.4% YoY. The aggregate was propped up by positive results in financial assets and basic income holding stable.

Net interest income came to EUR 878 mln, slightly up on the previous year (+0.7%), although moderately down on Q4 2010. Breaking the aggregate down, interest income from core business is picking up (approx. + EUR 23 mln on Q4 2010) on the back of rising interest rates which improved the mark-down on funding, whereas interest income from the banking book and Assets & Liabilities management was down (by approximately EUR 26 mln QoQ) primarily due to the curtailment of the Group's banking book by approx. EUR 4.4 bln in Q1 in connection with the value from positions mainly classified as HFT. In the QoQ comparison, notice should be paid to the negative effect associated with the lower number of days in Q1 (for an effect of approx. - EUR 20 mln).

Net fees and commissions came to approx. EUR 473 mln (from 480.5 mln as at 31 March 2010). The aggregate was affected by a lower demand for financial products by customers - who opted more for direct funding products - and a slowdown in lending volumes due to a sluggish market.

Net profit/loss from trading/valuation of financial assets stood at approximately **EUR 104 mln** (vs 19.7 mln as at 31/03/2010) up significantly with respect to -5.7 mln in Q4 2010. More in detail, net profit/loss from trading came to approx. EUR 84 mln (22.6 mln in Q1 2010 and -23.1 mln in Q4), tapping market opportunities for more profitable positions and lower levels of trading book inventory. Positive results were also posted for disposal of loans and available-for-sale financial assets/liabilities which came to EUR 40.1 mln (vs EUR 15.8 mln as at 31/03/2010 and EUR 9.8 mln in Q4 2010) largely propped up by capital gain-generating securities classified as AFS. Finally, net profit (loss) on financial assets/liabilities designated at fair value came to –EUR 20.3 mln (vs -18.7 mln in Q1 2010 and 7.5 mln in Q4), weighted down by the increase in liabilities of BMPS bonds placed with institutional clients, for the part not completely hedged against risk.

A contribution to net income from banking and insurance also came from:

Dividends, similar income and gains (losses) on equity investments coming to EUR 27.4 mln (14.4 mln as at 31/03/2010 and 32.2 mln in Q4 2010). For the most part, the item includes profit from investments consolidated at equity, for which a positive performance was shown in the quarter by the insurance segment, with AXA-MPS contributing approx. 22 mln.

Net profit (loss) from hedging: EUR 0.9 mln (EUR 6.7 mln in Q1 2010) up on the previous quarter when the figure was -10.1 mln.

As a whole, **consolidated income from banking and insurance** came to EUR 1,482.6 mln (+6.4% YoY), the best result in the last two years.

Highlights on the cost of credit and financial assets include the following:

"Net value adjustments due to impairment of loans" coming to approx. EUR 275 mln, down 3.3% QoQ and almost 11% YoY. The ratio of annualised loan loss provisions over total customer loans is expressive of a provisioning rate of 71 bps, down by 3 bps on 31/12/2010 and 10 bps on Q1 2010, within the Group's unchanged policy of prudential provisioning;

"**Net value adjustments due to impairment of financial assets**", at approx. -EUR 4.1 mln (vs -0.7 mln as at 31/03/2010; -12 mln in Q4 2010) partly on account of depreciation of impaired listed equity securities classified as AFS.

As a result of the above, **income from banking and insurance** came to approx. EUR 1,204 mln (vs approx. EUR 1,085 mln last year; +10.9% YoY), up 8.5% QoQ.

Operating costs totalled EUR 855 mln, substantially in line with last year's level (+1.1%, -7.2% on Q4 2010), confirming the Montepaschi Group's focus on structural containment of costs. Additional benefits are expected in the year from the outflow of 400 higher seniority employees (and simultaneous inflow of 130 new hires in the network) as well as from the review of corporate processes.

In particular:

"Personnel expenses", EUR 544 mln, were down 2.6% YoY on account of the structural effects of headcount reduction / redeployment processes and actions designed to boost efficiency in the management of spending;

"**Other administrative expenses**" (approx. EUR 270 mln net of stamp duty and client expense recovery), were up on previous year as a result of the recent real estate deal involving property used in the business, net of which the aggregate would have shown a downturn on 2010 as evidence of the cost synergies obtained from reorganisation and cost management actions implemented;

"**Value adjustments on tangible and intangible assets**" stood at approx. EUR 42 mln, down 20.7% as compared to Q4 2010 (+3.7% YoY).

As a result of these factors, **Net Operating Income** totalled approx. EUR 349 mln, up 45.8% on 31/03/2010 and 84.5% on Q4 2010. This has been the best result since mid-2008.

Cost-income is at 57.7%, a significant improvement on the ratio recorded as at 31/12/2010 (+390 bps).

A contribution to net income also came from:

"Net provisions for risks and charges and other operating income/expenses" improving its negative balance by 6.9% YoY (-44.4% on Q4 2010) to approximately -EUR 39 mln. The account incorporates approx. -EUR 26 mln in provisions to the fund for risks and charges (covering primarily legal disputes and claw-back actions) and roughly -EUR 13 mln worth of net operating expenses (consisting primarily in legal actions and improvement on third-party assets).

Due to these components, **profit (loss) from continuing operations before tax** came to approx. EUR 310 mln (vs EUR 210.1 mln in Q1 2010).

Finally, to complete the section on revenues, income taxes for the period amounted to approx. - EUR 145 mln.

Gains (losses) after tax from groups of assets due for disposal amounted to EUR 2.8 mln.

The **Montepaschi Group's net income** for the period before Purchase Price Allocation (PPA) came to EUR 166.1 mln. Post-PPA net income for the period totalled **EUR 140.3 mln**.

With respect to the Montepaschi Group's Segment Reporting obligations under IFRS 8, important results were achieved both in Consumer Banking (net operating income up +41.7% YoY) and Corporate Banking (net operating income up +13% YoY), with positive trends for all major product companies confirming the ongoing diversification of the Group's sources of revenue. In particular:

Consumer (Retail and Private) Banking

- Net operating income: EUR 105.7 mln (+41.7% YoY)
- 'Active' loans and advances to customers: +7.1% YoY

Corporate Banking

- Net operating income: EUR 209 mln (+13% YoY)
- 'Active' loans and advances to customers: +0.4% YoY

Banca Antonveneta

- Net operating income: EUR 38.4 mln (+54.2% YoY)
- Direct Funding: +11% YoY; Loans and advances to customers: +4.5% YoY

Biverbanca

- Net operating income: EUR 9.7 mln (+174.4% YoY)
- Net income: EUR 5.1 mln (EUR 1.4 mln al 31/3/10)

MPS Consum.it:

- Net operating income: EUR 17.8 mln (+100.9% YoY)
- Net income: EUR 13.4 mln (EUR 3.6 mln in Q1 2010)

MPS Leasing & Factoring and MPS Commerciale Leasing:

- Net operating income: EUR 9.4 mln (+86% YoY)
- Net income: EUR 4.4 mln (EUR 1.8 mln in Q1 2010)

MPS Capital Services Banca per le Imprese:

- Net operating income: EUR 97.8 mln (+92.3% YoY)
- Net income: EUR 54.4 mln (+112.1% YoY)

BU Financial Advisory:

- Net operating income: EUR 1.1 mln (+134.6% YoY)
- AUM: EUR 4.4 bln (+18.8% YoY)

Balance-sheet results for Q1 2011

With respect to funding aggregates, the Group's total volumes as at 31 March 2011 stood at approximately EUR 308 bln (up 1.6% compared to 31/12/2010 and 7% YoY on a like-for-like basis), reflecting positive trends in both direct and indirect funding.

Direct funding, totalling approx. EUR 160 bln, was up 1.2% on 31/12/2010 and 5% on 31 March 2010 on a like-for-like basis, with the Group's market share coming to 7.62% as at February 2011. The trend recorded for the aggregate as compared to the end of 2010 is mainly attributable to bonds placed with both consumer/corporate clients (gross placements in the amount of approx. EUR 5.4 bln) and institutional clients (EUR 2.4 bln in long-medium term issues, including EUR 2.3 bln in Covered Bonds).

Indirect funding totalled approx. EUR 148 bln, up 2% on 2010 year-end volumes and 9.2% YoY on a like-for-like basis.

A breakdown of the aggregate shows:

Assets under management up 0.6% YoY to approx. EUR 50 bln on a like-for-like basis. A further breakdown of volumes – according to a Mifid-based approach structurally aimed at selecting the best investment solutions for customers (products, investment lines, Group and Third-party Asset Management

Companies) – shows that the prevailing segment is that of life insurance policies (accounting for 51% of the aggregate), Funds and Sicavs (35.7%);

Assets under Custody at the end of March 2011 came to approx. EUR 98 bln, up 3.7% on 31/12/2010 (+14.2% YoY) primarily on the back of increases in Key Clients' deposits.

The Group's **loans and advances to customers** amounted to EUR 155 bln as at the end of March 2011, up 4.2% YoY on a like-for-like basis (-1% on 31/12/2010), with market share coming to 7.89% in February 2011. A significant growth was registered in current accounts (+10.7% on 31/12/2010), while mortgage loans proved stable at 2010 year-end levels. A downturn was noticed in other forms of lending.

As for 'special purpose' loans, which are disbursed by the Group through dedicated product companies, new flows in Q1 2011 exceeded EUR 4 bln (up 5.8% on Q4 2010 and 43.2% YoY). Small business and corporate loans, which came to approx. EUR 3.4 bln, registered a step-up in disbursements by both MPS Capital Services (+22.5% QoQ; +87.4% YoY) and MPS Leasing & Factoring (+1.6% QoQ; +51.7% YoY), the latter attributable primarily to Factoring. With regard to consumer loans, total disbursements by Consumit in Q1 came to EUR 684 mln, up 7.2% on Q4 2010 but down on same period last year (-2.3%). A breakdown of the aggregate shows an increase in personal loans and a fall in special-purpose loans.

As at 31 March 2011 the Montepaschi Group's net exposure to impaired loans totalled EUR 12,002 mln, with non-performing and watchlist inflows respectively decreasing by 13% and 5% YoY.

As at 31 March 2011, **impaired loans coverage** came to 41.4%, up on the previous year and slightly lower than on 31/12/2010, in line with the Montepaschi Group's traditional coverage levels. With respect to NPLs, coverage stood at 56.2% (vs 56.0% as at 31/12/2010), while the watchlist loan coverage ratio came to 20.8% (vs 21.1% as at 31/12/2010).

Group's capital strengthening continues. Group **shareholders' equity** at the end of March 2011 totalled EUR 17,497 mln (approx. + EUR 341 mln on December 2010). TIER I came to 9.1% from 8.4% as at the end of 2010 on the back of optimised RWAs (approx. +20 bps), retained earnings (approx. +13 bps) and removal of the prudential filter on goodwill (approx. +40 bps); the value as at the end of March 2011 is not inclusive of the effects arising from the real estate deal completed at the end of 2010. Should these effects be factored in, Tier I would come to 9.5%.

An extraordinary shareholders' meeting will be held on **6 June 2011** to accord authority to the Board of Directors to increase capital by up to EUR 2 bln through an issue of ordinary shares to be offered on option; additional authority for an amount of EUR 471 mln will be proposed for the repurchase of 2003 FRESH notes.

This press release will be available at www.mps.it

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Pursuant to para. 2, article 154-bis of the Consolidated Law on Finance, the Financial Reporting Officer, Mr. Daniele Bigi, declares that the accounting information contained in this press release corresponds to the underlying documentary evidence and accounting records.

RECLASSIFIED ACCOUNTS

MPS GROUP RECLASSIFICATION PRINCIPLES

The following accounting statements illustrate balance-sheet and profit-and-loss accounts reclassified on the basis of operating criteria. The figures for 2010 comparison are those published in the Report on Operations as at 31/12/10 (for further details, see "*Annexes: Montepaschi Group – Reconciliation of reclassified accounts and accounting tables*").

Following are major reclassifications made to the profit and loss account as at 31 March 2011:

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 "Gains (losses) on disposals / repurchases of loans, available-for-sale or held-to-maturity financial assets and financial liabilities" and Account 110 "Net profit/loss on financial assets and liabilities designated at fair value". The account incorporates values relating to dividends on some securities transactions, inasmuch as they are closely connected with the trading component (approx. EUR 9 mln as at 31/03/2011).

b) **"Dividends, similar income and gains (losses) on equity investments"** in the reclassified income statement incorporates account 70 "Dividends and similar income" and a portion of account 240 "Gains (losses) on equity investments" (approx. EUR 27.4 mln as at 31/03/2011, corresponding to the contribution to profit and loss for the period that is 'guaranteed' by the portion of profit arising from investments in associates, valued at equity). Dividends from some trading transactions, as outlined under item a) above, have been eliminated from the aggregate.

c) **"Net value adjustments due to impairment of loans"** in the reclassified income statement was determined by excluding charges relating to financial plans (EUR 0.7 mln), which are more properly classified under "Net provisions for risks and charges and other operating income/expenses".

d) **"Other administrative expenses"** in the reclassified income statement was deducted of the amount of stamp duty and client expense recovery (approx. EUR 70 mln) posted under Account 220 "*Other operating income/expenses".*

e) The account **"Net provisions for risks and charges and other operating income/expenses"** in the reclassified income statement incorporates Account 190 "Net provisions for risks and charges" and Account 220 "Other operating income/expenses". It also includes value adjustments to financial plans described under item c) above and excludes stamp duty and client expense recovery as described under item d) above.

f) **"Gains (losses) on equity investments"** was stripped of components reclassified as "Dividends and similar income" (see item b).

g) The effects of *Purchase Price Allocation* (PPA) were reclassified out of other accounts (in particular "***Interest income"*** for approx. EUR 17 mln and **depreciation/amortization** for approx. EUR 20.3 mln (with a related theoretical tax burden of approx. EUR -12 mln which integrates the account) into one single account named "**Net effects of Purchase Price Allocation**".

Following are major reclassifications made to the **consolidated balance-sheet**

h) **"Tradable Financial assets"** on the assets side of the reclassified balance-sheet include Account 20 "*Held-for-Trading financial assets"*, Account 30 "*Financial assets designated at fair value"* and Account 40 "*Available-for-sale financial assets".*

i) **"Other assets"** on the assets side of the reclassified balance-sheet incorporates Account 80 "*Hedging derivatives*", Account 90 "*Changes in value of macro-hedged financial assets*", Account 140 "*Tax assets*", Account 150 "*Non-current assets and groups of assets held for sale*" and Account 160 "*Other assets*".

j) **"Customer accounts and securities"** on the liabilities side of the reclassified balance-sheet includes Account 20 "Customer accounts", Account 30 "*Debt securities* in issue" and Account 50 "*Financial liabilities designated at fair value".*

k) “**Other liabilities**” on the liabilities side of the reclassified balance-sheet incorporates Account 60 “Hedging derivatives”, Account 70 “Changes in value of macro-hedged financial liabilities", Account 80 “Tax liabilities”, Account 90 “Liabilities included in disposal groups held for sale” and Account 100 “Other liabilities”.

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

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/03/11

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MONTEPASCHI GROUP			
• INCOME STATEMENT FIGURES (in EUR mln)	**31/03/11**	**31/03/10** **(1)**	**% chg**
Income from banking activities	1,350.4	1,352.1	-0.1%
Financial and insurance income (loss)	1,482.6	1,392.9	6.4%
Net operating income	348.7	239.1	45.8%
Net profit (loss) of the year	140.3	142.2	-1.4%
• BALANCE SHEET FIGURES AND INDICATORS (in EUR mln)	**31/03/11**	**31/12/10**	**% chg**
Direct funding	160,361	158,486	1.2%
Indirect funding	147,840	144,919	2.0%
of which: assets under management	*49,938*	*50,547*	-1.2%
of which: assets under custody	*97,902*	*94,372*	3.7%
Customer loans	154,664	156,238	-1.0%
Group net equity	17,497	17,156	2.0%
• KEY LOAN QUALITY RATIOS (%)	**31/03/11**	**31/12/10**	
Net non-performing loans/Customer loans	3.62	3.51	
Net watchlist loans/Customer loans	2.65	2.57	
• PROFITABILITY RATIOS (%)	**31/03/11**	**31/12/10**	
Cost/Income ratio	57.7	61.6	
R.O.E. (on average equity)(2)	3.24	5.74	
R.O.E. (on year-end equity)(3)	3.30	5.74	
Net adjustments to loans / Year-end investments	0.71	0.74	
• CAPITAL RATIOS (%)	**31/03/11**	**31/12/10**	
Solvency ratio	13.8	12.9	
Tier 1 ratio	9.1	8.4	
• INFORMATION ON BMPS STOCK	**31/03/11**	**31/12/10**	
Number of ordinary shares outstanding	5,569,271,362	5,569,271,362	
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 the **31/12/10** to the **31/03/11**	from the **31/12/09** to the **31/12/10**	
average	0.92	1.02	
low	0.73	0.82	
high	1.02	1.33	
• OPERATING STRUCTURE	**31/03/11**	**31/12/10**	**Abs. chg**
Total head count - year-end	31,405	31,495	-90
Number of branches in Italy	2,917	2,918	-1
Financial advisory branches	148	151	-3
Number of branches & representative offices abroad	41	41	

(1) Figures as published in the 2010 Consolidated Annual Report. Figures were restated to take account of changes brought about to the Group's operating scope subsequent to the divestiture of banking business of Banca Monte dei Paschi di Siena (disposal of 72 branches of Banca Monte dei Paschi di Siena) and assets classified as held for sale in 2010 (MP Monaco SAM and MPS Venture SpA).

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

(3) R.O.E. on year-end equity: net income for the period / net equity at the end of the previous year (inclusive of valuation reserves) purged of shareholder's payout.

■ **RECLASSIFIED INCOME STATEMENT (in EUR mln)**

MONTEPASCHI GROUP	31/03/11	31/03/10 Proforma (1)	Change Abs.	Change %
Net interest income	877.7	871.7	6.1	0.7%
Net commissions	472.7	480.5	-7.8	-1.6%
Income from banking activities	**1,350.4**	**1,352.1**	**-1.7**	**-0.1%**
Dividends, similar income and gains (losses) on equity investments	**27.4**	**14.4**	**13.0**	89.9%
Net result from realisation/valuation of financial assets	103.9	19.7	84.2	n.s.
Net gain (loss) from hedging	0.9	6.7	-5.8	-86.9%
Financial and insurance income (loss)	**1,482.6**	**1,392.9**	**89.7**	**6.4%**
Net adjustments for impairment of:	**-278.7**	**-307.7**	**29.0**	-9.4%
a) loans	-274.6	-307.0	32.4	-10.5%
b) financial assets	-4.1	-0.7	-3.3	n.s.
Net financial and insurance income (loss)	**1,203.9**	**1,085.2**	**118.7**	**10.9%**
Administrative expenses:	-813.7	-806.1	-7.6	0.9%
a) personnel expenses	-543.5	-558.1	14.6	-2.6%
b) other administrative expenses	-270.2	-247.9	-22.2	9.0%
Net adjustments to the value of tangible and intangible fixed assets	-41.5	-40.0	-1.5	3.7%
Operating expenses	**-855.2**	**-846.1**	**-9.1**	**1.1%**
Net operating income	**348.7**	**239.1**	**109.6**	**45.8%**
Net provisions for risks and liabilities and other operating income/costs	-38.6	-41.5	2.9	-6.9%
Income (loss) on equity investments	0.1	-0.2	0.3	n.s.
P&L figures for branches sold		12.6	-12.6	-100.0%
Gains (losses) from disposal of investments	0.1	0.0	0.1	n.s.
Gain (loss) from current operations before taxes	**310.3**	**210.1**	**100.2**	**47.7%**
Taxes on income from current operations	-145.0	-42.3	-102.7	n.s.
Gain (loss) from current operations after taxes	**165.3**	**167.9**	**-2.6**	**-1.5%**
Gain (loss) on fixed assets due for disposal, net of taxes	2.8	2.6	0.2	7.4%
Net profit (loss) of the period including minority interests	**168.1**	**170.5**	**-2.4**	**-1.4%**
Minority interests in profit (loss) for the period	-1.9	-0.5	-1.4	n.s.
Net profit (loss) pre PPA	**166.1**	**169.9**	**-3.8**	**-2.2%**
PPA (Purchase Price Allocation)	-25.8	-27.7	1.9	-6.8%
Net profit (loss) of the period including minority interests	**140.3**	**142.2**	**-1.9**	**-1.4%**

(1) Figures as published in the 2010 Consolidated Annual Report. Figures were restated to take account of changes brought about to the Group's operating scope subsequent to the divestiture of banking business of Banca Monte dei Paschi di Siena (disposal of 72 branches of Banca Monte dei Paschi di Siena) and assets classified as held for sale in 2010 (MP Monaco SAM and MPS Venture SpA).

QUARTERLY TREND IN RECLASSIFIED INCOME STATEMENT (in EUR mln)

MONTEPASCHI GROUP	2011	2010 (1)			
	1st quarter	**4th quarter**	**3rd quarter**	**2nd quarter**	**1st quarter**
Net interest income	877.7	900.8	906.5	912.7	871.7
Net commissions	472.7	489.0	459.1	482.9	480.5
Income from banking activities	**1,350.4**	**1,389.8**	**1,365.7**	**1,395.6**	**1,352.1**
Dividends, similar income and gains (losses) on equity investments	27.4	32.2	29.5	15.7	14.4
Net result from realisation/valuation of financial assets	103.9	-5.7	16.3	-53.4	19.7
Net gain (loss) from hedging	0.9	-10.1	-3.5	6.3	6.7
Financial and insurance income (loss)	**1,482.6**	**1,406.2**	**1,408.0**	**1,364.2**	**1,392.9**
Net adjustments for impairment of:	**-278.7**	**-296.1**	**-289.1**	**-301.3**	**-307.7**
a) loans	-274.6	-284.1	-281.5	-283.0	-307.0
b) financial assets	-4.1	-12.0	-7.6	-18.3	-0.7
Net financial and insurance income (loss)	**1,203.9**	**1,110.1**	**1,118.9**	**1,062.9**	**1,085.2**
Administrative expenses:	-813.7	-868.7	-805.2	-775.9	-806.1
a) personnel expenses	-543.5	-597.4	-537.1	-518.7	-558.1
b) other administrative expenses	-270.2	-271.4	-268.1	-257.2	-247.9
Net adjustments to the value of tangible and intangible fixed assets	-41.5	-52.3	-40.8	-42.1	-40.0
Operating expenses	**-855.2**	**-921.1**	**-846.0**	**-817.9**	**-846.1**
Net operating income	**348.7**	**189.0**	**272.9**	**245.0**	**239.1**
Net provisions for risks and liabilities and other operating income/costs	-38.6	-26.7	-32.8	-92.2	-41.5
Income (loss) on equity investments	0.1	578.8	-7.8	-19.3	-0.2
Integration costs / one-off charges		-10.7	-6.1	-2.7	
P&L figures for branches sold				9.2	12.6
Gains (losses) from disposal of investments	0.1	0.5	-2.3	184.2	0.0
Gain (loss) from current operations before taxes	**310.3**	**730.8**	**223.9**	**324.1**	**210.1**
Taxes on income from current operations	-145.0	-73.1	-100.8	-176.8	-42.3
Gain (loss) from current operations after taxes	**165.3**	**657.7**	**123.1**	**147.3**	**167.9**
Gain (loss) on fixed assets due for disposal, net of taxes	2.8	-0.2	-0.5	-0.3	2.6
Net profit (loss) of the period including minority interests	**168.1**	**657.6**	**122.6**	**147.0**	**170.5**
Minority interests in profit (loss) for the period	-1.9	-1.3	-1.1	1.4	-0.5
Net profit (loss) pre PPA	**166.1**	**656.2**	**121.5**	**148.5**	**169.9**
PPA (Purchase Price Allocation)	-25.8	**-27.6**	**-25.8**	**-29.6**	**-27.7**
Net profit (loss) of the period including minority interests	**140.3**	**628.6**	**95.8**	**118.9**	**142.2**

(1) Figures as published in the 2010 Consolidated Annual Report. Figures were restated to take account of changes brought about to the Group's operating scope subsequent to the divestiture of banking business of Banca Monte dei Paschi di Siena (disposal of 72 branches of Banca Monte dei Paschi di Siena) and assets classified as held for sale in 2010 (MP Monaco SAM and MPS Venture SpA).

MONTEPASCHI GROUP

RECLASSIFIED BALANCE SHEET (in EUR mln)

ASSETS	31/03/11	31/12/10	31/03/10 (1)	Change 31/03/11 vs 31/12/10 abs.	%	Change 31/03/11 vs 31/03/10 abs.	%
Cash and cash equivalents	850	2,411	781	-1,561	-64.8%	69	8.8%
Receivables :							
a) Loans and advances to customers	154,664	156,238	148,457	-1,573	-1.0%	6,207	4.2%
b) Loans and advances to banks	10,420	9,710	10,474	710	7.3%	-54	-0.5%
Financial assets held for trading	46,938	55,973	47,855	-9,035	-16.1%	-917	-1.9%
Financial assets held to maturity	0	0	0	0	-2.1%	0	-1.9%
Equity investments	926	908	759	18	2.0%	166	21.9%
Tangible and intangible fixed assets	8,943	8,959	10,374	-15	-0.2%	-1,431	-13.8%
of which:							
a) goodwill	*6,474*	*6,474*	*6,619*	*0*	*0.0%*	*-146*	-2.2%
Other assets	9,385	10,081	11,601	-696	-6.9%	-2,215	-19.1%
Total assets	**232,126**	**244,279**	**230,301**	**-12,153**	**-5.0%**	**1,825**	**0.8%**

LIABILITIES	31/03/11	31/12/10	31/03/10 (1)	Change 31/03/11 vs 31/12/10 abs.	%	Change 31/03/11 vs 31/03/10 abs.	%
Payables							
a) Due to customers and securities	160,361	158,486	152,670	1,876	1.2%	7,691	5.0%
b) Deposits from banks	22,360	28,334	25,628	-5,974	-21.1%	-3,268	-12.8%
Financial liabilities held for trading	22,145	30,383	23,188	-8,238	-27.1%	-1,043	-4.5%
Provisions for specific use							
a) Provisions for staff severance indemnities	288	287	304	1	0.3%	-15	-5.0%
b) Pensions and other post retirement benefit obligations	202	436	459	-234	-53.6%	-257	-55.9%
c) Other provisions	888	882	920	6	0.6%	-32	-3.5%
Other liabilities	8,110	8,043	9,684	67	0.8%	-1,573	-16.2%
Group net equity	17,497	17,156	17,167	341	2.0%	330	1.9%
a) Valuation reserves	53	-146	580	199	-136.1%	-527	-90.9%
b) Redeemable shares							
c) Equity instruments	1,949	1,949	1,949	0	0.0%	0	0.0%
d) Reserves	6,887	5,900	5,986	986	16.7%	901	15.0%
e) Share premium	3,989	3,990	4,048	0	0.0%	-58	-1.4%
f) Share capital	4,502	4,502	4,502	0	0.0%	0	0.0%
g) Treasury shares (-)	-23	-25	-40	1	-5.2%	17	-42.1%
h) Net profit (loss) for the year	140	985	142	-845	-85.8%	-2	-1.4%
Minority interests	273	270	282	3	1.1%	-9	-3.2%
Total Liabilities and Shareholders' Equity	**232,126**	**244,279**	**230,301**	**-12,153**	**-5.0%**	**1,825**	**0.8%**

(1) Published in 2010 Consolidated Annual Report

MONTEPASCHI GROUP

■ **RECLASSIFIED BALANCE SHEET- Quarterly Trend (in EUR mln)**

ASSETS	**31/03/11**	**31/12/10** (1)	**30/09/10** (1)	**30/06/10** (1)	**31/03/10** (1)
Cash and cash equivalents	850	2,411	724	853	781
Receivables :					
a) Loans and advances to customers	154,664	156,238	152,704	152,850	148,457
b) Loans and advances to banks	10,420	9,710	12,606	13,662	10,474
Financial assets held for trading	46,938	55,973	54,691	58,752	47,855
Financial assets held to maturity	0	0	0	0	0
Equity investments	926	908	774	732	759
Tangible and intangible fixed assets	8,943	8,959	10,179	10,201	10,374
of which:					
a) goodwill	*6,474*	*6,474*	*6,474*	*6,474*	*6,619*
Other assets	9,385	10,081	10,845	10,518	11,601
Total assets	**232,126**	**244,279**	**242,522**	**247,567**	**230,301**

LIABILITIES	**31/03/11**	**31/12/10** (1)	**30/09/10** (1)	**30/06/10** (1)	**31/03/10** (1)
Payables					
a) Due to customers and securities	160,361	158,486	154,673	157,980	152,670
b) Deposits from banks	22,360	28,334	29,626	28,593	25,628
Financial liabilities held for trading	22,145	30,383	29,474	33,210	23,188
Provisions for specific use					
a) Provisions for staff severance indemnities	288	287	293	298	304
b) Pensions and other post retirement benefit obligations	202	436	449	450	459
c) Other provisions	888	882	964	962	920
Other liabilities	8,110	8,043	10,377	9,459	9,684
Group net equity	17,497	17,156	16,397	16,345	17,167
a) Valuation reserves	53	-146	-287	-219	580
b) Redeemable shares					
c) Equity instruments	1,949	1,949	1,949	1,949	1,949
d) Reserves	6,887	5,900	5,904	5,903	5,986
e) Share premium	3,989	3,990	3,990	3,996	4,048
f) Share capital	4,502	4,502	4,502	4,502	4,502
g) Treasury shares (-)	-23	-25	-18	-49	-40
h) Net profit (loss) for the year	140	985	357	261	142
Minority interests	273	270	267	270	282
Total Liabilities and Shareholders' Equity	**232,126**	**244,279**	**242,522**	**247,567**	**230,301**

(1) Published in 2010 Consolidated Annual Report