



Banca Monte dei Paschi di Siena

Una storia italiana dal 1472

1Q2012 Results

Siena, 16 May 2012



**MONTE
DEI PASCHI
DI SIENA**
BANCA DAL 1472

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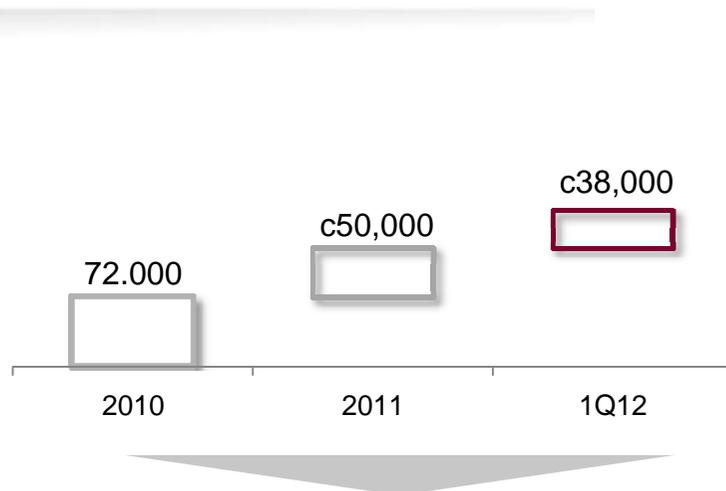


Customer base

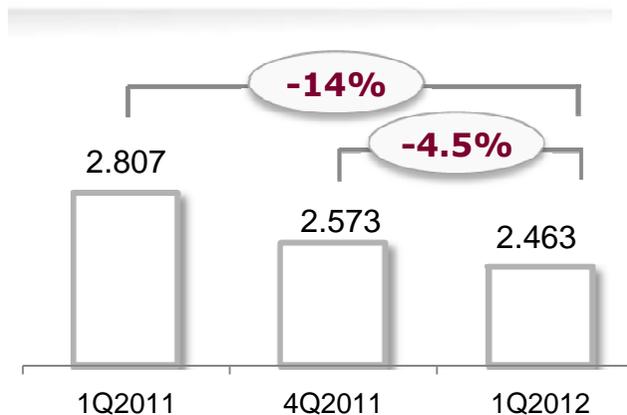
Consolidating our customer base in a very challenging environment while improving Customer Relations



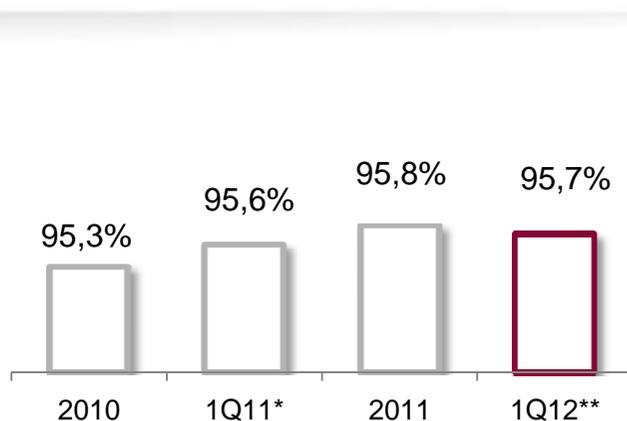
Net new customers



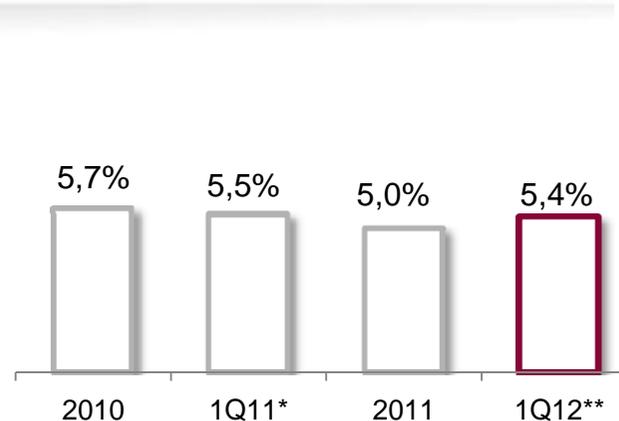
Number of claims



Retention Rate



Acquisition Rate



* 1Q11 vs 1Q10
 ** 1Q12 vs 1Q11



Assets & Liabilities

Assets & Liabilities



Assets

€/mln	Mar-11	Dec-11	Mar-12	QoQ%	YoY%
Customer loans	153,633	146,608	146,627	0.0%	-4.6%
Loans and advances to banks	10,420	20,695	14,877	-28.1%	42.8%
Financial assets	45,307	55,482	52,341	-5.7%	15.5%
Tangible and intangible fixed assets	8,943	4,365	4,369	0.1%	-51.2%
Other assets*	11,161	13,551	12,462	-8.0%	11.7%
Total assets	229,464	240,702	230,676	-4.2%	0.5%

Liabilities

€/mln	Mar-11	Dec-11	Mar-12	QoQ%	YoY%
Deposits from customers and securities issued	159,330	146,324	137,325	-6.1%	-13.8%
Deposits from banks	22,360	46,793	44,848	-4.2%	100.6%
Other liabilities**	30,004	36,603	35,992	-1.7%	20.0%
Group equity	17,497	10,765	12,277	14.0%	-29.8%
Minorities	273	217	234	7.8%	-14.1%
Total Liabilities	229,464	240,702	230,676	-4.2%	0.5%

Main Trends

- ❑ Quarterly deleveraging mainly due to an over 3 €bn decrease in Financial Assets.
- ❑ Customer loans stable QoQ.

Main Trends

- ❑ Increase in interbank exposure in 1Q12 mainly due to a 6 €bn reduction in QoQ lending to banks. Net Interbank exposure at 30 €bn.
- ❑ 1.5 €bn QoQ increase in net equity primarily on account of an improvement in the negative AFS reserves.

* Cash and cash equivalents, equity investments, other assets;

** Financial liabilities held for trading, provision for specific use, other liabilities

Direct Funding

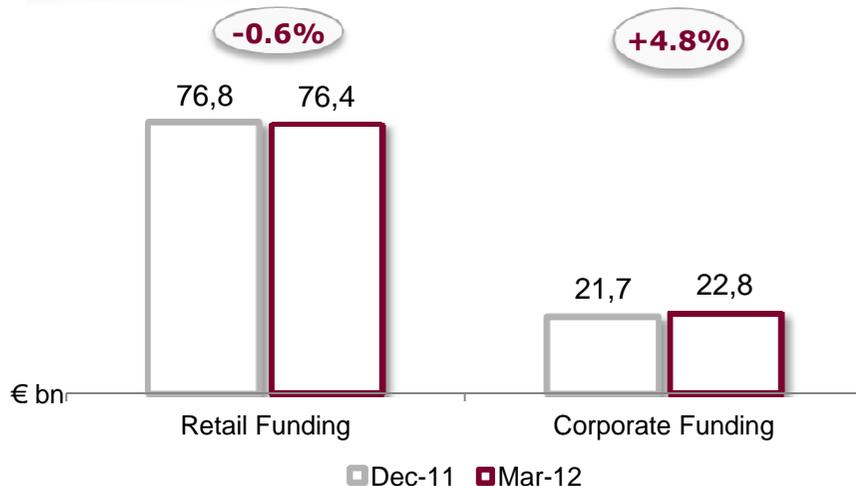


Direct Funding by Source

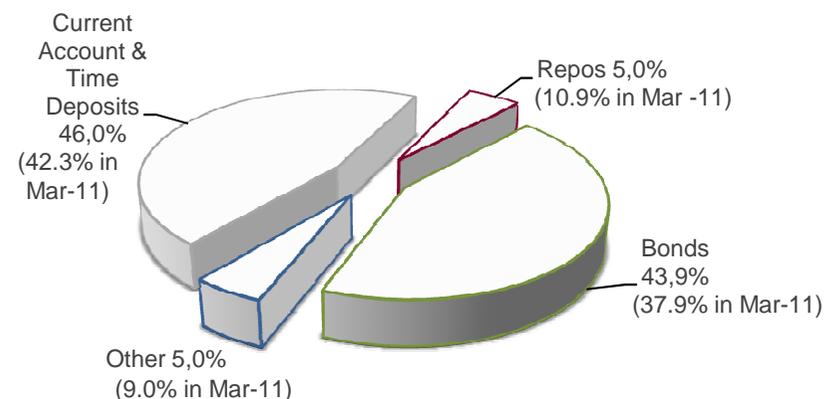
€/mn	Mar-11	Dec-11	Mar-12	QoQ%	YoY%
Current accounts & Time deposits	67,410	63,711	63,185	-0.8%	-6.3%
Repos	17,288	14,352	6,926	-51.7%	-59.9%
Bonds	60,334	60,265	60,317	0.1%	0.0%
Other types of direct funding	14,298	7,996	6,897	-13.7%	-51.8%
Total	159,330	146,324	137,325	-6.1%	-13.8%

of which:

Direct Funding by Segment*



Direct Funding by Source



Main Trends

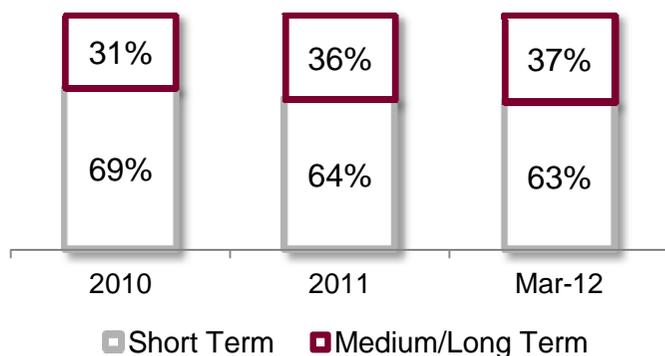
- Strong decrease in Repos (-51.7% QoQ) while interbanking is rising.
- Retail funding down 0.6% QoQ.
- Corporate funding up 4.8% on the back of business with Large Corporate clients.

* Customer accounts and securities - Distribution network;

A focus on the network's placing power



Funding breakdown



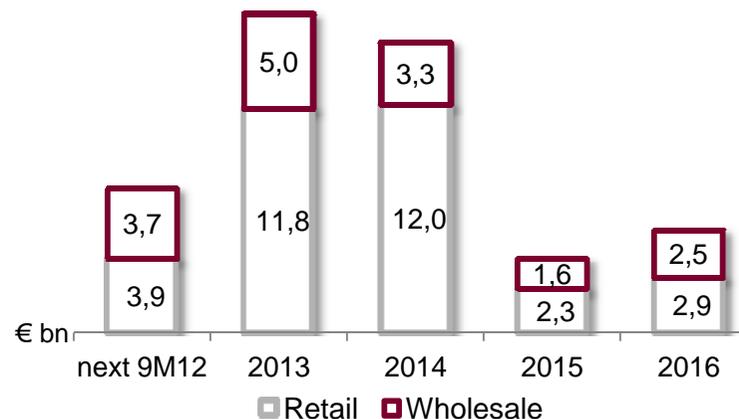
Main Trends

- Extension of our funding maturities continues in 1Q12.
- For 2012, more than 60% Retail needs and more than 20% Institutional funding needs already met

Placing power: Bonds issued



Bond Maturities breakdown*

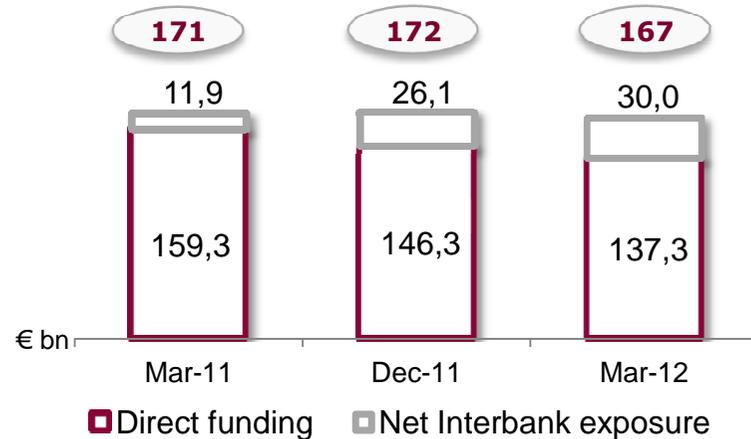


* Outstanding amount are net of repurchases

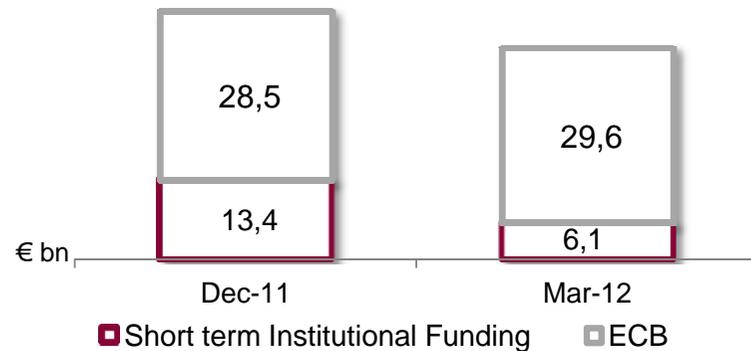
Institutional funding and Interbank Exposure



Direct Funding and Net Interbank Exposure*



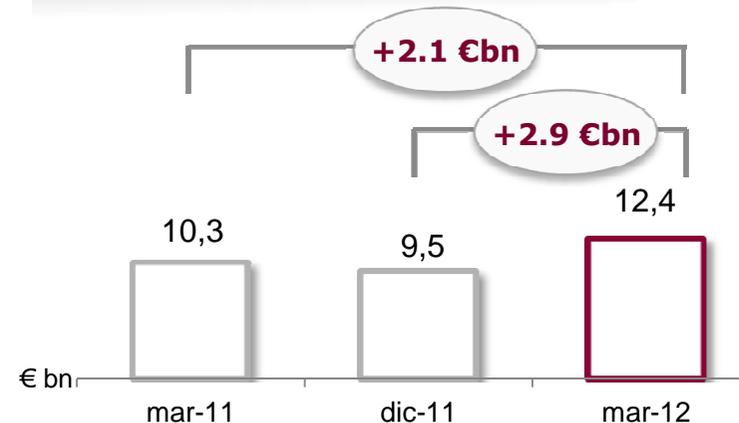
Institutional Funding vs ECB Net Exposure



Main Trends

- ❑ Institutional funding component reduced (-7 €bn vs Dec 2011 in Repos, and -1 €bn in wholesale CDs) as a result of liquidity optimization.
- ❑ Unencumbered counterbalancing capacity** at 12.4 €bn in March 2012 vs 9.5 €bn as at December 2011.

Counterbalancing capacity**



* Loans and advances to banks” and “deposits from banks” .

** Counterbalancing capacity is the total amount of assets immediately available for use to face liquidity needs

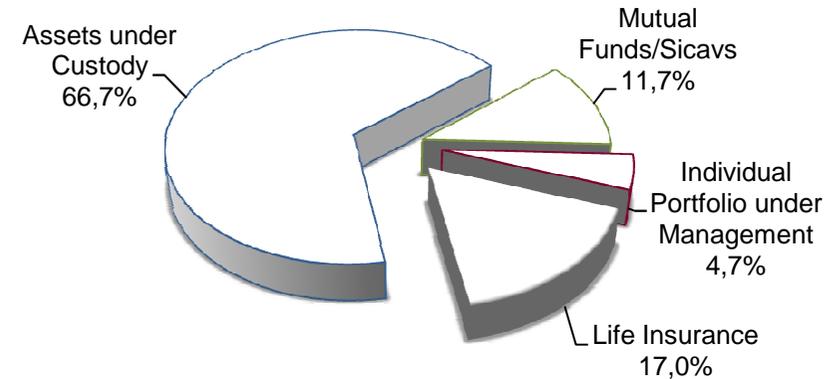
Indirect Funding



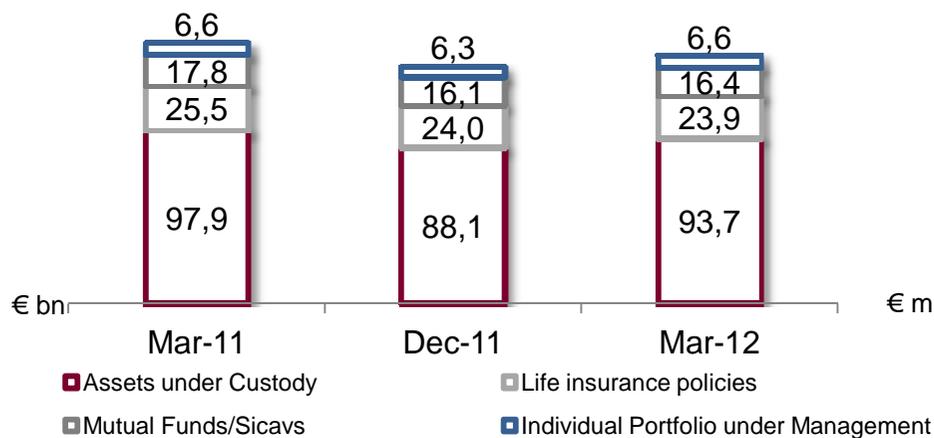
Indirect Funding

€/mln	Mar-11	Dec-11	Mar-12	QoQ%	YoY%
Assets under management	49,938	46,426	46,868	1.0%	-6.1%
Assets under custody	97,902	88,124	93,710	6.3%	-4.3%
Total	147,840	134,550	140,578	4.5%	-4.9%

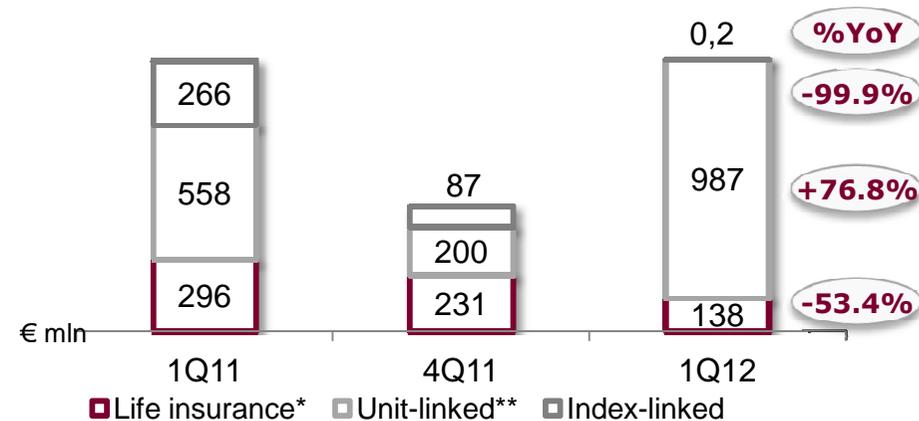
Breakdown (%)



Indirect funding breakdown



Annual Insurance premiums breakdown



* Including pension products
 ** Including multi-line insurance products

Lending



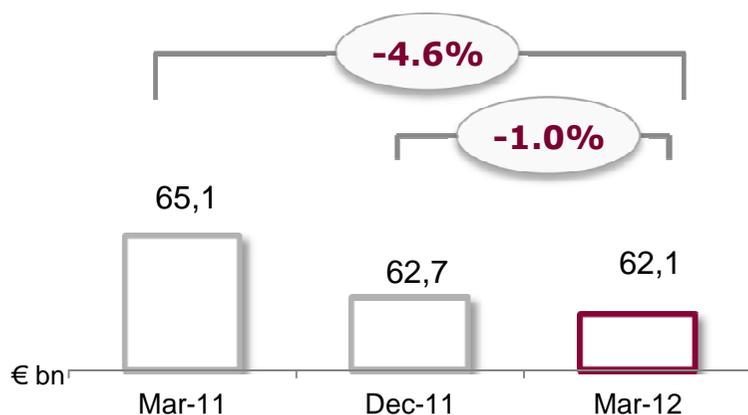
Total Lending

€/mn	Mar-11	Dec-11	Mar-12	QoQ%	YoY%
Current accounts	19,382	17,002	17,397	2.3%	-10.2%
Mortgages	89,898	87,829	87,298	-0.6%	-2.9%
Other forms of lending	40,521	37,785	37,685	-0.3%	-7.0%
Repos	-	882	1,191	35.0%	n.m.
Loans represented by securities	3,832	3,110	3,057	-1.7%	-20.2%
Total	153,633	146,608	146,627	0.0%	-4.6%

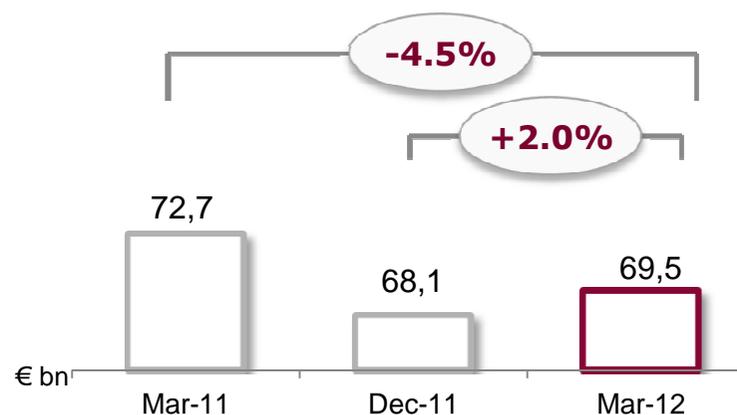
Main Trends

- Loans in line with Dec 2011, although down 4.6% YoY as a result of a reduced demand for credit related to the slowdown of the economic cycle
- Approx. 700 €mln worth of new mortgages opened in Q1 2012

Retail Banking Active* Loans



Corporate Banking Active* Loans

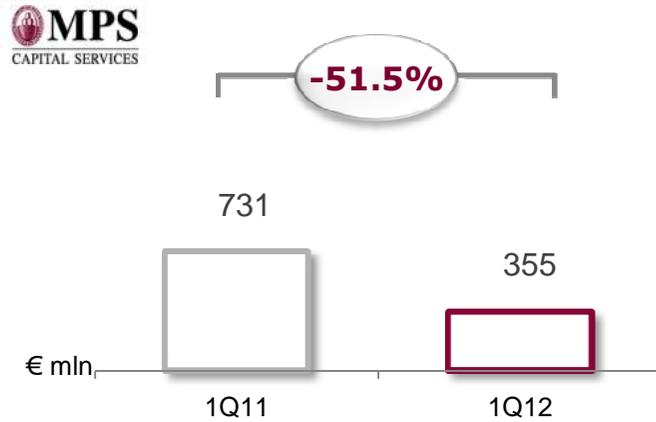


* Loans excluding net NPLs

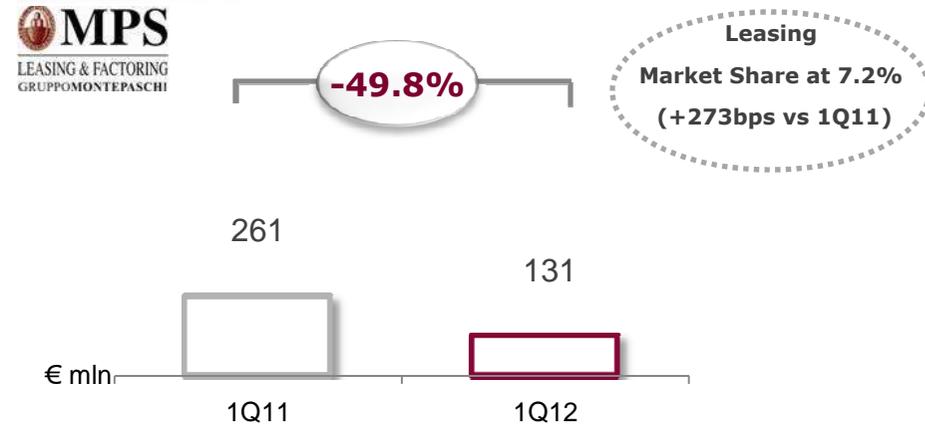
Specialised Lending Product Flows



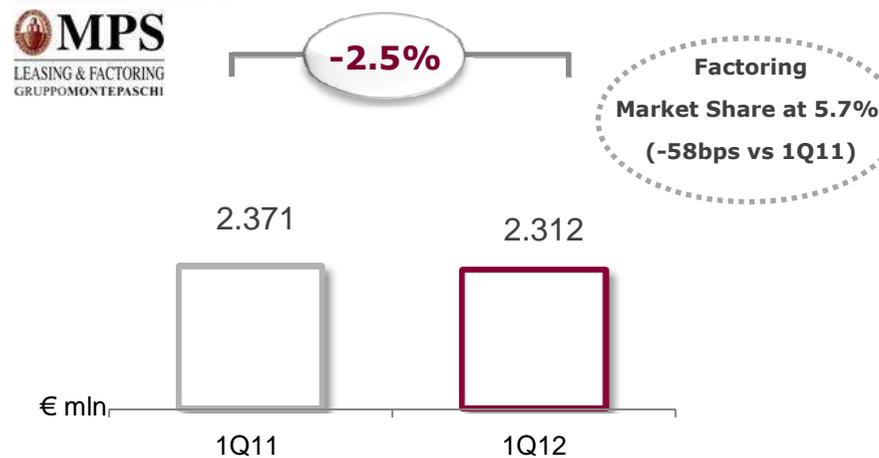
MPS Capital Services: (disbursements)



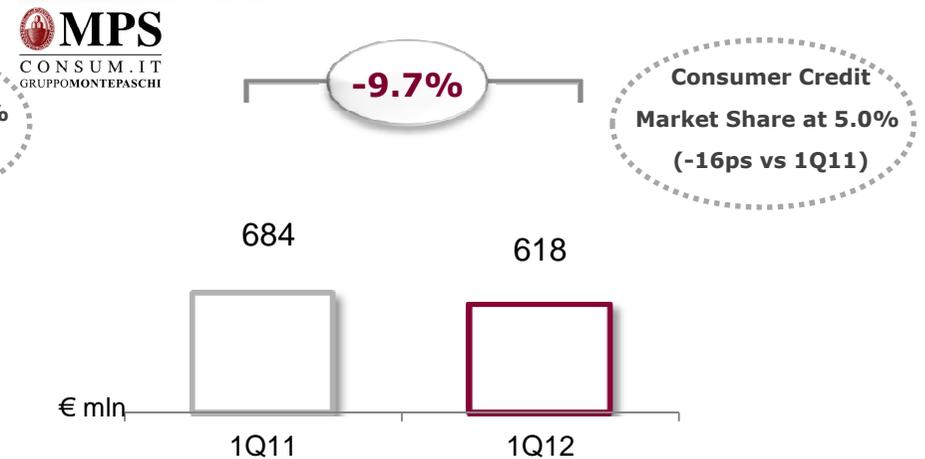
Leasing



Factoring



Consumer Credit Flows



Asset Quality



Mkt share of Performing and Non-Performing Loans



Impaired Loans

(€ mln)	Gross	Net
NPL vs Dec. 11	15,125 +4.4%	6,688 +3.8%
Watchlist vs Dec. 11	6,196 +8.1%	4,854 +8.9%
Restructured vs Dec. 11	1,622 3.0%	1,474 +2.7%
Past Due vs Dec. 11	2,310 +88.8%	2,175 +90.0%

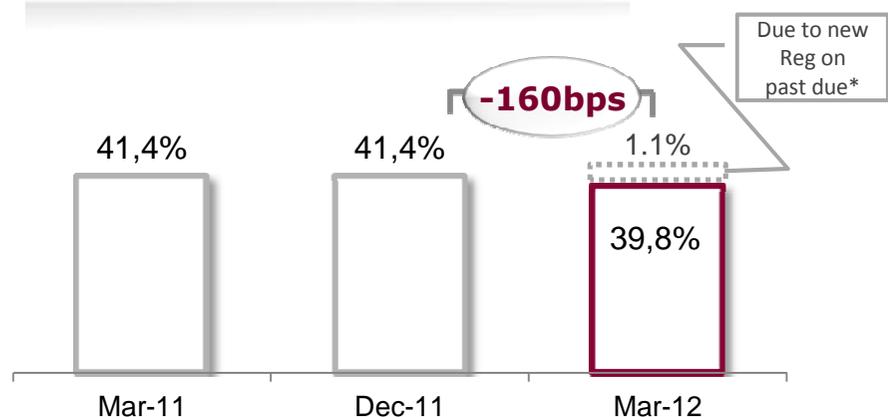
Main Trends

- ❑ NPL market share increased by 28 bps compared to March 2011
- ❑ In the first quarter of 2012, net impaired loans were up by 1.7 €bn, largely because of past due loans (+1 €bn) being affected by "alignment" with the European legislation, which lowered late-payment terms to 90 days from previous 180 days (net impact of 724 €mln).

Asset Quality: Coverage



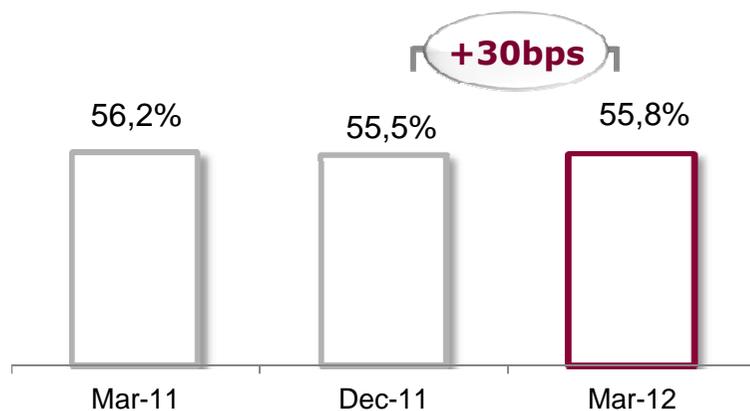
Impaired Loans Coverage



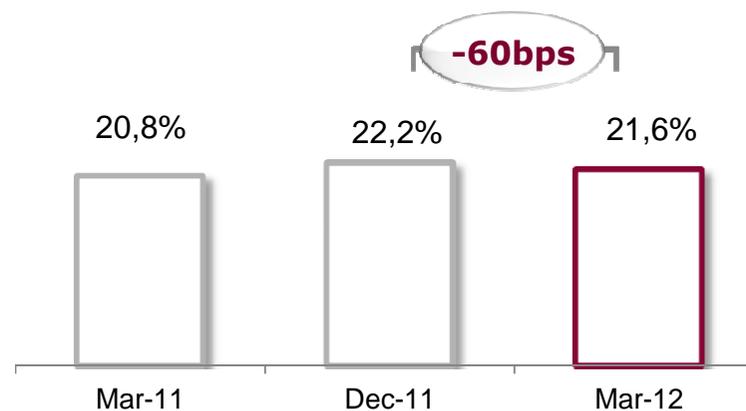
Main Trends

- ❑ Coverage down 160 bps vs December 2011 due primarily to new regulations on past due loans (about 110 bps impact).
- ❑ Excluding this effect, coverage would be at around 41%.

NPL Coverage



Watchlist Coverage

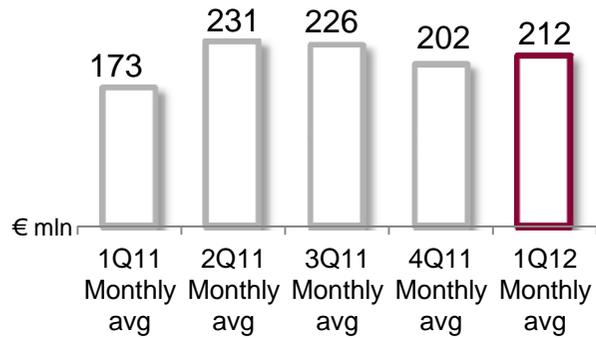


* New regulatory requirements on past due loans effective as of 1Q12, with late-payment terms lowered from 180 to 90 days

Asset Quality: NPL/Watchlist trend

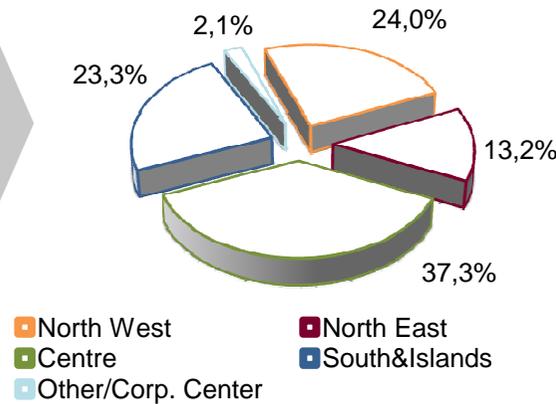


Gross NPL Inflows

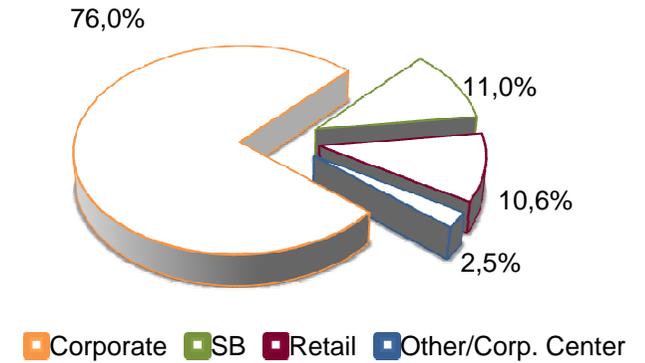


Breakdown by:

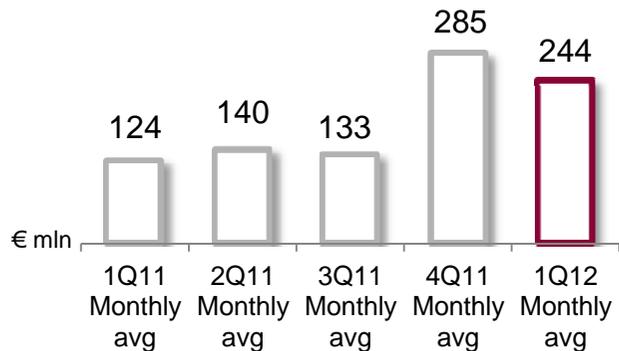
Geography



Customer segment



Gross Watchlist Inflows



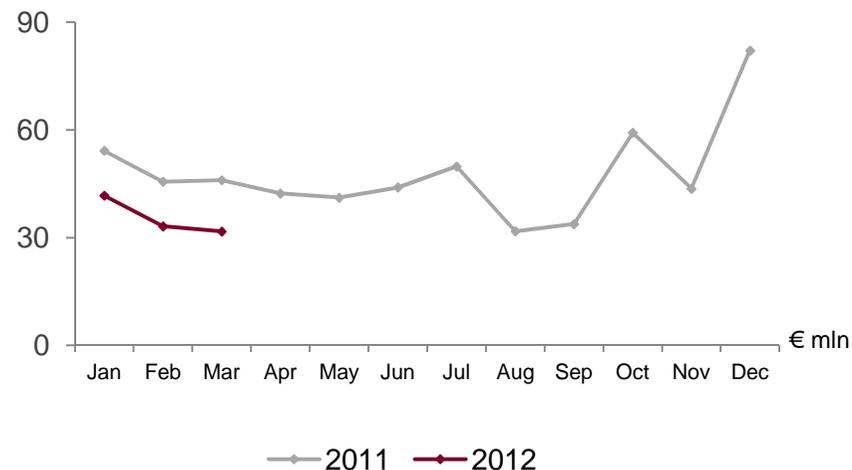
Main Trends

- NPL inflows up 4.9% QoQ in 1Q12
- Conversely, watch list loan inflows down 14.6% QoQ.

Asset Quality: Recoveries



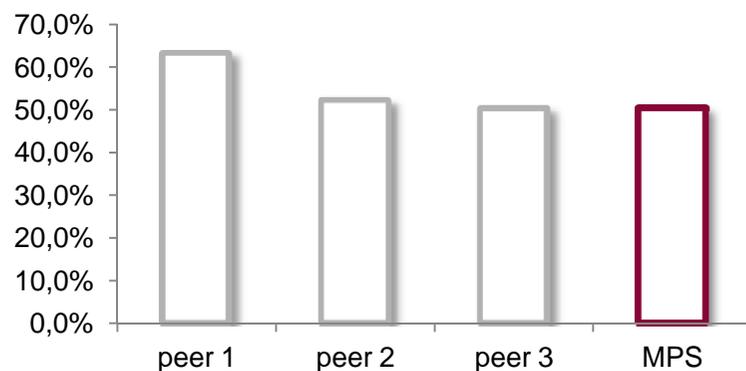
Monthly Recovery - Inflows



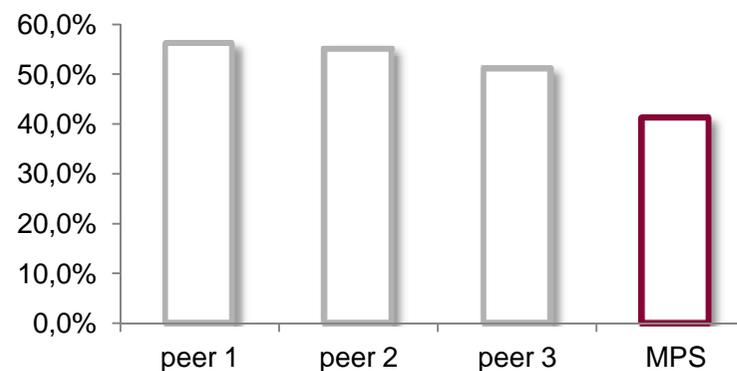
Main Trends

- ❑ Decrease in recoveries due to the difficult economic and financial environment (which, in particular, led to an average depreciation of real estate collaterals for loans).
- ❑ In residential and Commercial Real Estate (CRE) mortgages, BMPS's Loan to Value in December 2011 was lower than that of main competitors thus proving the higher value of collaterals pledged.

Residential Mortgage LTVs*: top 4 Italian banks



Average CRE Mortgage LTV*: top 4 Italian banks

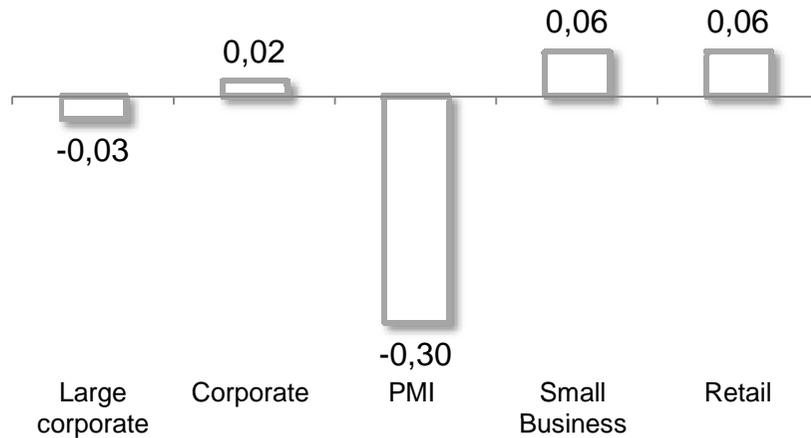


* LTV ratio: value of a loan as a percentage of the total value of real property. Source: EBA, 2011 (UCI, ISP, UBI)

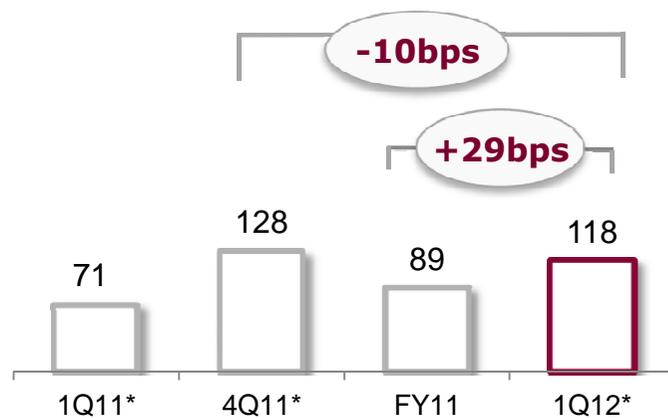
PD and Provisioning



PD on performing loans (Δ% Mar-12 vs Dec-11)



Provisions (bps)



Main Trends

- Probability of default was down on 1Q12 (2.16% vs. 2.23% of Dec-11) due to remix of the loan book with a shift towards lower-risk counterparties and migration of risk positions from the performing to non-performing loan book.
- Provisioning rate of 118 bps, higher than FY11 figure (89 bps) which was affected by a 128 bps provisioning rate in 4Q2011.

* Annualised



1Q2012 Profit and Loss

P&L: 1Q2012



€ mln

MPS Group	31/03/11	31/03/12	Change	
	(*)		Ins.	%
Net interest income	876.8	893.5	16.8	1.9%
Net commissions	473.7	434.1	-39.5	-8.3%
Income from banking activities	1,350.4	1,327.7	-22.8	-1.7%
Dividends, similar income and gains (losses) on equity investments	27.4	10.6	-16.7	-61.2%
Net profit (loss) from trading/valuation of financial assets	103.9	161.9	58.0	55.8%
Net profit (loss) from hedging	0.9	3.6	2.8	n.m.
Income from financial and insurance activities	1,482.6	1,503.8	21.3	1.4%
Net adjustments for impairment of:	-278.7	-439.6	-160.9	57.8%
a) loans	-274.6	-434.0	-159.4	58.1%
b) financial assets	-4.1	-5.6	-1.5	37.6%
Net income from financial and insurance activities	1,203.9	1,064.2	-139.7	-11.6%
Administrative expenses:	-813.7	-799.1	14.7	-1.8%
a) personnel expenses	-543.5	-531.1	12.5	-2.3%
b) other administrative expenses	-270.2	-268.0	2.2	-0.8%
Net adjustments to tangible and intangible fixed assets	-41.5	-46.0	-4.5	10.9%
Operating expenses	-855.2	-845.1	10.1	-1.2%
Net operating income	348.7	219.1	-129.6	-37.2%
Net provisions for risks and charges and other operating income/expenses	-38.6	-28.5	10.1	-26.1%
Profit (loss) on equity investments	0.1	4.0	3.9	n.m.
Integration costs / one-off charges		-1.1	-1.1	n.m.
Gains (losses) from disposal of investments	0.1	0.3	0.1	128.9%
Profit (loss) before tax from continuing operations	310.3	193.7	-116.5	-37.6%
Taxes on income from continuing operations	-145.0	-121.6	23.4	-16.1%
Profit (loss) after tax from continuing operations	165.3	72.2	-93.1	-56.3%
Profit (loss) after tax from disposal groups held for sale	2.8		-2.8	-100.0%
Net profit (loss) for the period including minority interests	168.1	72.2	-95.9	-57.1%
Net profit (loss) attributable to minority interests	-1.9	-1.7	0.2	-11.2%
Profit (loss) for the period before PPA	166.1	70.4	-95.7	-57.6%
PPA (Purchase Price Allocation)	-25.8	-15.9	9.9	-38.2%
Net profit (loss) for the period	140.3	54.5	-85.8	-61.2%

* Figures restated, where necessary, following clarification provided by the Bank of Italy regarding recognition of securities lending with collateral other than cash fully owned by the lender.

P&L: Quarterly trendline



€ mln

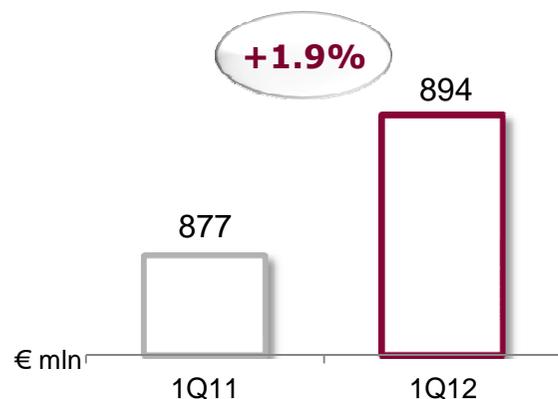
MPS Group	2011 (*)				2012
	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter
Net interest income	876.8	817.8	874.7	930.9	893.5
Net commissions	473.7	460.2	457.4	409.7	434.1
Income from banking activities	1,350.4	1,278.0	1,332.2	1,340.6	1,327.7
Dividends, similar income and gains (losses) on equity investments	27.4	20.1	15.4	9.4	10.6
Net profit (loss) from trading/valuation of financial assets	103.9	118.5	-5.6	-51.0	161.9
Net profit (loss) from hedging	0.9	-1.1	-0.8	-30.9	3.6
Income from financial and insurance activities	1,482.6	1,415.4	1,341.1	1,268.1	1,503.8
Net adjustments for impairment of:	-278.7	-314.9	-342.9	-527.4	-439.6
a) loans	-274.6	-294.8	-271.2	-470.3	-434.0
b) financial assets	-4.1	-20.1	-71.8	-57.1	-5.6
Net income from financial and insurance activities	1,203.9	1,100.5	998.2	740.6	1,064.2
Administrative expenses:	-813.7	-798.4	-795.3	-899.6	-799.1
a) personnel expenses	-543.5	-518.1	-526.1	-607.1	-531.1
b) other administrative expenses	-270.2	-280.3	-269.2	-292.4	-268.0
Net adjustments to tangible and intangible fixed assets	-41.5	-39.2	-40.8	-73.9	-46.0
Operating expenses	-855.2	-837.6	-836.2	-973.5	-845.1
Net operating income	348.7	262.9	162.0	-232.8	219.1
Net provisions for risks and charges and other operating income/expenses	-38.6	-69.7	-66.1	-200.7	-28.5
Profit (loss) on equity investments	0.1	-7.1	-7.8	-9.5	4.0
Integration costs / one-off charges			-15.7	-10.1	-1.1
Goodwill impairment				-0.4	
Gains (losses) from disposal of investments	0.1	0.3	33.9	0.3	0.3
Profit (loss) before tax from continuing operations	310.3	186.4	106.3	-453.2	193.7
Taxes on income from continuing operations	-145.0	-42.4	-45.1	-15.8	-121.6
Profit (loss) after tax from continuing operations	165.3	144.0	61.2	-469.0	72.2
Profit (loss) after tax from disposal groups held for sale	2.8	8.1	2.9	3.9	
Net profit (loss) for the period including minority interests	168.1	152.0	64.1	-465.1	72.2
Net profit (loss) attributable to minority interests	-1.9	-0.8	-1.0	7.2	-1.7
Net profit (loss) for the period before PPA, Impairment of Goodwill, Intangibles and writedown of investment in AM Holding	166.1	151.3	63.1	-457.9	70.4
PPA (Purchase Price Allocation)	-25.8	-30.2	-20.9	-16.9	-15.9
Impairment of Goodwill, Intangibles and writedown of investment in AM Holding				-4,514.0	
Net profit (loss) for the period	140.3	121.1	42.2	-4,988.8	54.5

* Figures restated, where necessary, following clarification provided by the Bank of Italy regarding recognition of securities lending with collateral other than cash fully owned by the lender.

A focus on Net Interest Income



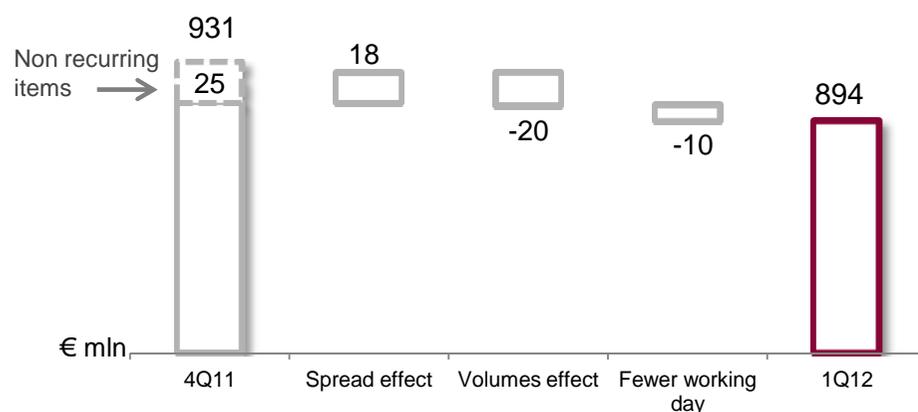
Net Interest Income (YoY)



Net Interest Income (QoQ)



1Q12 NII Analysis



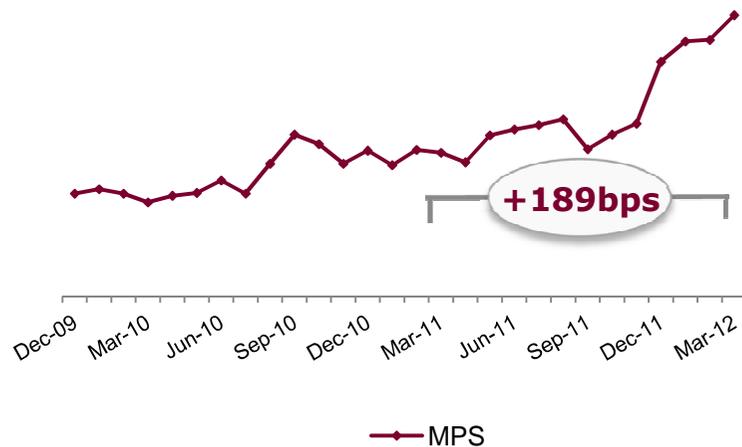
Main Trends

- NII down 4% QoQ; this trend is accounted for by the "day effect" and non-recurring items (approx. 25 €mln) that had characterised 4Q11. Excluding these effects, net interest income would show a substantially stable quarterly trend.

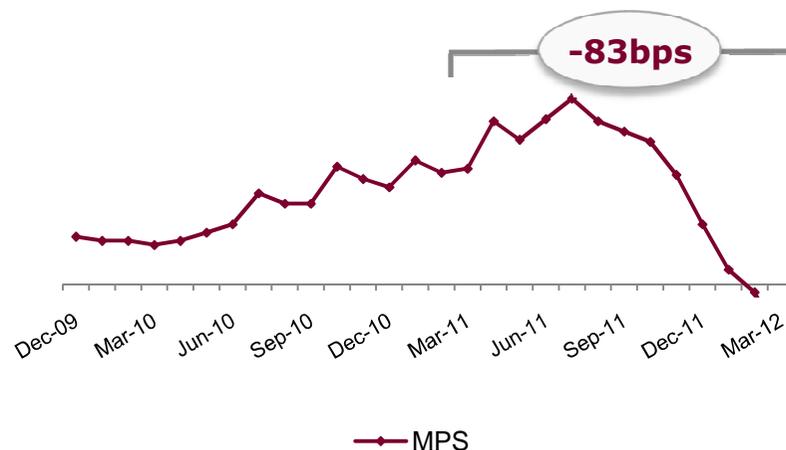
Commercial Mark up and Mark down



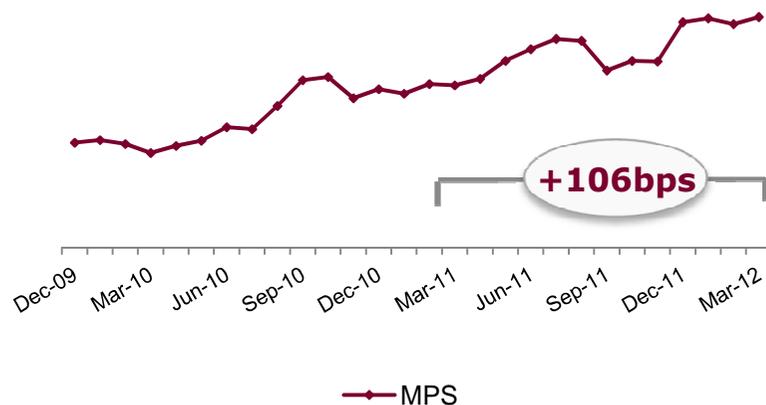
Short Term Mark up*



Short Term Mark down*



Short Term Spread



Main Trends

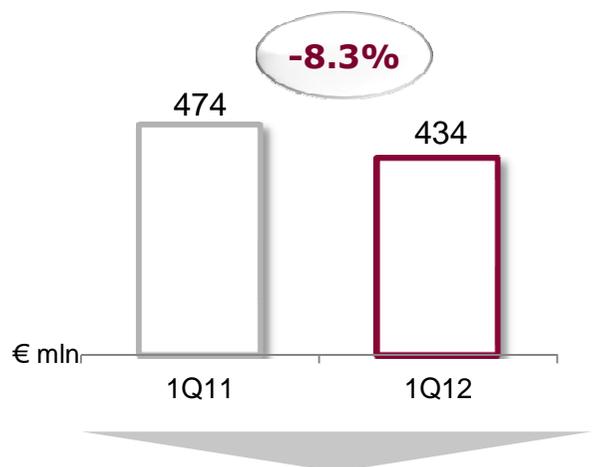
- Short term spread increased by 106 bps YoY.
- Short-term mark-up re-pricing continues to offset cost of funding.

* MPS and Bank of Italy data

Fees and Commissions



Fees YoY



Fees QoQ



Fees breakdown

€/mn	1Q11	4Q11	1Q12	QoQ%	YoY%
AuM Fees, o/w	126	104	133	27.7%	5.2%
<i>AuM Placing</i>	46	22	56	150.3%	21.3%
<i>Continuing</i>	64	61	59	-3.9%	-8.2%
<i>Bond Placement</i>	16	21	18	-11.5%	12.0%
Traditional Banking Fees, o/w	366	362	356	-1.5%	-2.6%
<i>Credit facilities</i>	188	187	185	-1.4%	-1.8%
<i>ForeignTrade</i>	20	20	20	-1.6%	-3.8%
<i>Payment services and client expense recovery</i>	158	155	152	-1.7%	-3.4%
Other*	-19	-56	-55	-1.9%	n.m.
Total Net Fees	474	410	434	6.0%	-8.3%

Main Trends

- ❑ Fees up 6% QoQ on the back of revenues from the placement of insurance products.
- ❑ -8.3% YoY decrease primarily due to institutional funding charges (particularly on State-guaranteed 'Monti bonds')

* Includes Monti Bond guarantee fees

Dividends and trading



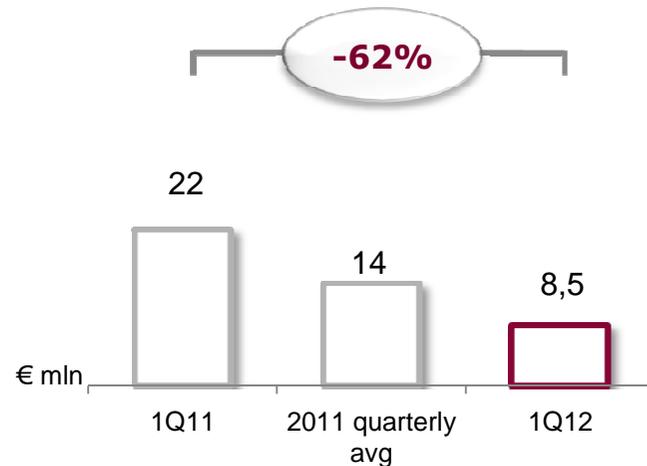
Other Revenues

€/mn	1Q11	4Q11	1Q12	QoQ%	YoY%
Dividends, similar income and gains (losses) on equity investments	27	9	11	12.9%	-61.2%
Net profit (loss) from trading	84	-81	140	n.m.	66.5%
Gains (losses) on disposal of loans, available for sale financial assets and financial liabilities	40	24	19	-21.6%	-52.4%
Net profit (loss) on financial assets and liabilities designated at fair value	-20	6	3	-52.5%	n.m.
Total	131	-42	173	n.m.	31.4%

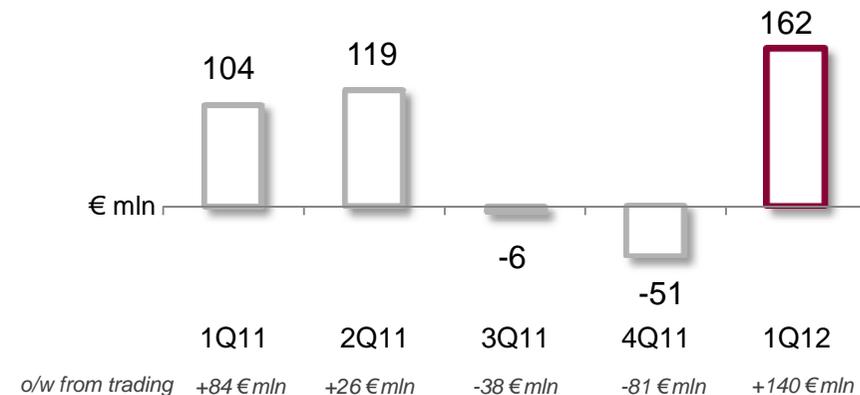
Main Trends

- Dividends and gains on investments: 10.6 €mln in 1Q12.
- Bancassurance contribution: 8.5 €mln in 1Q12.
- Trading income: 140 €mln in 1Q12, driven by improved market environment and more favourable credit spreads.

Bancassurance Contribution



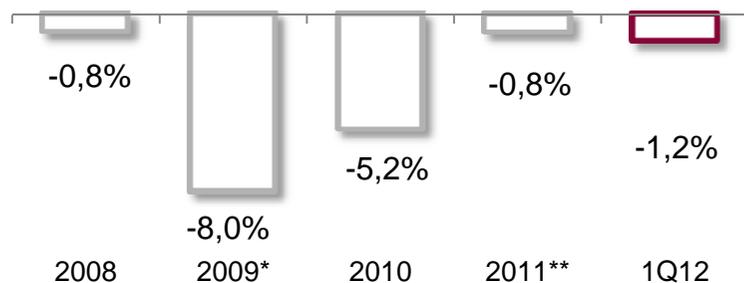
Trading/valuation of financial assets QoQ



Operating Costs



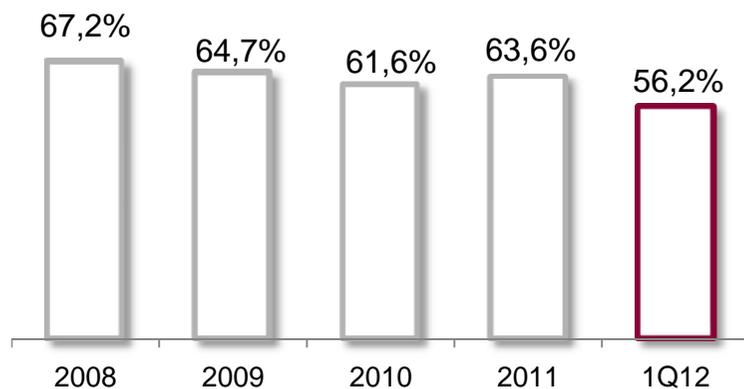
Trend of GMPS Total Cost (YoY % growth)



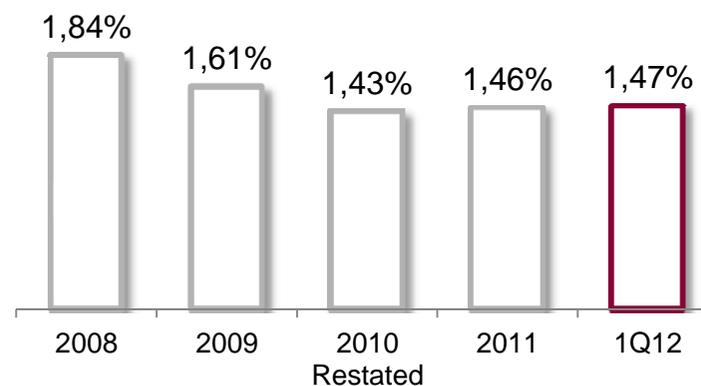
Main Trends

- Operating costs down 1.2% in 1Q12 despite the unfavorable regulatory framework.
- Cost/income ratio down to 56.2%, a significant improvement on December 2011.

Cost/Income



Costs/Assets



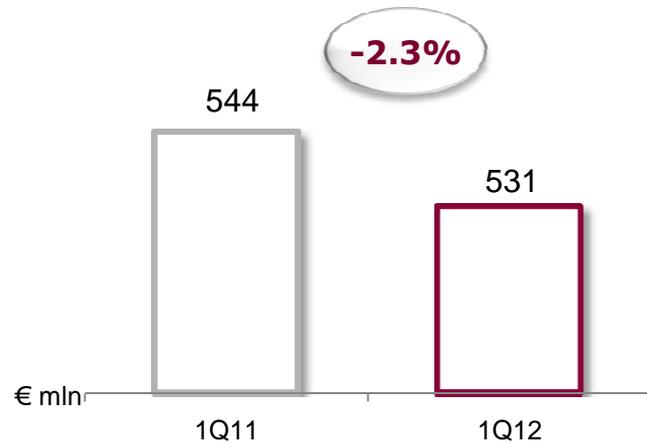
* Net of € 60mln in early retirement one-off classified as personnel costs

** Net of RE deal impact

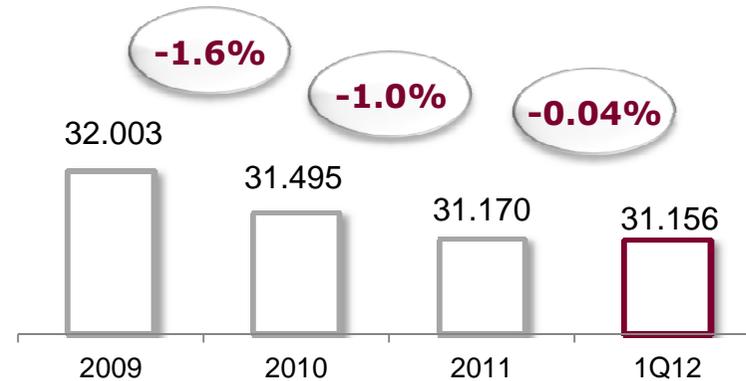
Personnel Expenses



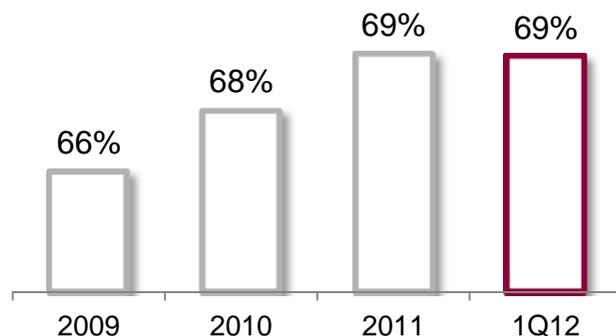
Personnel expenses YoY



Group Headcount



Front Office/Total Staff Ratio



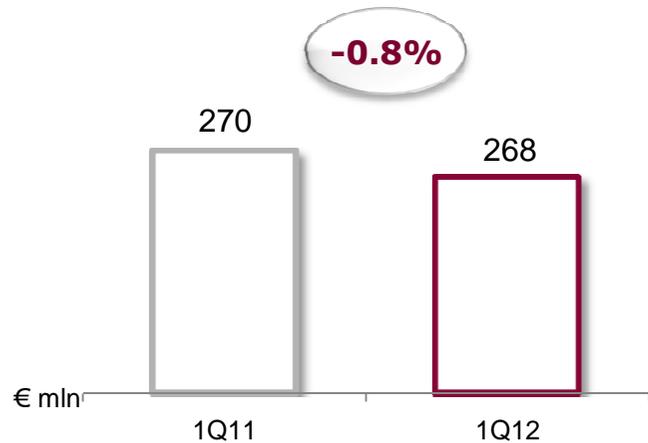
Main Trends

- Personnel expenses, -2.3% YoY (-3.2% vs 2011 quarterly average). Further cost reduction driven by headcount reduction/redeployment process and savings in non-structural variables (employee travel expenses/allowances and other), which more than offset the increase in base salaries.

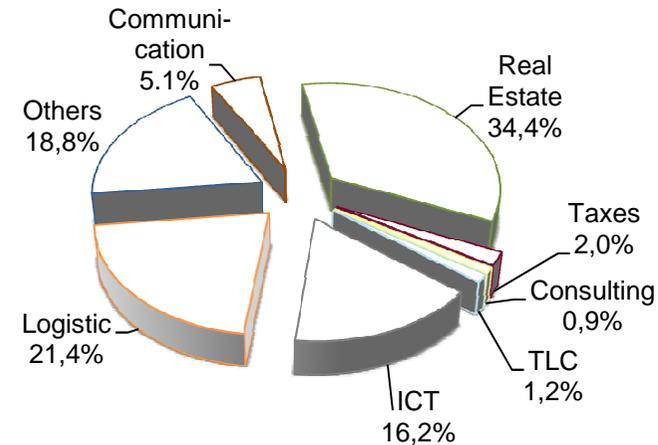
Administrative Expenses and Net Adjustments



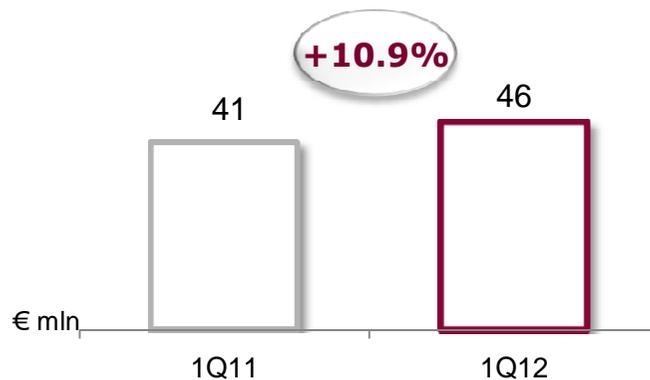
Administrative expenses YoY



Administrative expenses: breakdown



Net adjustments to fixed assets



Main Trends

- ❑ Other administrative expenses down 0.8% YoY as a result of cost management actions.
- ❑ Net adjustments to fixed assets up 10.9% YoY.



Risk and Capital Management

Financial Assets



GMPS Securities and Derivatives Portfolio

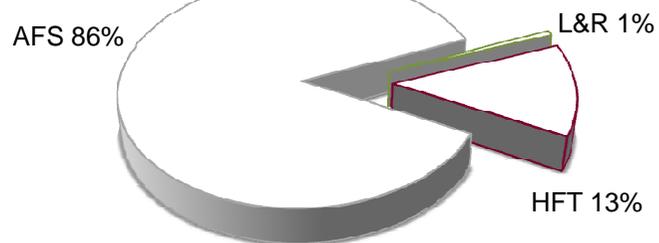
Market Value (€ mln)	31 Mar12	QoQ%
HFT	9,133	-8.4%
AFS	25,007	+9.2%
L&R	4,805	-9.8%
Total Portfolio	38,945	2.0%

Main Trends

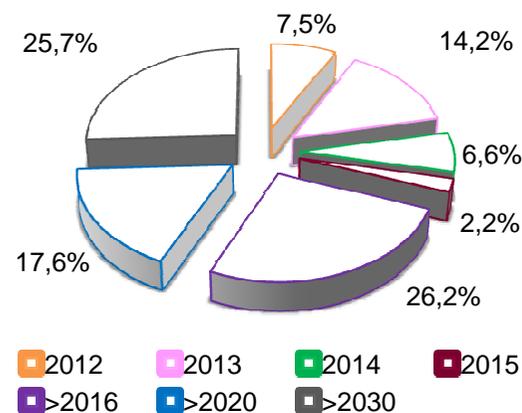
- Financial Assets Portfolio: 39 €bn, a slight increase on December 2011, mainly due to market price revaluation of AFS component.

Italian Government Bonds: ~25 €bn*

Breakdown by IAS category



Breakdown by maturity

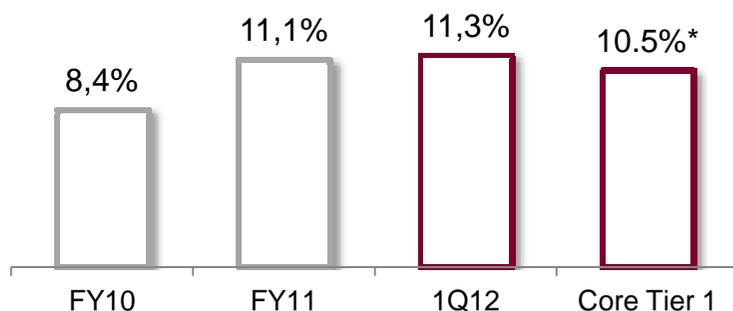


* Nominal Value

Focus on Capital and RWAs



MPS Tier 1 over time



MPS Tier 1 over time

€/mln	Dec-11	Mar-12	QoQ%
RWA	105,189	102,594	-2.5%
Ratios			
Core Tier 1 ratio*	10.3	10.5	0.20
Tier 1 ratio	11.1	11.3	0.20
Total Capital ratio	15.7	15.9	0.20
Prudential requirements (€/mln)			
Credit and counterparty risk	7,139	6,917	-3.1%
Market risk	547	598	9.2%
Operational risk	696	693	-0.4%
Total	8,382	8,208	-2.1%

Main Trends

□ All capital ratios up 20 bps compared to December 2011.

□ Risk-weighted assets totaled approx. 103 €bn (vs. approx. 105 €bn as at Dec-11); the reduction was mainly accounted for by credit risk trends.

* Including Tremonti Bond (1.9 €bn)



*Thank you
for your attention*

Q&A



Annexes

Performance of product companies



	BAV*		BIVER		MPSCS		Consum.it	
	€/mln	YoY%	€/mln	YoY%	€/mln	YoY%	€/mln	YoY%
Net Interest Income	93.9	12.7%	20.6	7.3%	80.1	17.7%	73.6	3.0%
Operational Expenses	73.3	-2.1%	18.9	-2.9%	17.7	-11.8%	14.8	-3.0%
Provisions	21.7	34.7%	3.8	72.5%	64.9	142.6%	87.5	75.5%
Pre-Provision Profit	47.7	24.5%	10.4	7.3%	114.2	16.8%	18.8	-205.7%
Net Profit	22.1	59.6%	5.9	14.7%	60.7	11.4%	-15.3	-214.2%

BAV - BIVER

- 
ANTONVENETA
GRUPPO MONTEPASCHI Increase in net interest income (+12.7% YoY) and in fees (+6.7% YoY) and good cost containment (-2.1% YoY). Net profit boosted to 22 €mln.

- 
BIVERBANCA
CASSA DI RISPARMIO DI BIELLA E VERCELLI Revenues at 33 €mln (+5.5% YoY) and costs at 19 €mln (-2.1% YoY).

Product Companies

- 
MPS
CAPITAL SERVICES Revenues at 197 €mln (+36% YoY); remarkable reduction in costs (-11.8% YoY).

- 
MPS
CONSUM.IT
GRUPPO MONTEPASCHI Revenues at approx. 84 €mln (+0.7% YoY). Net profit affected by unfavorable economic climate.

* Net Profit Post PPA



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Declaration of the Financial Reporting Officer

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 document corresponds to the underlying documentary evidence and accounting records.

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