

**PRESS RELEASE****10 billion Euros  
to Italian Small and Medium Enterprises**

*Memorandum of Understanding signed between Banca Monte dei Paschi di Siena and Italian Ministry for Economy and Finance on convertible financial instruments (so-called Tremonti Bonds)*

*Siena, 16 December 2009* - On 14 December 2009, Italian Minister for the Economy and Finance, Giulio Tremonti, approved the subscription by the Ministry of financial instruments convertible into ordinary shares to be issued by Banca Monte dei Paschi di Siena S.p.A., for an amount of EUR 1.9 billion, pursuant to art. 12 of Legislative Decree no. 185 of 29 November 2008, converted into law no. 2 of 28 January 2009.

A Memorandum of Understanding setting out the terms for subscription has also been signed pursuant to art. 2, par. 2, of Ministerial Decree of 25 February 2009. The agreement provides for the adoption by the Montepaschi Group of a Code of Ethics indicative, *inter alia*, of the estimated executive remuneration and a specific set commitments, including, amongst others, the following:

**Additional 10 billion Euros a year for SMEs**

Effective from 1 January 2010 and up to 31 December 2012, the Montepaschi Group will make 10 billion Euros available as additional lending to Italian SMEs, on top of the EUR 70.2 billion loans that have already been disbursed on average in the last two years (from 30 June 2007 up to 30 June 2009). Thus there will be an increase at a *Compound Annual Growth Rate* of 4.5%. This will of course be conditional to the existence of a corresponding request and to the maintenance of an adequate credit quality, complying at the same time with the principle of sound and prudent banking management.

**EUR 28.5 million the beneficiaries of the Central Guarantee Fund**

More favourable conditions will be applied to the beneficiaries of the financial assistance from the Central Guarantee Fund for SMEs, to which the Group's contribute will be of EUR 28.5 million, to be paid in three equal annual instalments.

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### **Suspension of mortgage payments**

Payment of mortgages for first home buyers will be suspended for 12 months free of charge - if so requested and justified by the borrowers identified under the Framework Agreement signed between the Italian Banking Association (ABI) and the Italian Ministry for the Economy and Finance on 25 March 2009.

In addition, an adequate level of liquidity will be ensured to creditors of the Public Administration.

The Memorandum of Understanding shall be effective until the financial instruments issued are in place or until Banca Monte dei Paschi di Siena S.p.A. exercises the right of redemption or repayment of all bonds subscribed by the Ministry.

Following the issuance of the convertible financial instruments known as Tremonti Bonds, which are classified as primary capital, the MPS Group capital ratios -based on consolidated balance sheet data as at 30 September 2009- are as follows: Tier 1 Ratio: 7.6%; Total Capital Ratio: 11.9%.

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