



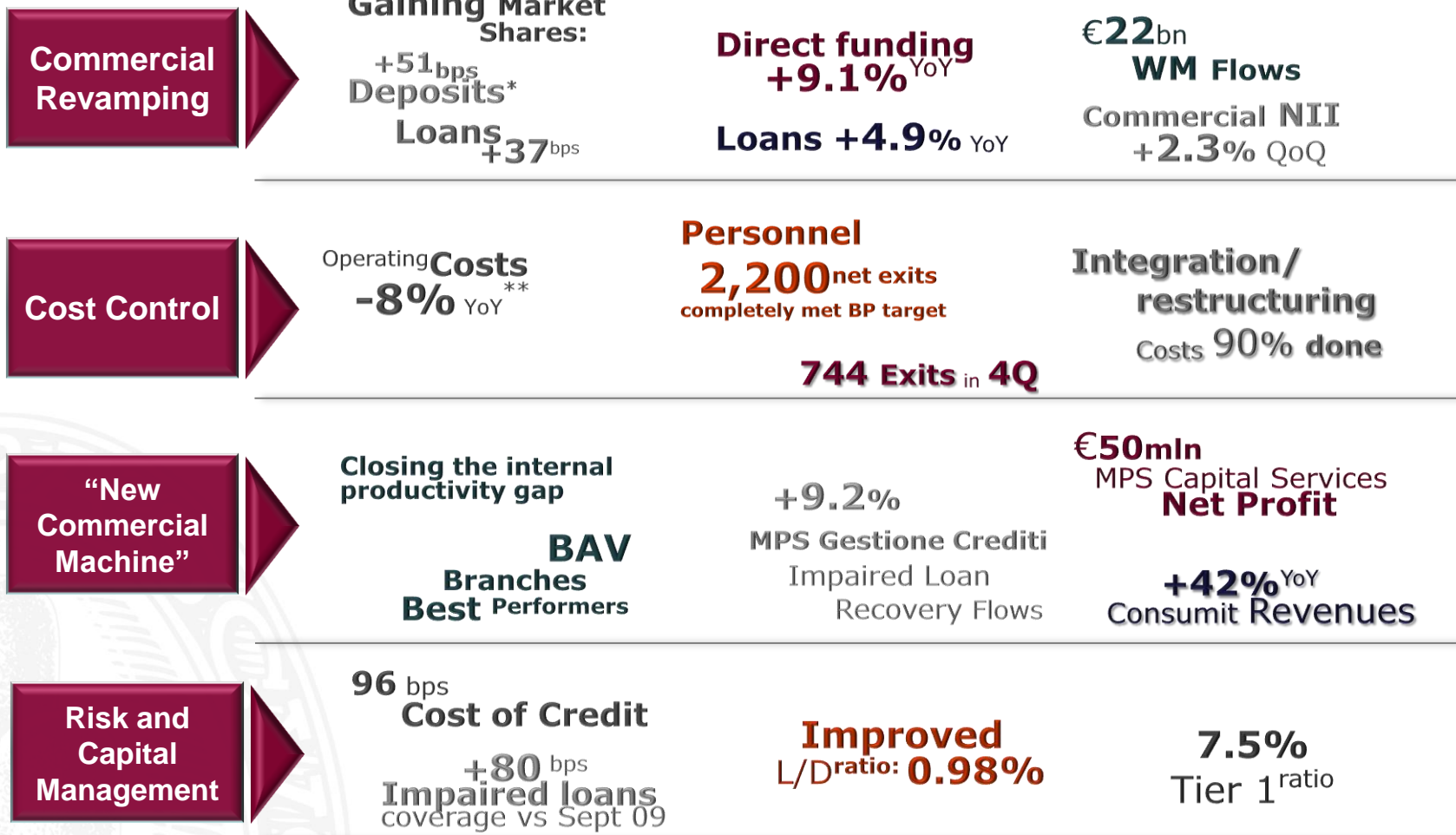
An Italian story since 1472

2009 Results Presentation



GRUPPO MONTEPASCHI

2009: Year of across-the-board restructuring

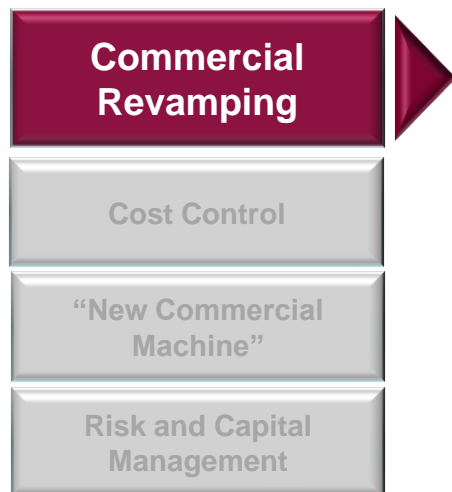


* Market share Direct funding (net of bonds)

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

GRUPPO MONTEPASCHI

2009: Year of across-the-board restructuring



✓ **Increasing commercial flows and gaining market shares in all businesses:**

- **Direct Funding: +9.1% YoY, with +51bps market share***
- **Loans: +4.9% YoY, +4.2% QoQ, with +37bps market share**
- **WM flows: €22 bn (+104% YoY), with Bancassurance flows +46% and market share +41bps****
- **First evidence of 1Q10***: loans +2.5% vs Dec09, WM flows +2%, +18,000 net new customers**

✓ **Resilient revenues:**

- **NII: -4.6% YoY with commercial NII +2.3% QoQ**
- **Revenues: -2.2% YoY**

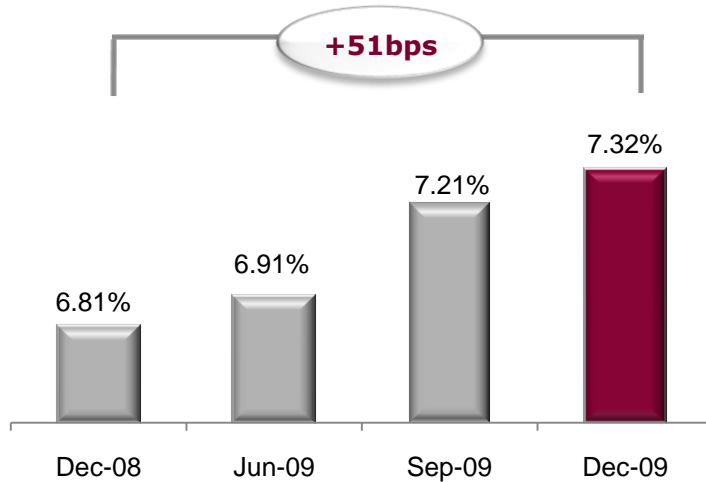
* Market share Direct funding (net of bonds)

** vs June 2009, after full Group restructuring

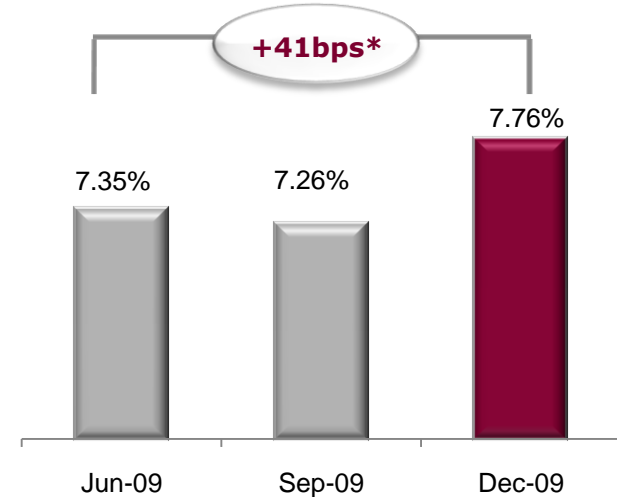
*** January and February 2010: Commercial Network

Gaining market shares in all businesses

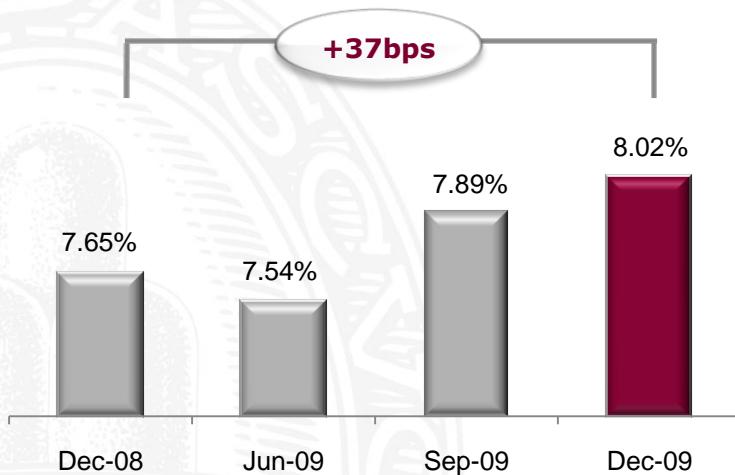
Direct Funding (net of bonds) market share



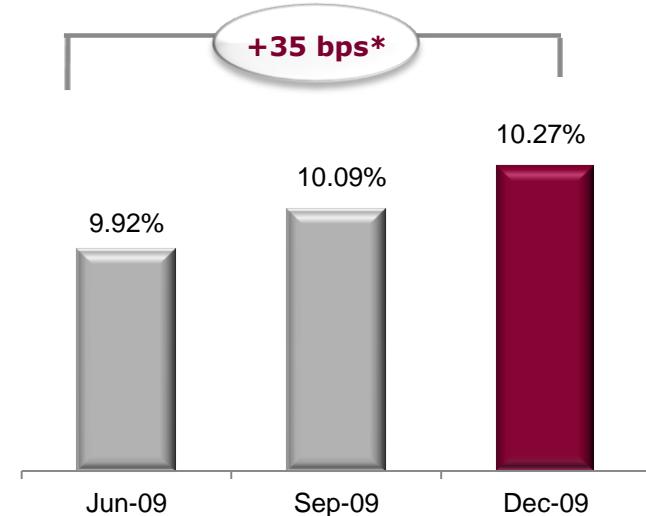
Bancassurance market share



Loans market share



Mortgages market share

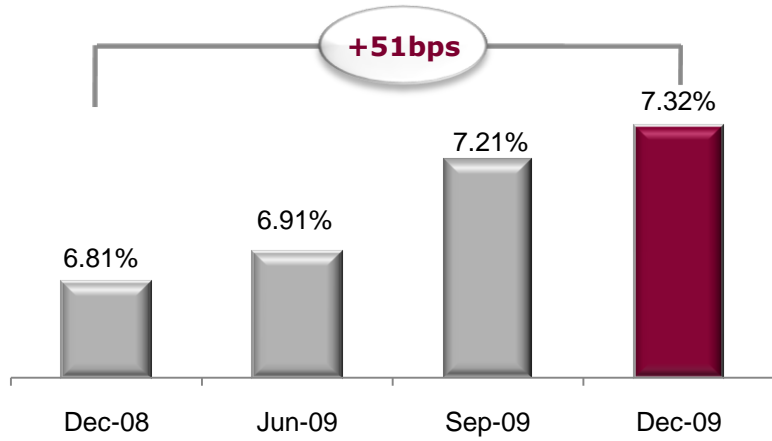


* vs June 2009, after full Group restructuring

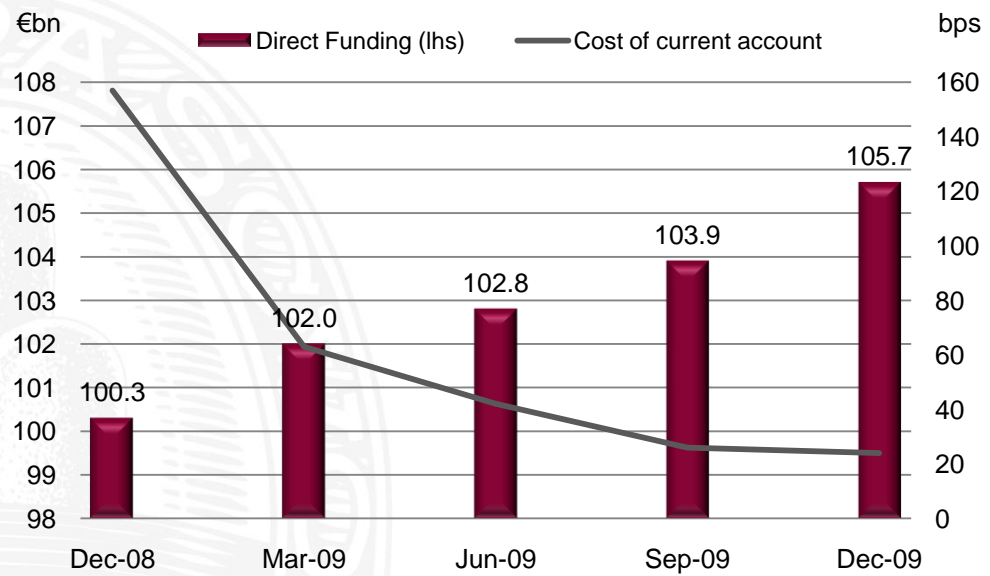
Market penetration strategy on Funding to gain market shares

Grabbing market shares at low cost

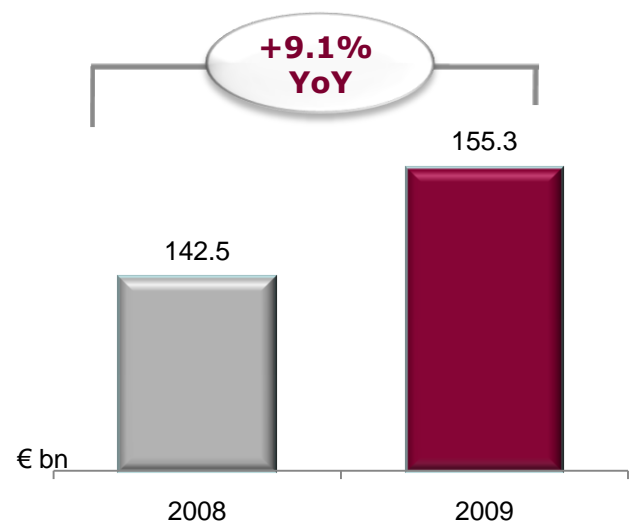
Direct Funding (net of bonds) market share



Direct Funding and mark down (Commercial Network)

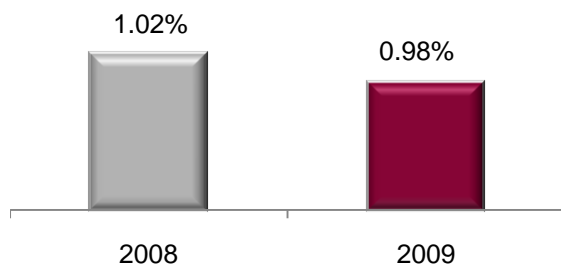


Direct Funding

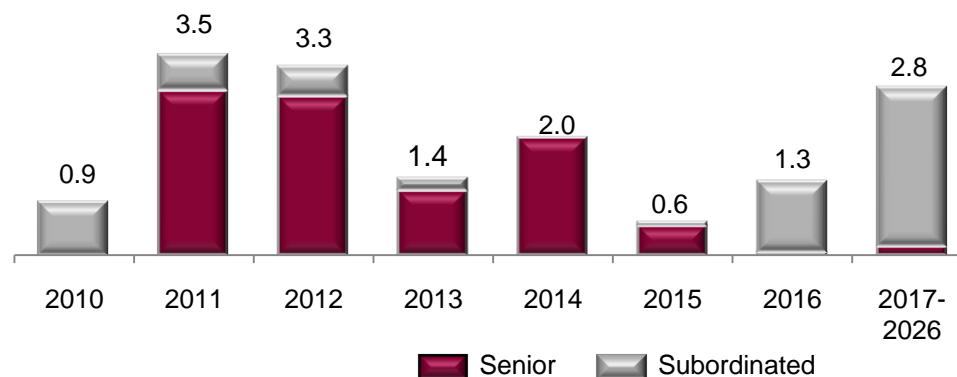


Improvement of Liquidity position

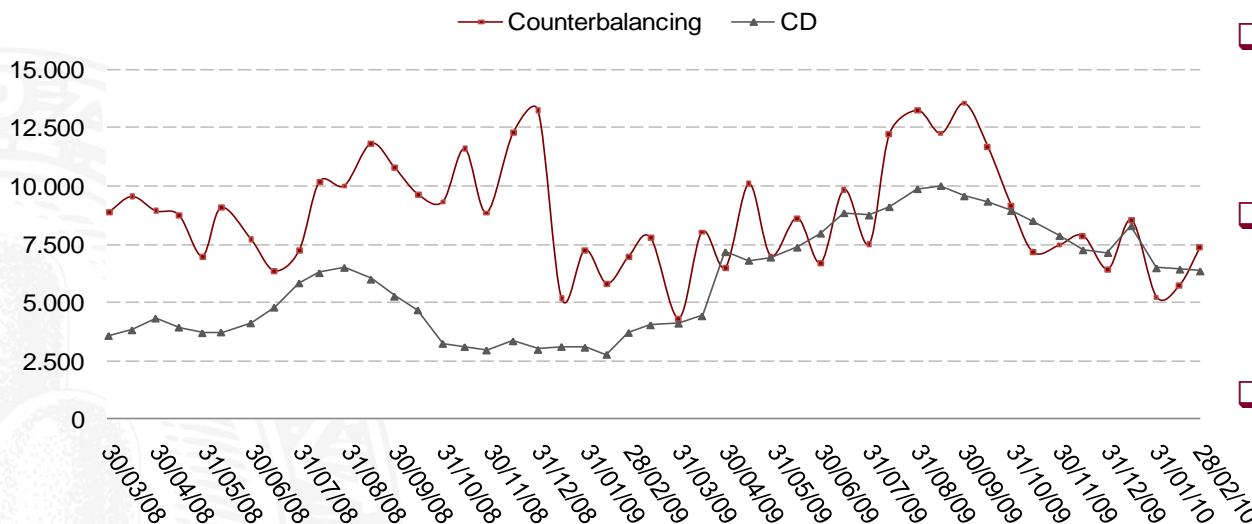
Loan/Deposit ratio



Maturity of Bonds from 2010 (€ bn)*



CD Programme and Counterbalancing Capacity** (€ mln)



- Improvement in L/D ratio: 0.98% vs 1.02% in 2008
- Institutional bond expiring in 2010: €0.9bn
- Interbanking debt position increased also due to reduction of CDs exposure

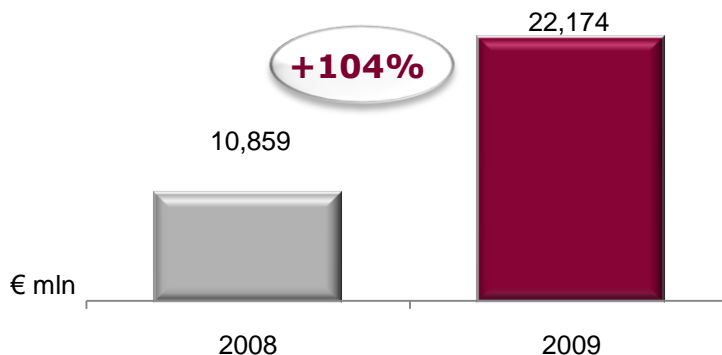
* Institutional bonds. As of 28 February 2010

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

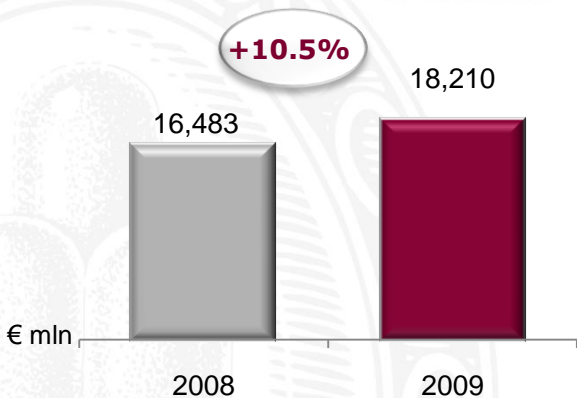
Increasing WM flows thanks to financial advisory services

Increasing funding flows through financial advisory services

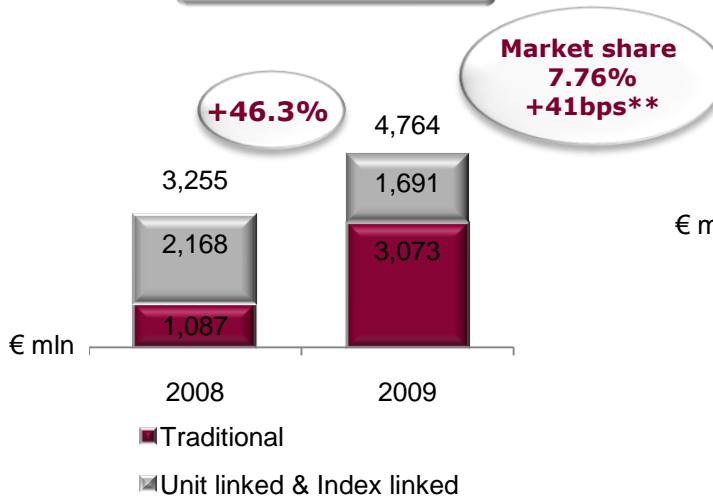
WM Flows (Bonds, Bancassurance and Mutual Funds)



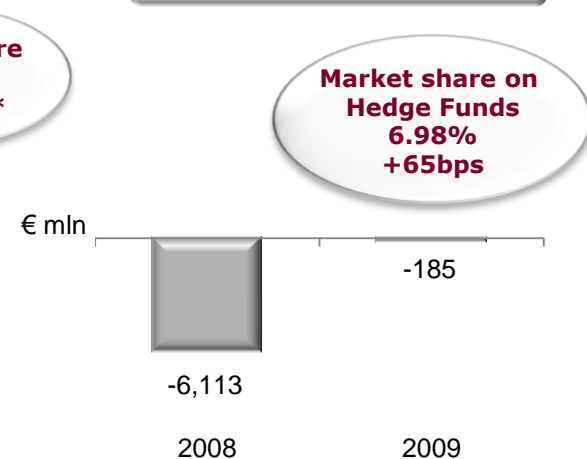
Bonds



Bancassurance*



Mutual Funds

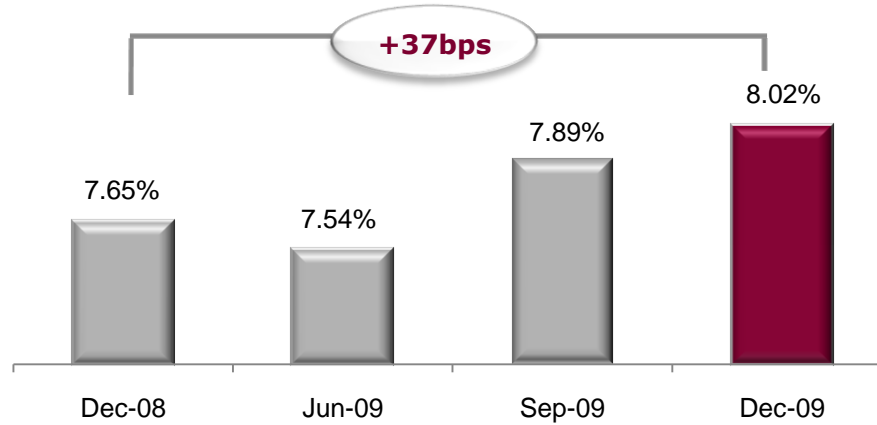


* Commercial network

** vs June 2009, after full Group restructuring

Grabbing market shares through product innovation

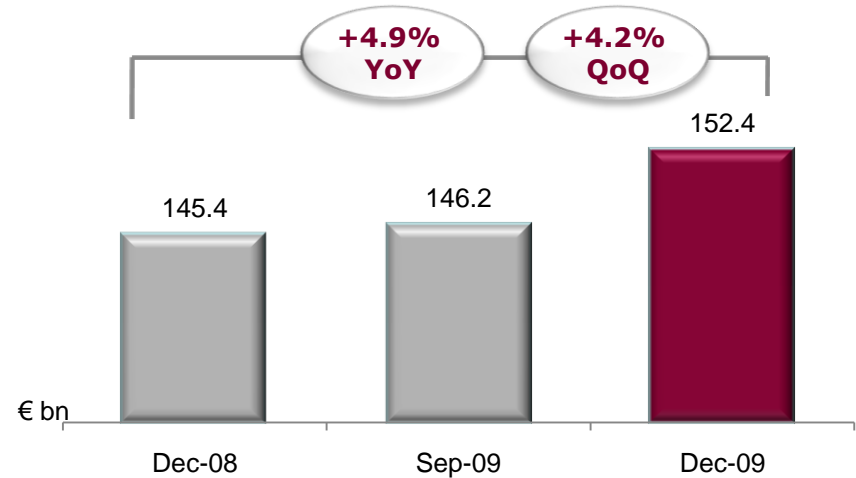
Loans market share



Product innovation awards

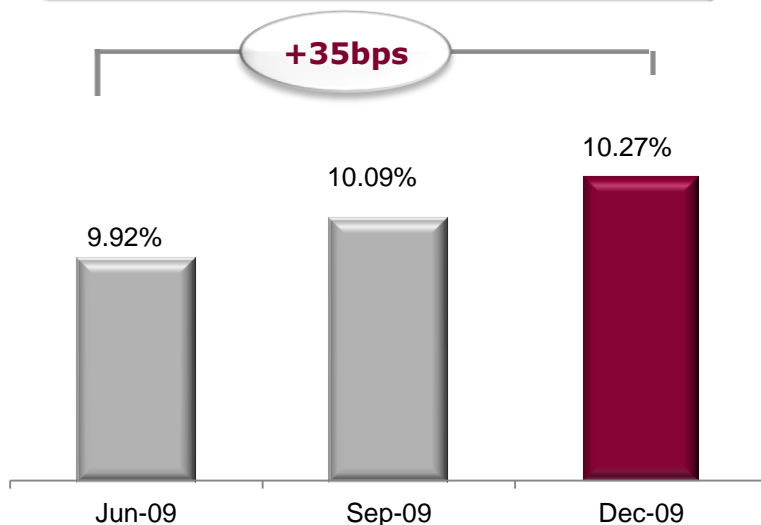


Total Loans

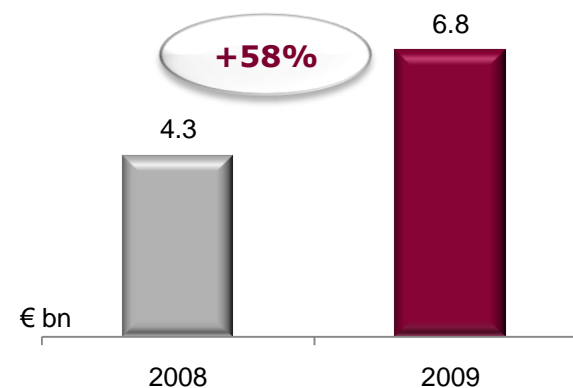


Strong increase in Mortgages

Residential Mortgages market share



GMPS Residential Mortgages flow



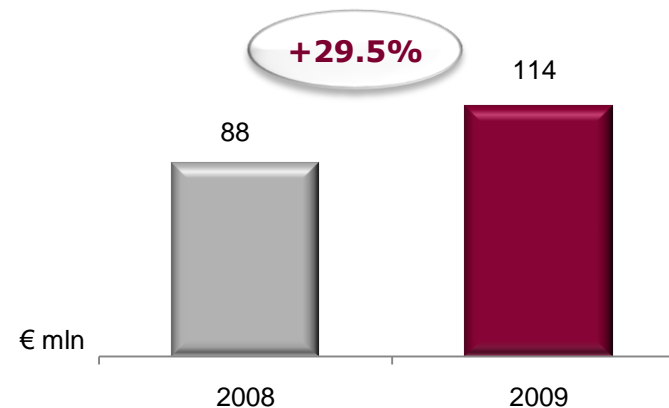
Good quality of new Residential Mortgages

56% with L/V <70%
0.2% with L/V >80%


85% with **affordability ratio <40%**
(instalment/revenues)

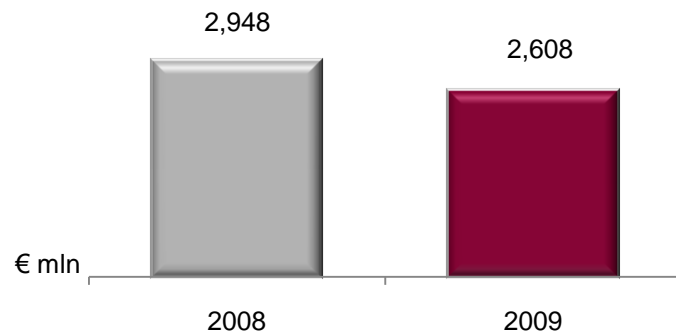
18%
to **New Customers**

Positive impact on P&C business

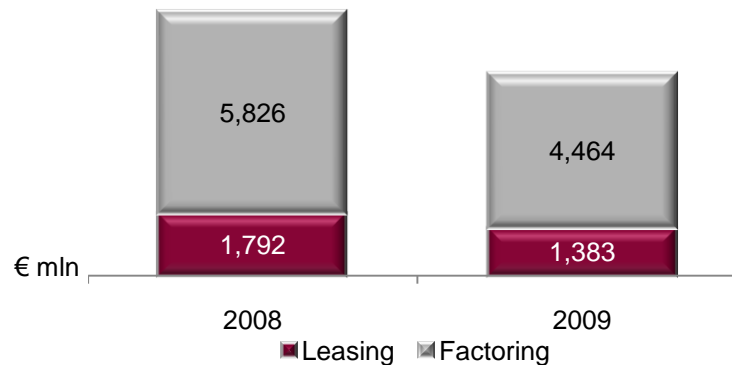


Other lending flows suffered, but market shares are increasing

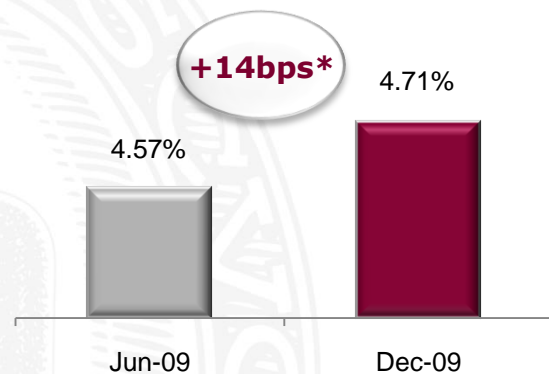
Consum.it flows 



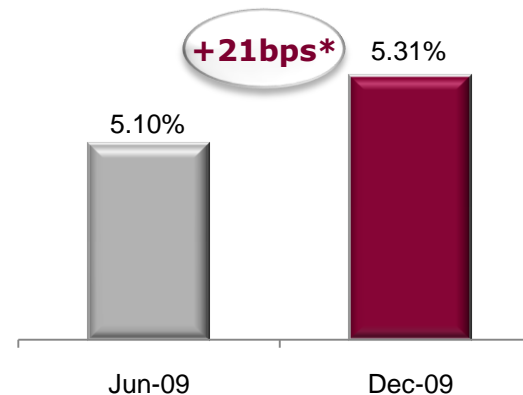
Leasing & Factoring flows 



Consumer credit market share



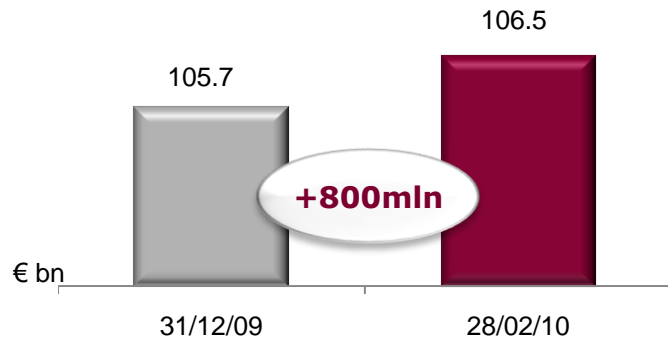
Leasing market share



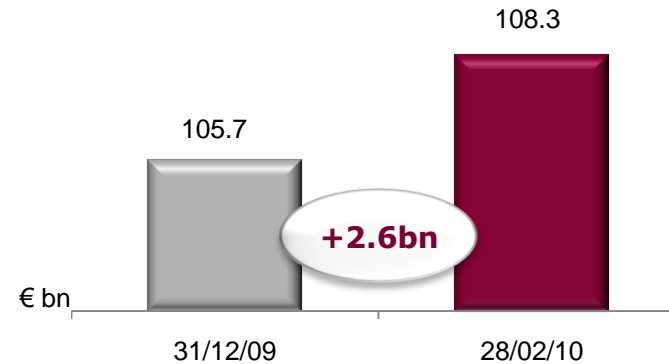
* vs June 2009, after full Group restructuring

Evidence of first two months of 2010 confirms good commercial momentum

Direct Funding (Commercial Network)

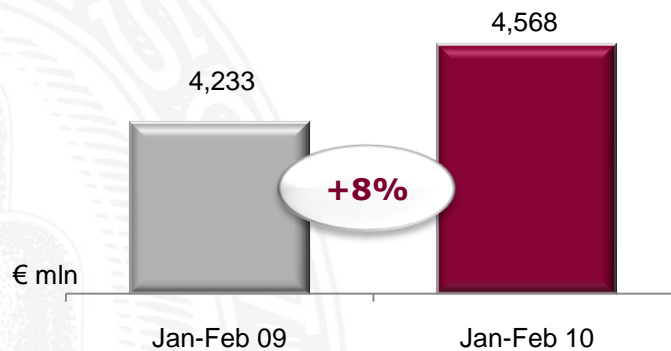


Loans (Commercial Network)

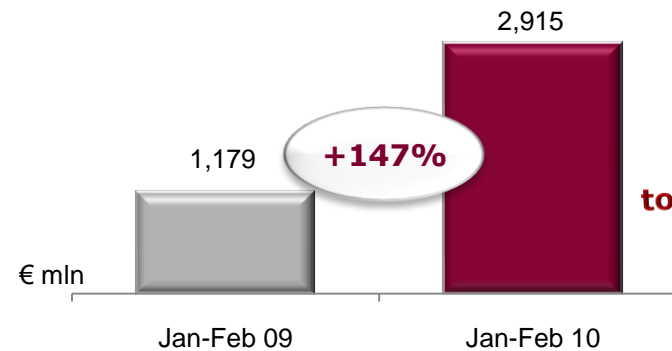


+18,000
Net New Customers

WM Flows



Mortgages Flows

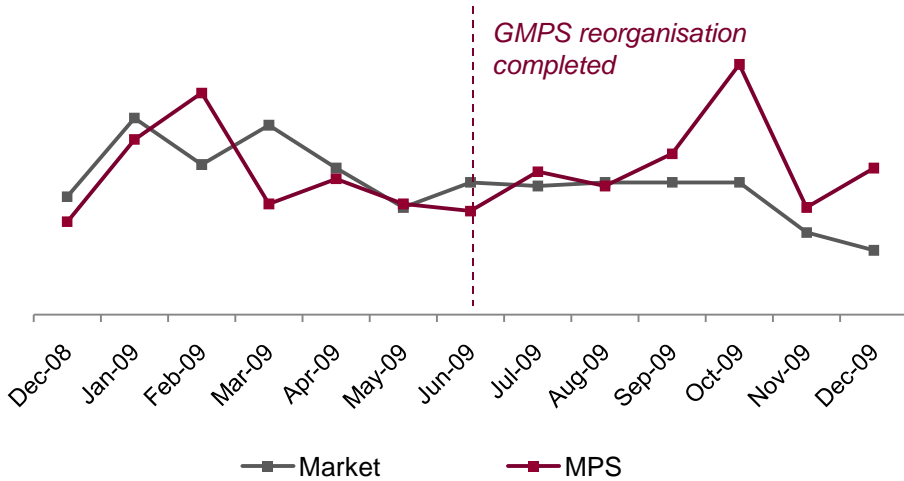


100%
L/V <80%

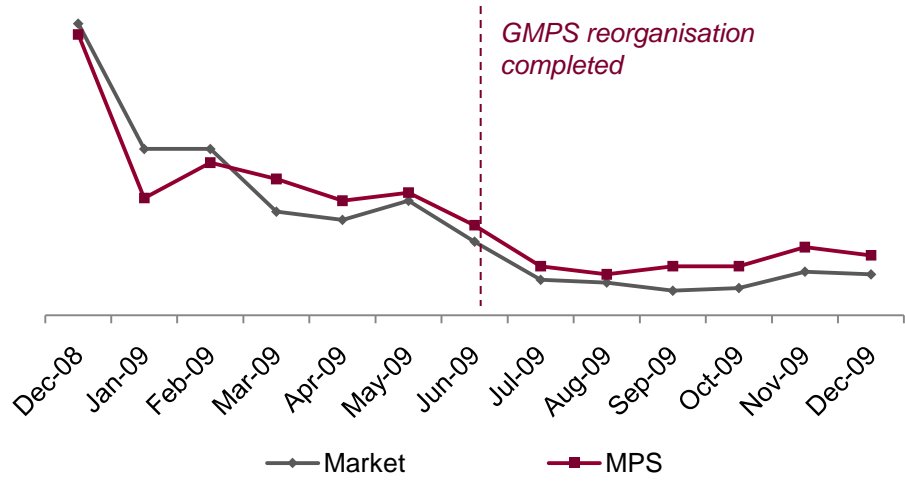
40%
to New Customers
(vs avg 18%)

Mark up/Mark down: not competing on pricing

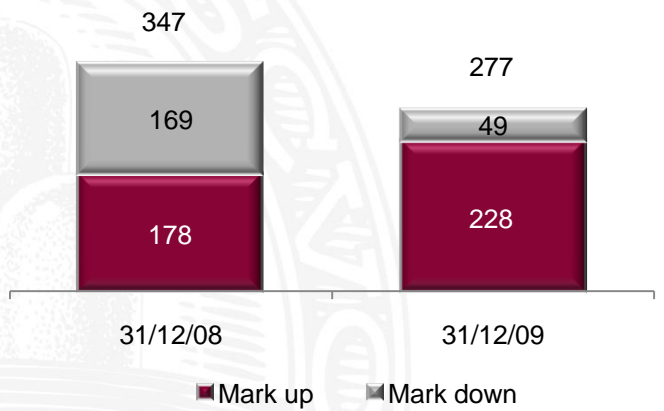
Mark up



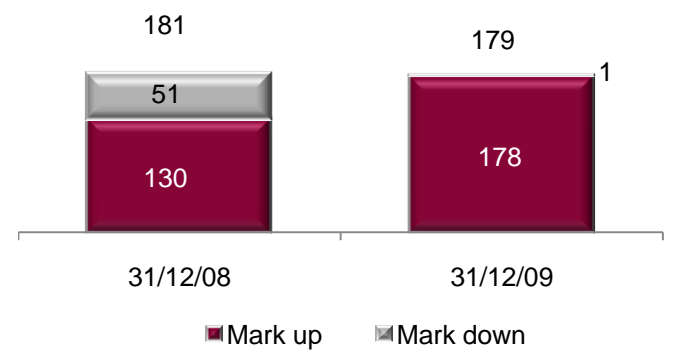
Mark down



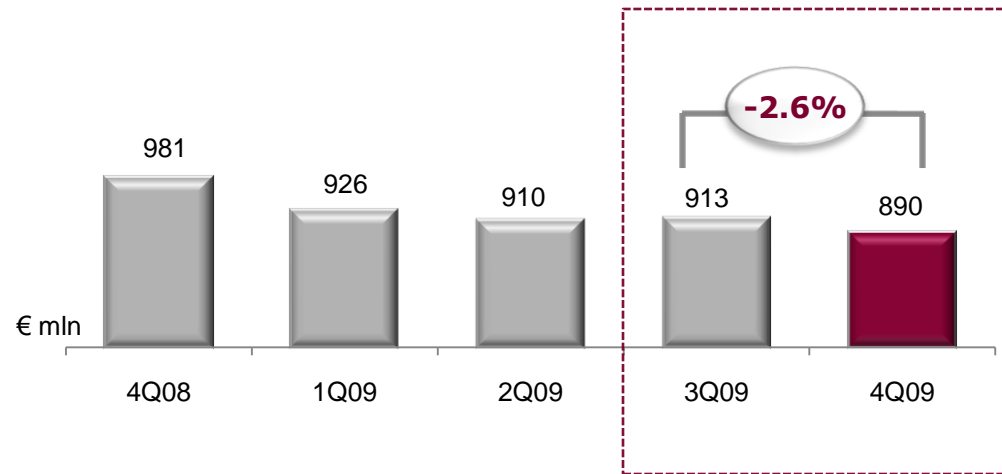
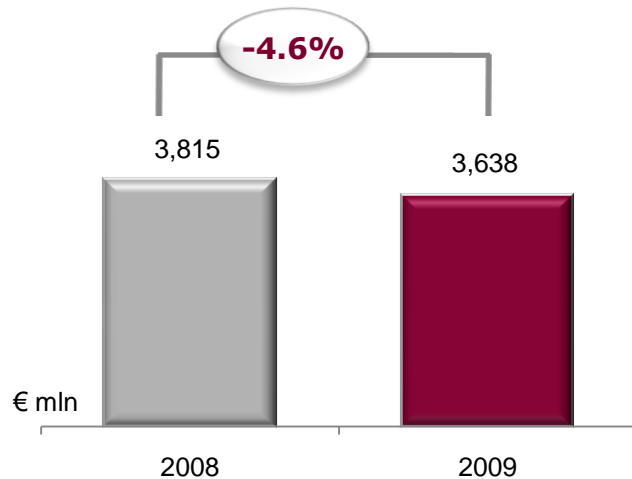
Retail and Private avg spread YoY evolution (bps)



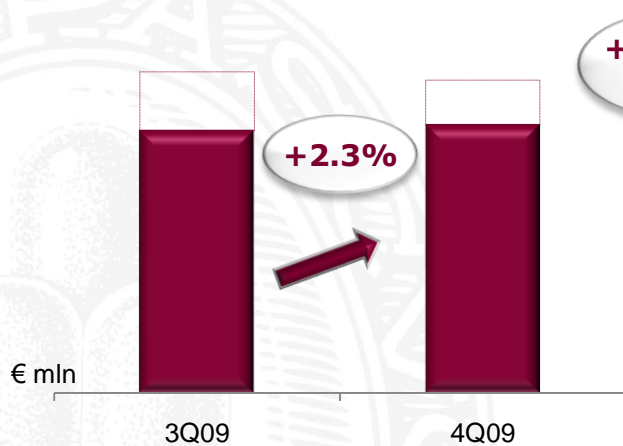
Corporate avg spread YoY evolution (bps)



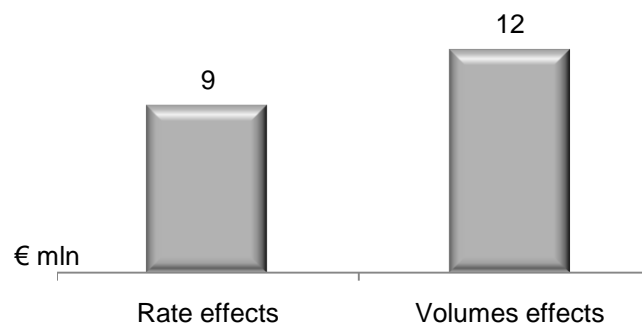
Net interest income



Commercial Net Interest Income QoQ

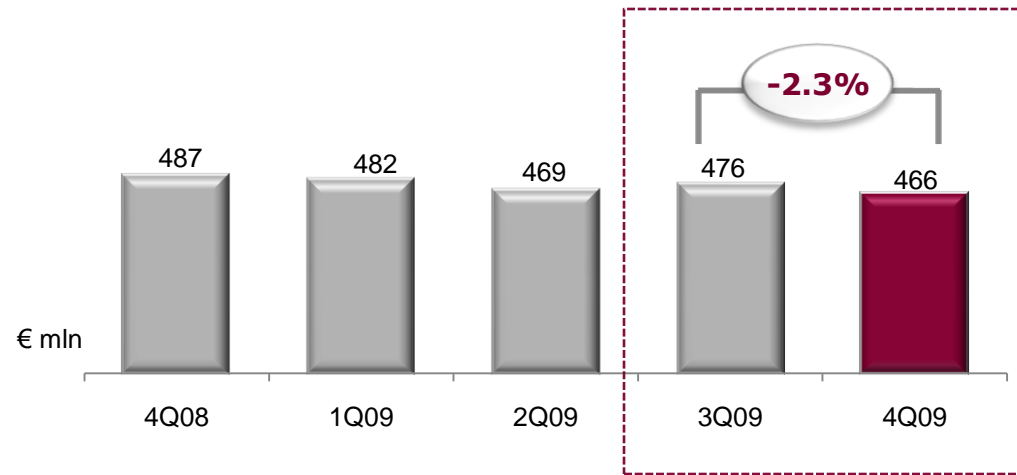
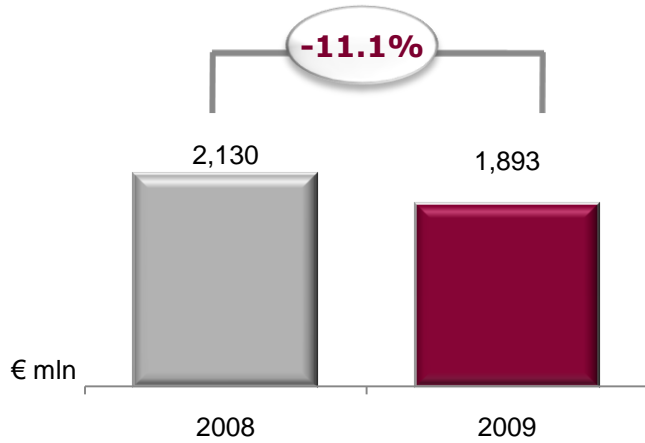


**+€21mln
QoQ**

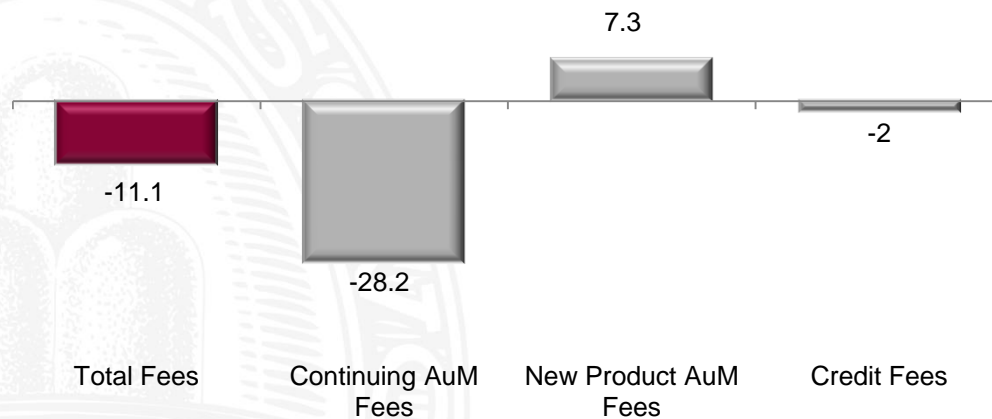


Non commercial
 component
-€44mln QoQ

Fees

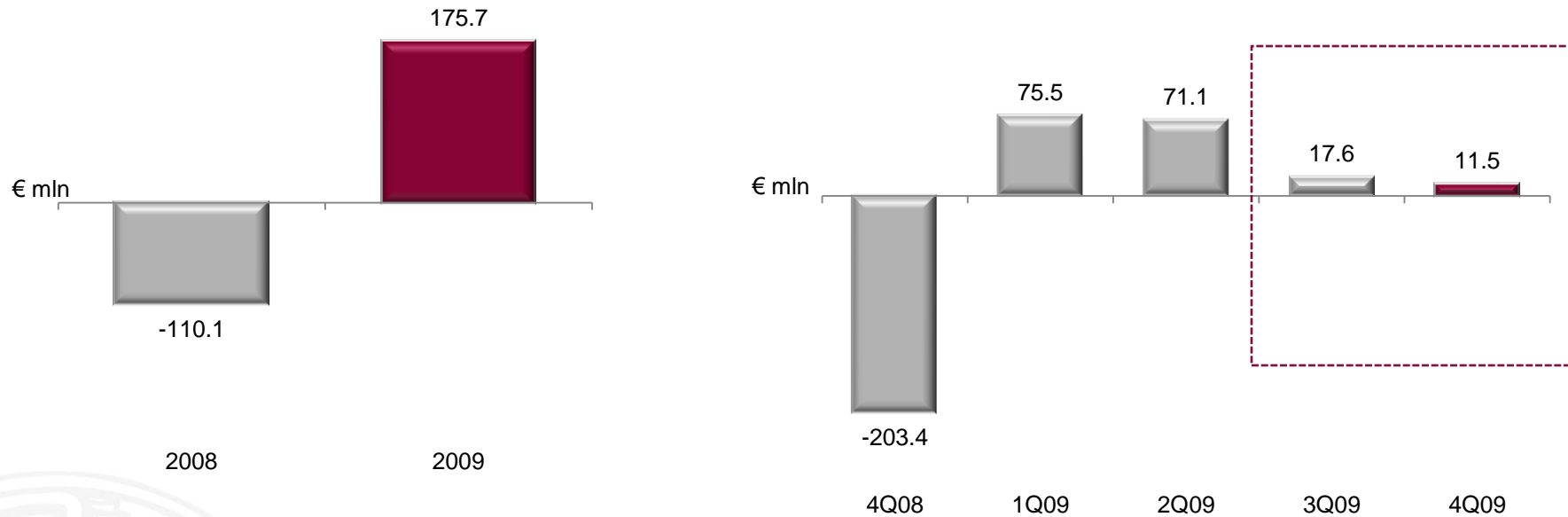


AuM and Services Fees YoY evolution (%)



- ❑ Application of “fees on loan granted” not yet in a steady state
- ❑ AuM Fees not impacted by 4Q performance fees
- ❑ Commissions improving in 1Q10 vs 4Q09

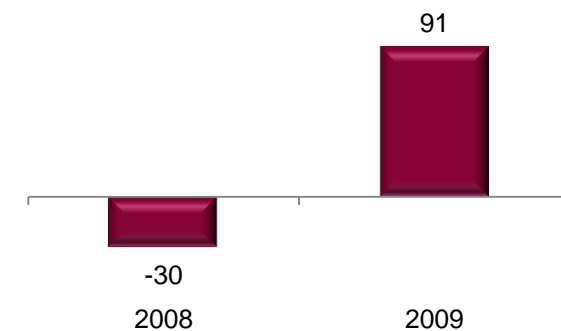
Other revenues



FY09 Other revenues: details (€mln)

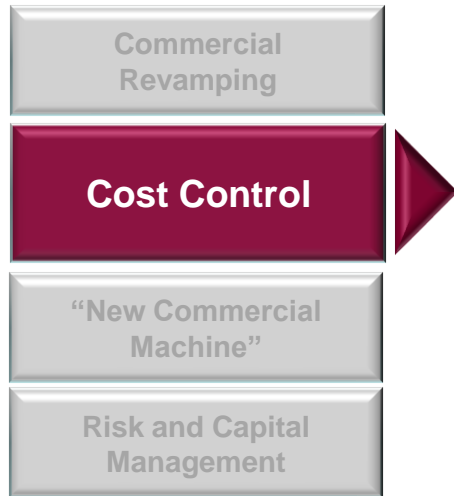
Dividends and other income from equity investments	110.4
Net results from trading/valuation of fin. assets	66.8
Hedging	-1.5

Bancassurance contribution (€mln)



GRUPPO MONTEPASCHI

2009: Year of across-the-board restructuring



✓ Ongoing cost base structural decrease:

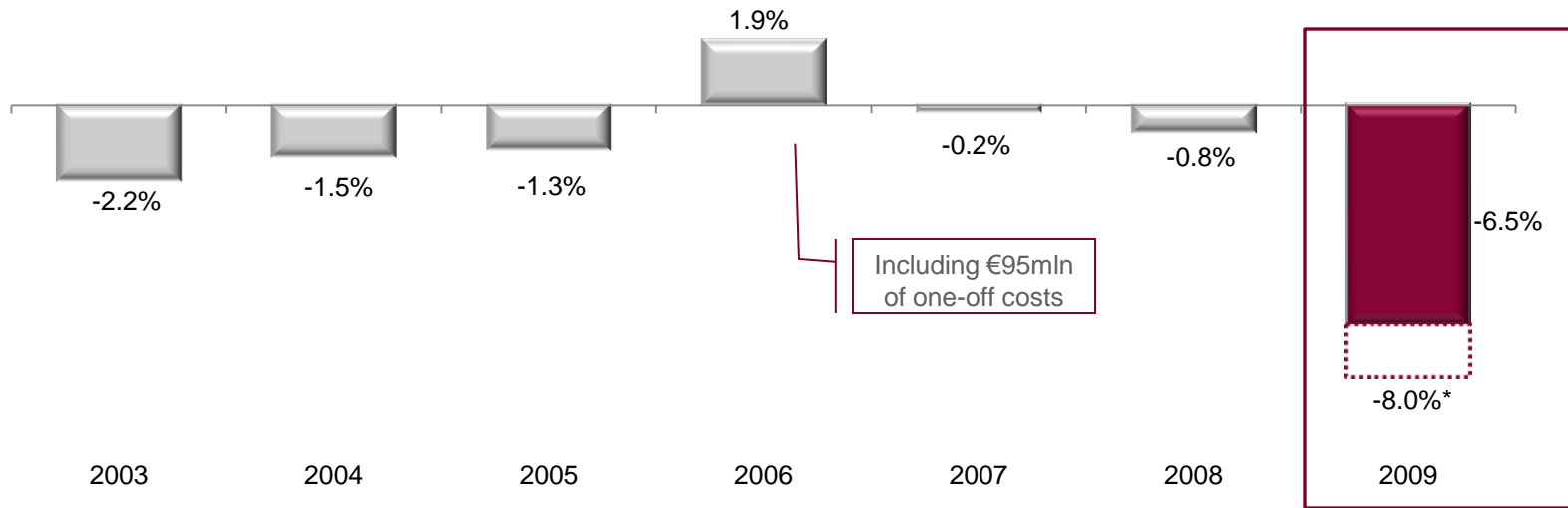
- Operating costs: -8% YoY*; -6.5% YoY reported
- Personnel costs: -8.7% YoY*; -6.2% YoY reported
- Human Resources: 744 exits in 4Q; 2011 BP target fully achieved
- Other Admin Expenses: -8.2% YoY, with cost synergies amounting to €126mln, better than planned
- C/I at 63.2%* with a decrease of ~400bps* vs Dec 2008
- Depreciation and amortization: +4.2% YoY due to 2008-2009 ICT investments

✓ Integration/restructuring costs:

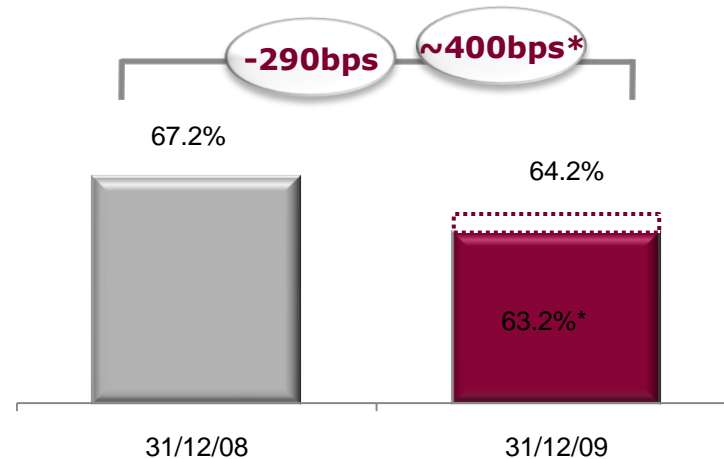
- €148mln of integration/restructuring costs in 2009, €120mln of which for personnel and €28mln IT and other
- 2008-2009 integration/restructuring costs: €470mln (€521mln including costs for branches improvement classified in Other Operating Income/Costs , 90% of BP target achieved)

Cost cutting: track record confirmed

GMPS Total Costs Trend

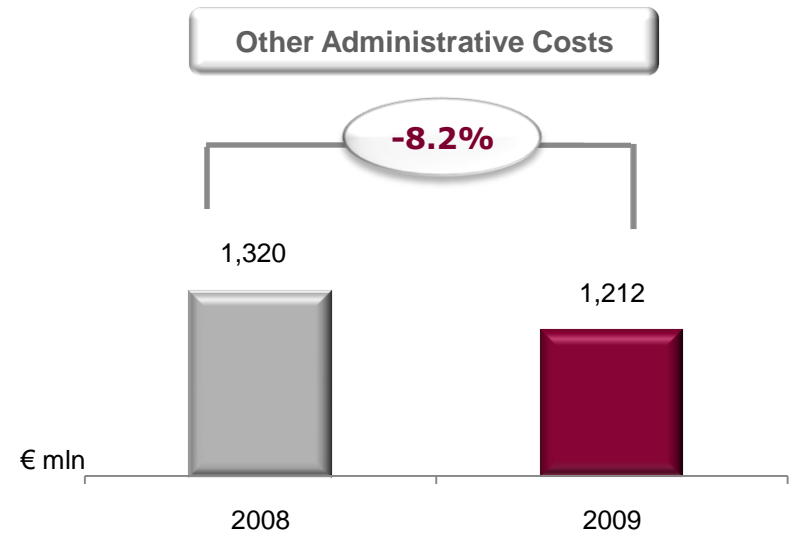
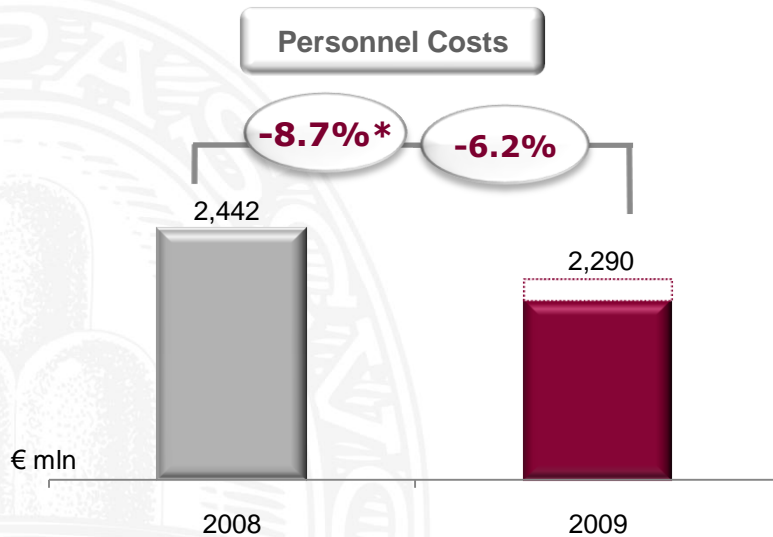
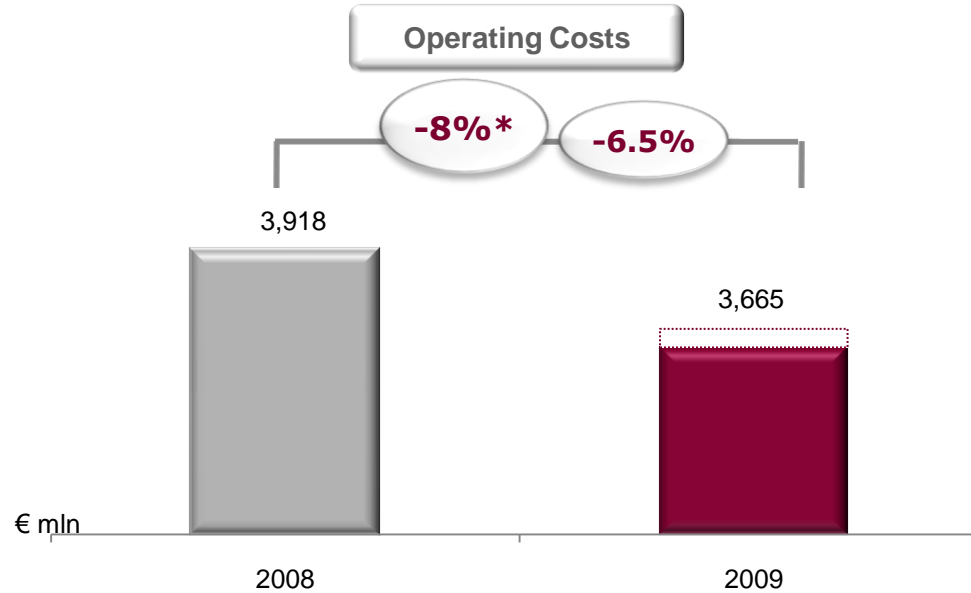


Cost/Income



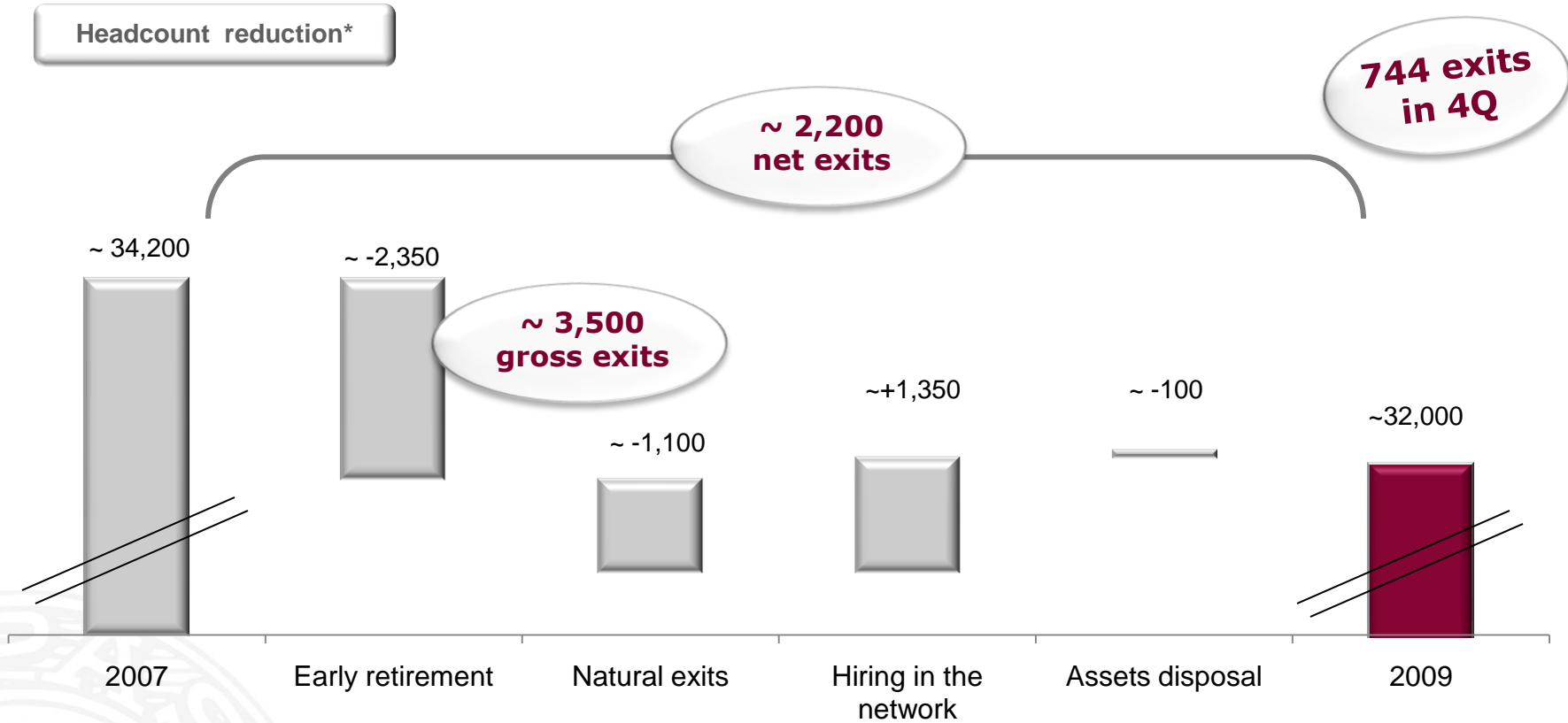
* Net of € 60mln of early retirement one-off classified as cost of personnel

Strong and sustainable cost reduction



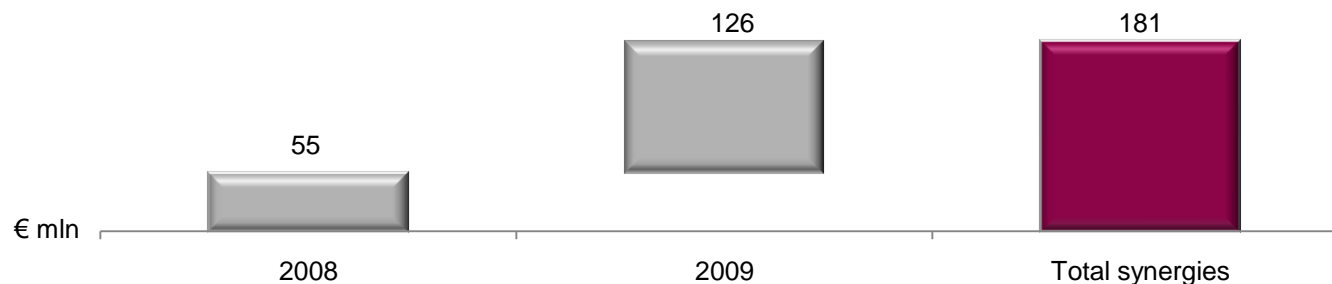
* Net of € 60mln of early retirement one-off classified as cost of personnel

Human Resources: 2011 BP target of 2,200 net exits fully achieved

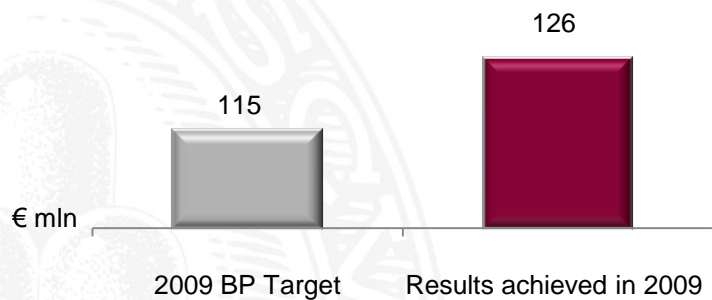


✓ **Net exits: target fully achieved, two years ahead of schedule**

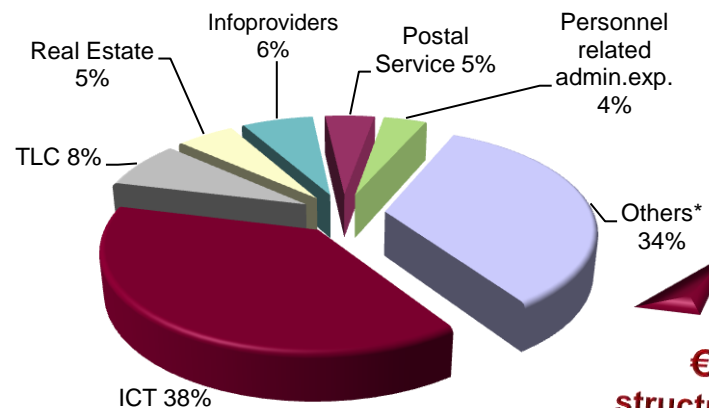
Other Admin. Expenses: synergies achieved (€mln)



2009 Other Administrative expenses: results achieved and actions identified vs 2009 BP Target



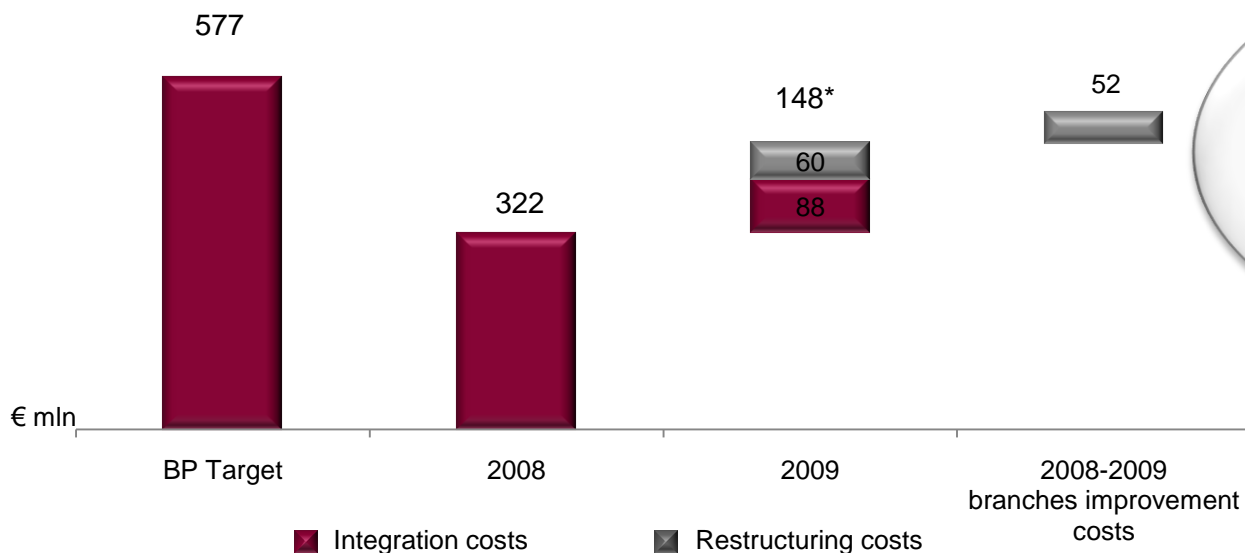
Savings Breakdown



€40mln
structural savings
on legal expenses
due to **BAV** integration

* Includes: logistics, legal expenses, land registry surveys, safety & security, insurance

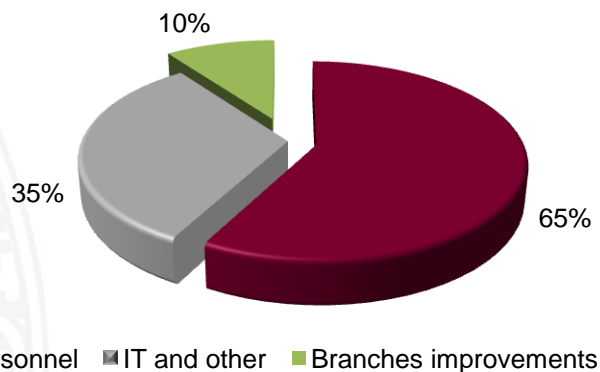
Integration/restructuring costs



**Integration/
restructuring costs:**
**€470mln (€521mln including
costs for branches
improvement classified in
Other Operating Income/Costs)**

**~90% of BP Target
achieved**





2008-2009 integration/restructuring costs: breakdown by type of cost



* Including € 60mln of restructuring costs (early retirement) classified as cost of personnel

GRUPPO MONTEPASCHI 2009: Year of across-the-board restructuring



- ✓ **New service model for a better client relationship**
- ✓ **Bridging branches productivity gap:**
 - Increase of productivity: +20% on average
 - BAV branches best performers
- ✓ **Remarkable results of product companies :**
 -  **ANTONVENETA** : strong action on cost cutting (-14% QoQ) and good commercial momentum
GRUPPOMONTEPASCHI
 -  **MPS** : €50mln net profit with revenues up 38% and strong cost containment (C/I -10%)
CAPITAL SERVICES
 -  **MPS** : revenues +49%, C/I down 10% and market share increase (+14bps vs June 2009*)
CONSUM.IT
 -  **CMPS** :recovery flows at €556mln, +9%YoY
GESTIONE CREDITI BANCA

New service model for a better client relationship

An Italian story since 1472
2009 Results Presentation



Network

Customers proximity

Brand Enhancement
BAV Spin-off

Merger of

Foot-print **rationalization**



New channels

the Multichannel platform
 **infinita**
La Banca senza confini

MERGER OF
**MPS**
BANCA PERSONALE
To **Integrate Offer** and
better capture Synergies

You  &

To reach **new target audience**

Revamping product range

Culture of **Innovation**

Best-in-class Offer



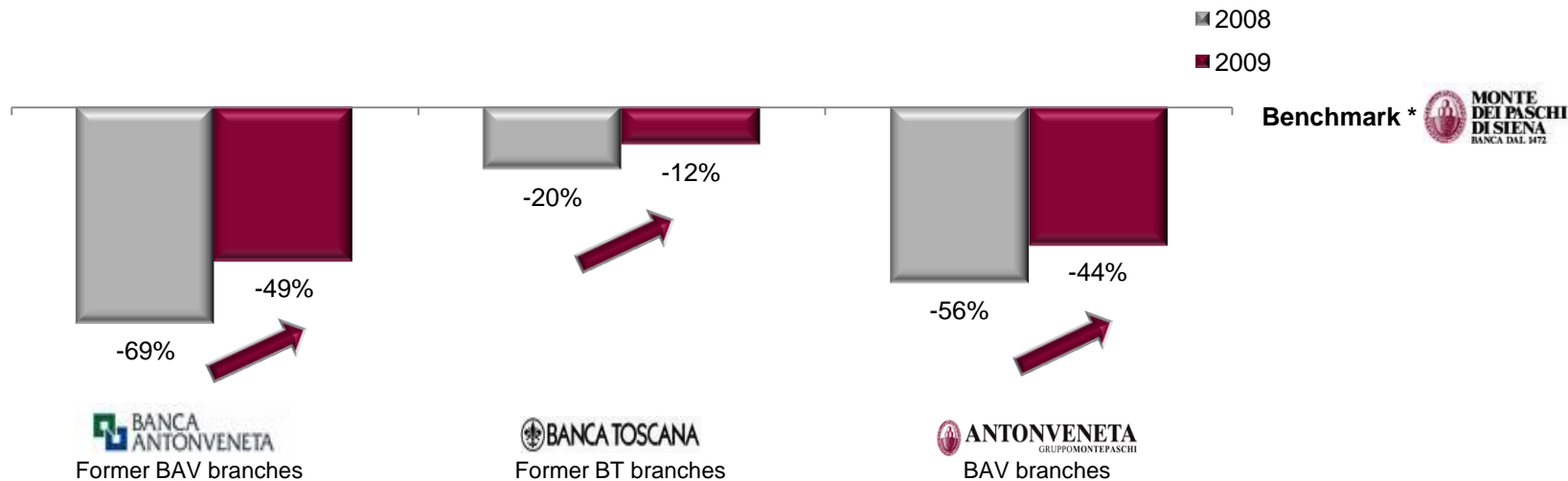
New



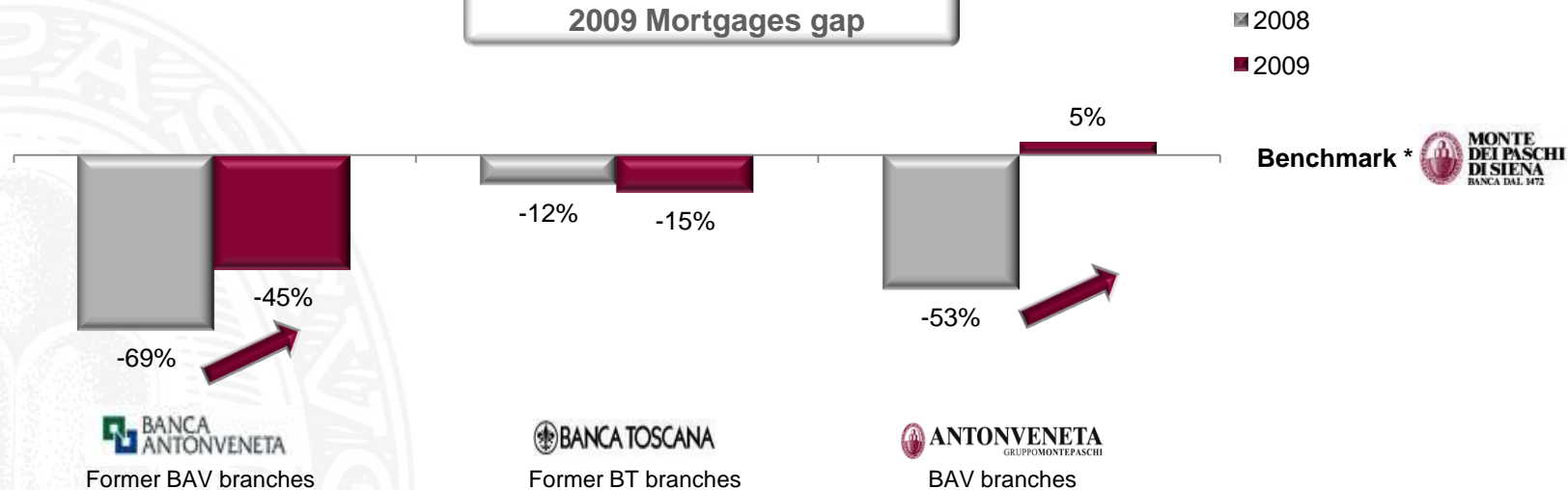
Commercial Campaign

Bridging branches productivity gap

2009 WM gap



2009 Mortgages gap

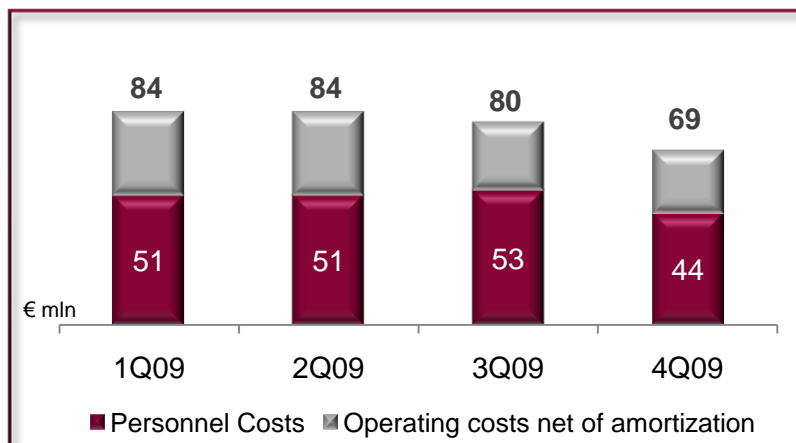


* GMPS branches productivity

P&L (€ mln)

	2009
NII	396.5
Fees and other revenues	190.9
Total Revenues	587.4
LLP	121.9
Operating Costs	325.7
Net Profit (pre PPA)	150.1

Focus on cost cutting



Early Retirement
87 exits
€10mln costs

24,500 training days
(~ 8 days/worker)

+11,000 Net new customers

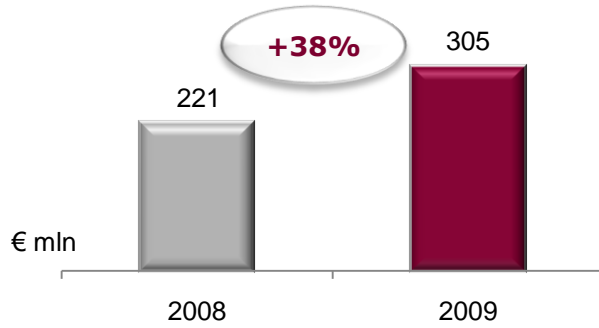
Key performance indicators

	2009
C/I	55.4%
LLP	94 bps

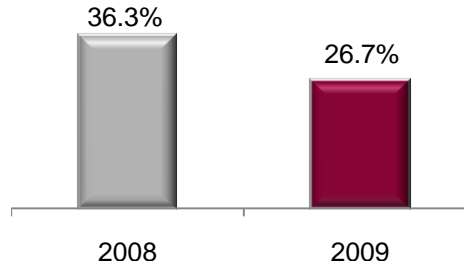
Commercial stocks and flows

	2009	Growth (YoY)
Direct funding	€9 bn	+17%
Loans <i>of which 63% Mortgages</i>	€13 bn	Stable
Mortgages flows	€2.2 bn	+157%
Gross Bancassurance flows	€280 mln	+294%
Gross Wealth Management flows	€1.9 bn	+138%

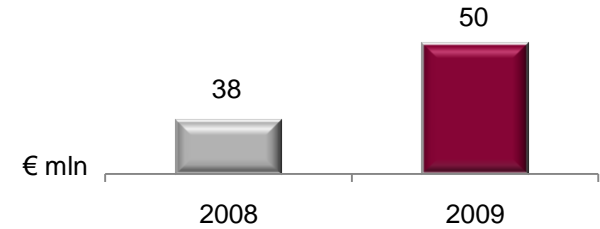
Revenues



Cost/Income



Net profit



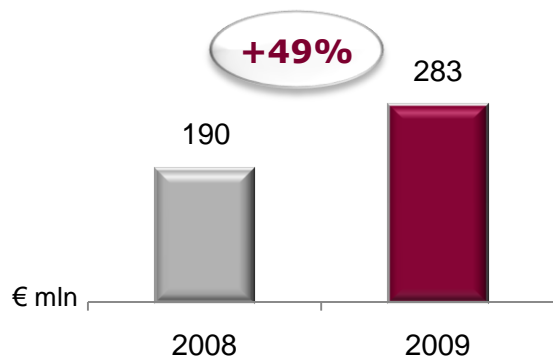
Recent Project Financing Deals



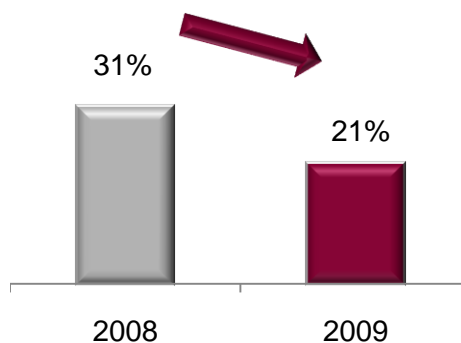
Recent Capital and Bond issue deals



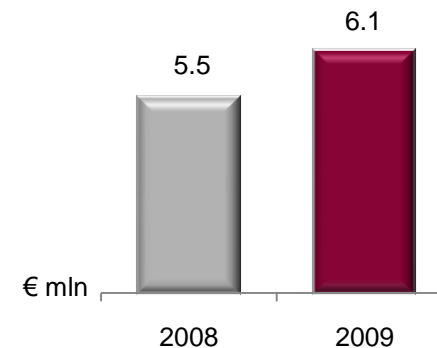
Revenues



Cost/Income



Net profit



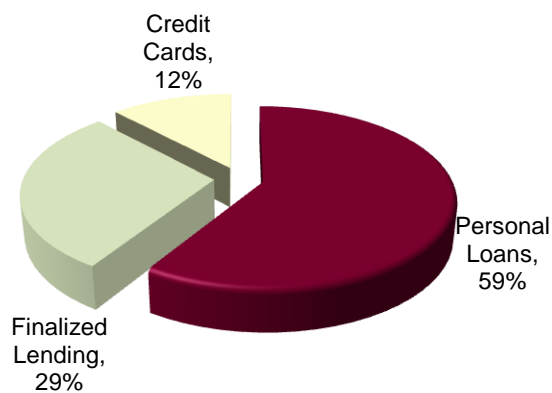
Credit quality

Cost of credit:
343 bps

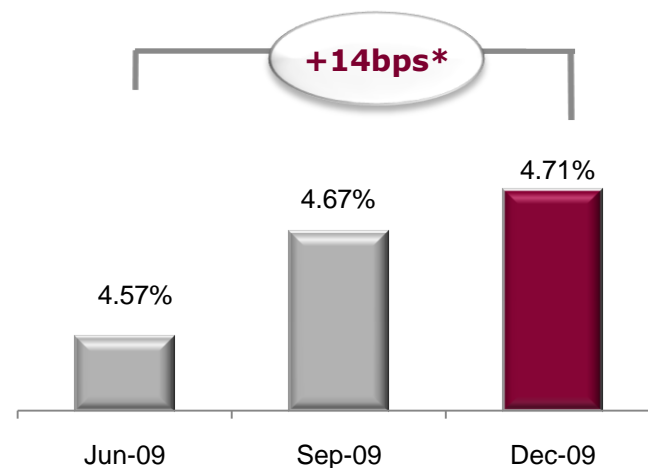
NPLs/Total Loans: **1.5%**

NPL Coverage:
78%
(+452bps vs 2008)

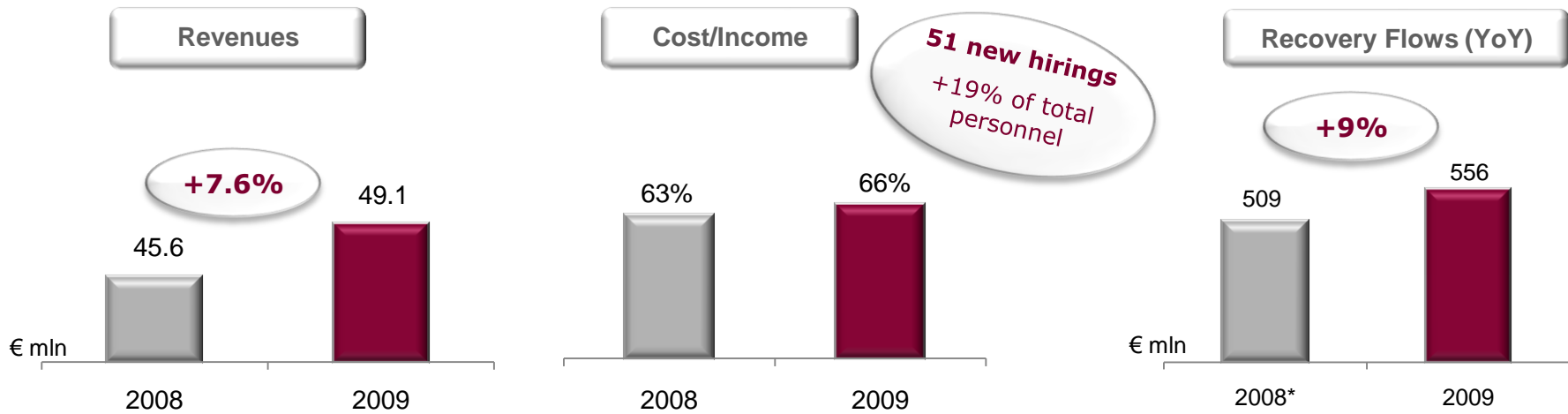
Portfolio breakdown



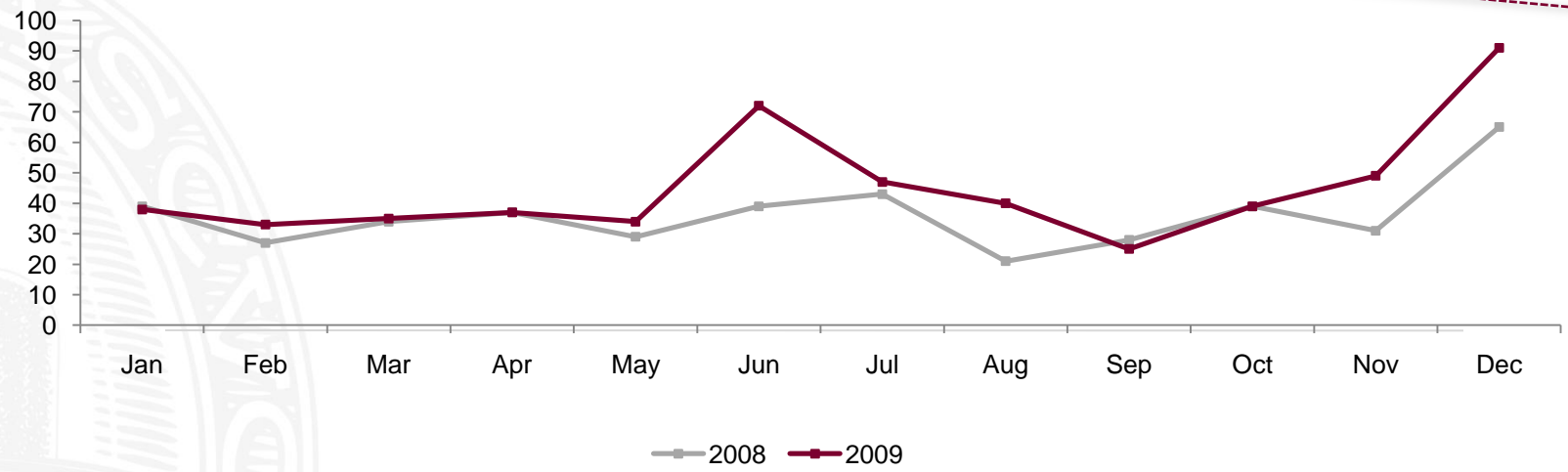
Market share



* vs June 2009, after full Group restructuring



Recovery Monthly Flows



* Reported data

The merger of Banca Personale

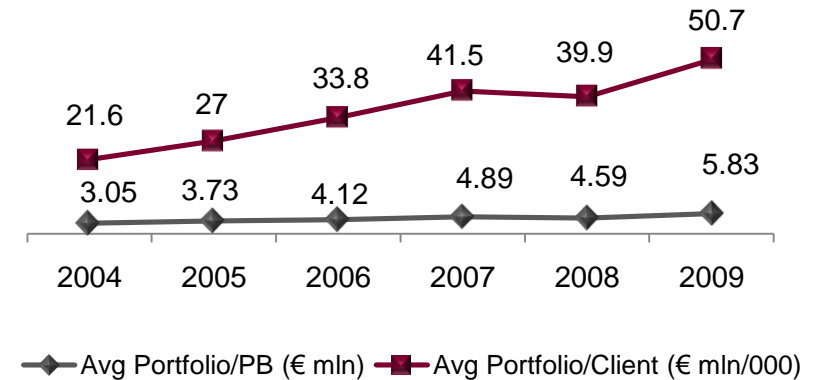
The merger rationale



as dedicated business unit

- Closer integration of the Financial Advisors Network with the traditional branch network channel, IT channels (Internet, Phone and Mobile Banking) and the Family Offices in an integrated multichannel logic to maximize Group internal synergies.

Key figures



2013E

Private Bankers	836	886
Funding (€mln)	4,876	6,900
AuM (€mln)	3,355	5,200
Clients	96.209	115.700
AuM/PB (€mln)	3.9	5.9

GRUPPO MONTEPASCHI

2009: Year of across-the-board restructuring



✓ **Asset quality under control:**

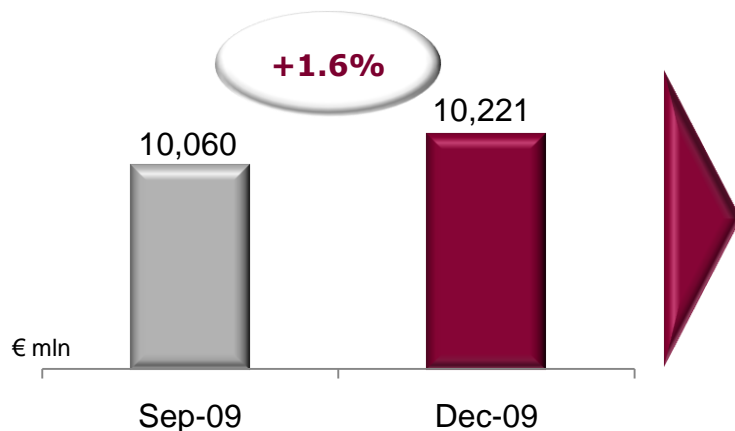
- Cost of credit: 96bps
- Impaired loans stock: +1.6% QoQ. More specifically: NPL stock +5% QoQ; Watchlist, Restructured and Past Due stock -1% QoQ
- +80bps increase in impaired loans coverage vs Sept 2009
- NPL flows in 4Q: -10% vs 4Q08
- Better quality of in performing loans portfolio: PD on new loans -74bps vs PD of repaid loans

✓ **Monitoring of capital position:**

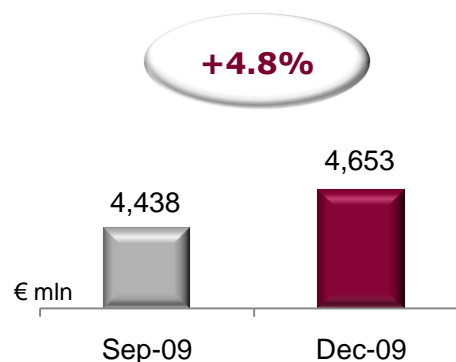
- Book Value at €17.2bn (of which €1.9bn T-Bond)
- Tier 1 Ratio at 7.5%; Total Capital Ratio at 11.9%

Limited increase in impaired loans and good level of coverage

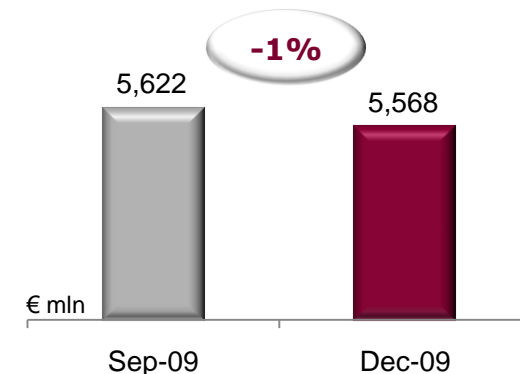
Total Net Impaired loans stock



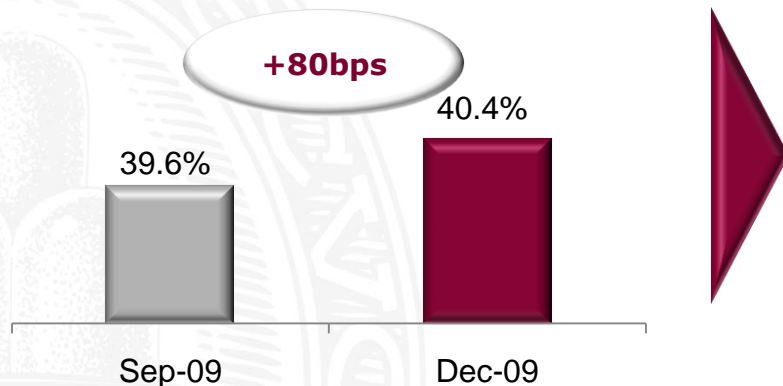
NPLs stock



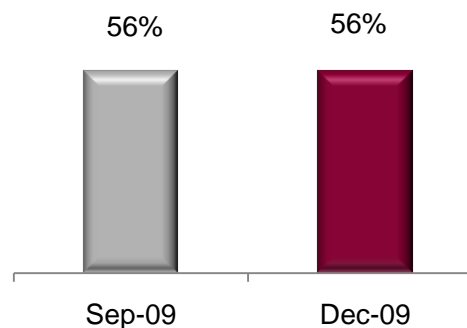
Watchlist, Restructured and Past Due



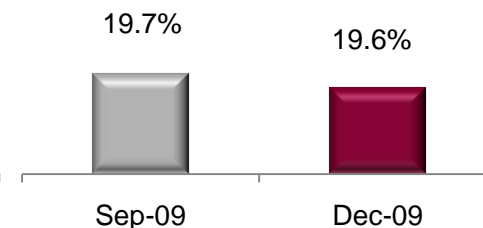
Impaired loans coverage

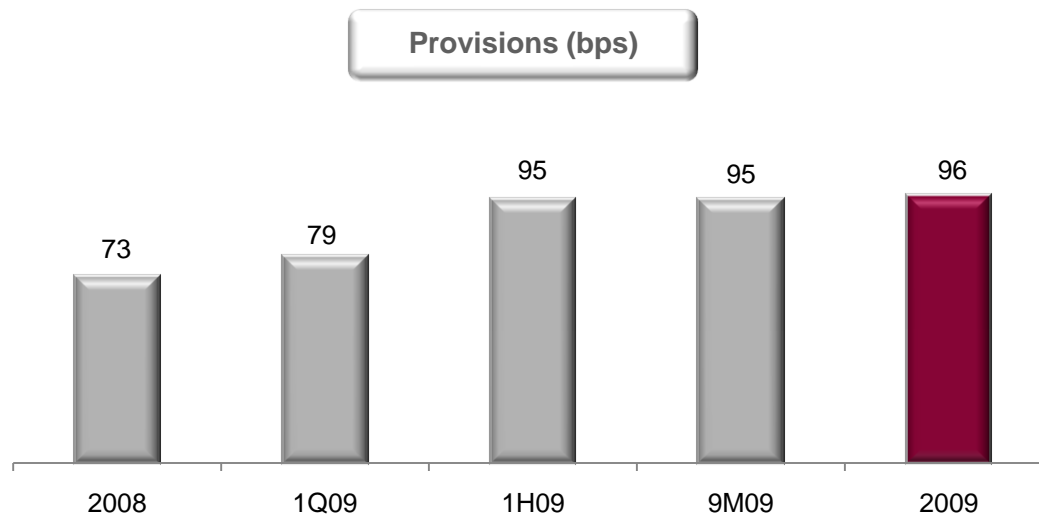


NPLs coverage

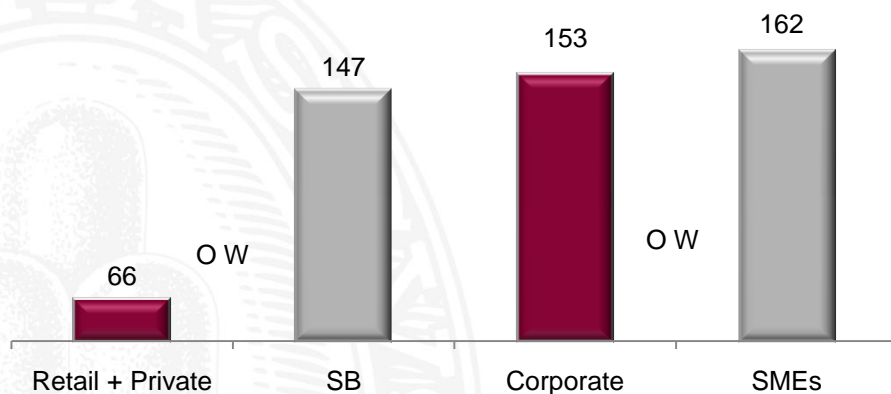


Watchlist coverage

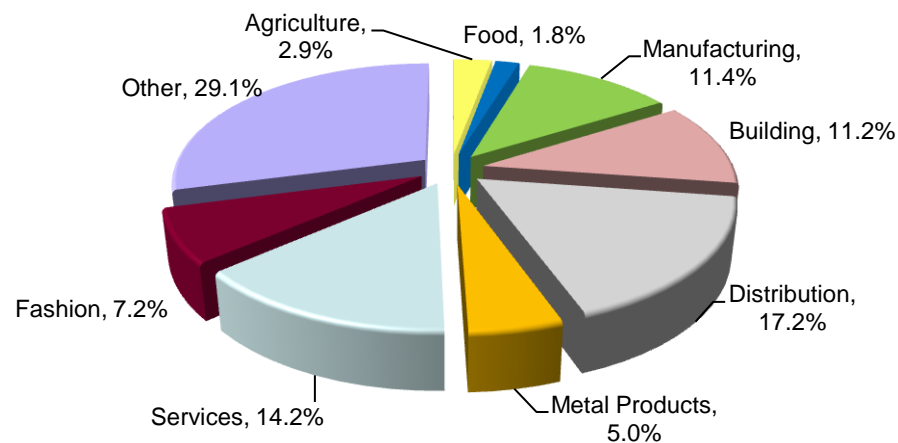




Breakdown by type of customers* (bps)



Breakdown by economic sector**



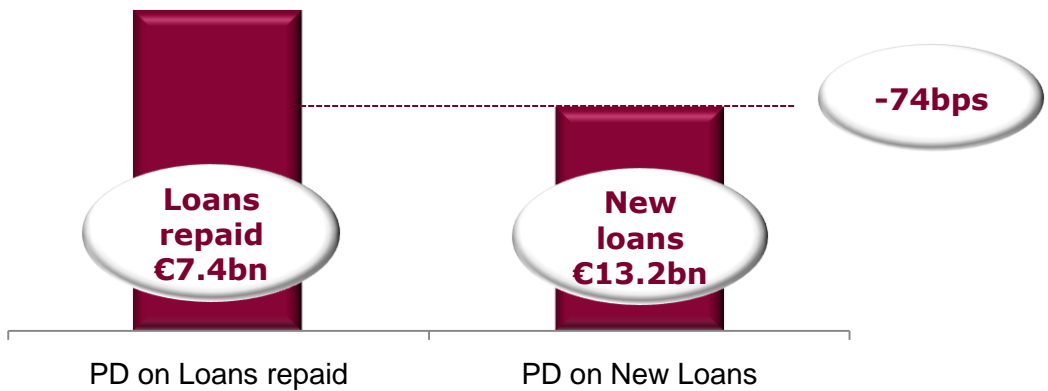
* Provisions calculated on Commercial Network loans

** Figures estimated on the basis of NPL flows

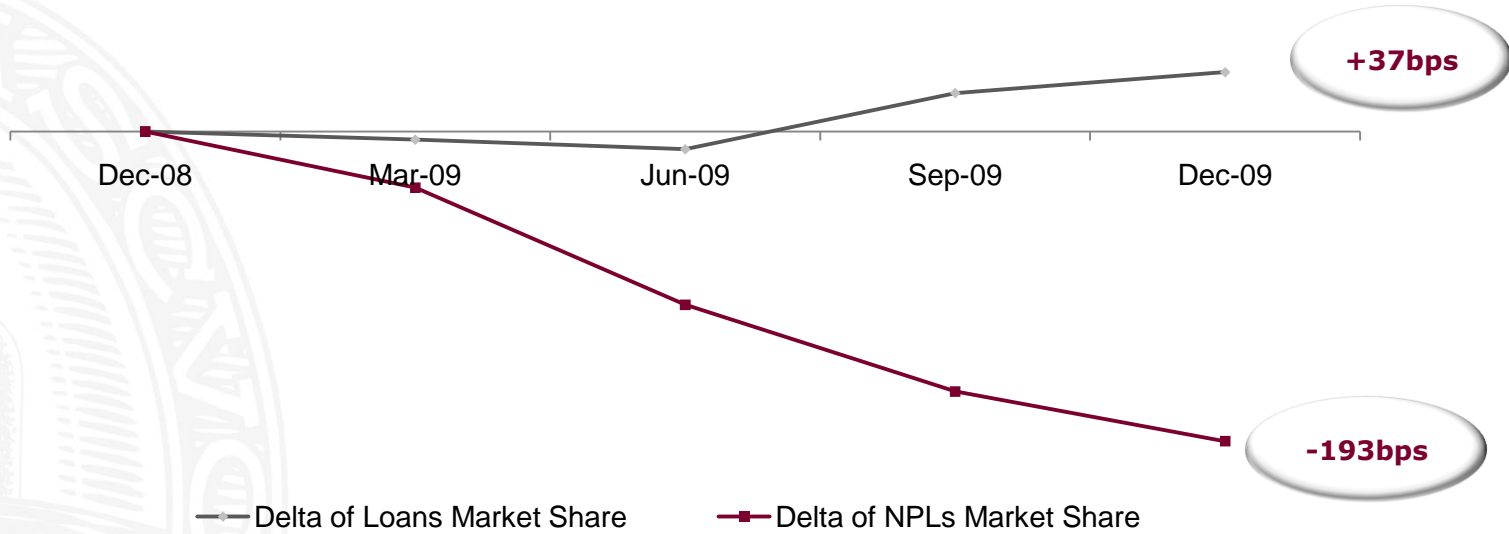
Good quality of performing loans portfolio

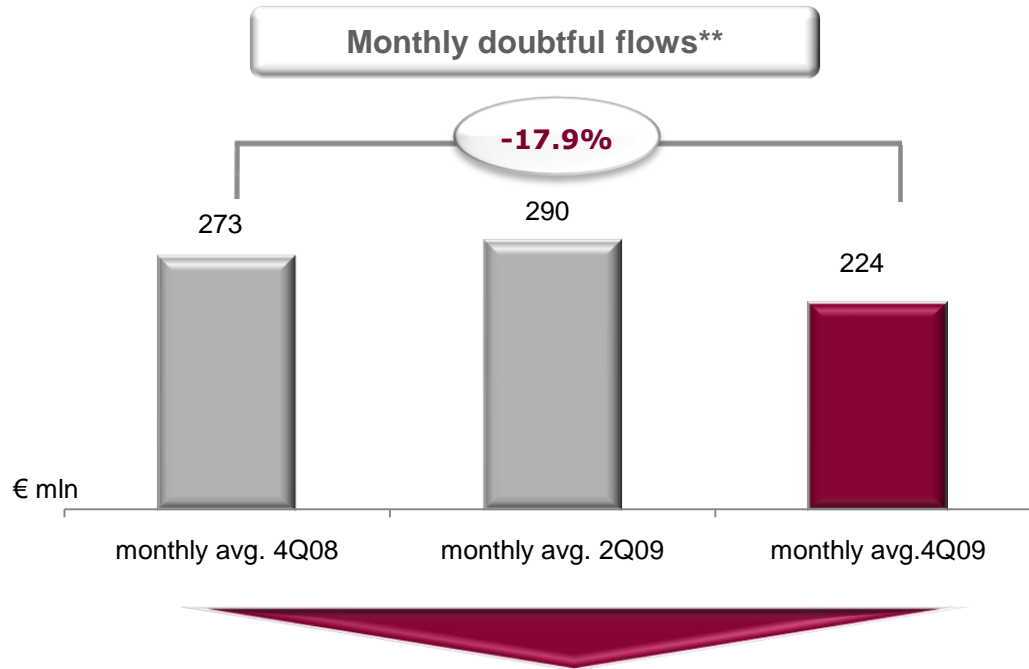
Decreasing average PD on performing loans portfolio thanks to reshuffle of credits

Average PD on repaid and new loans

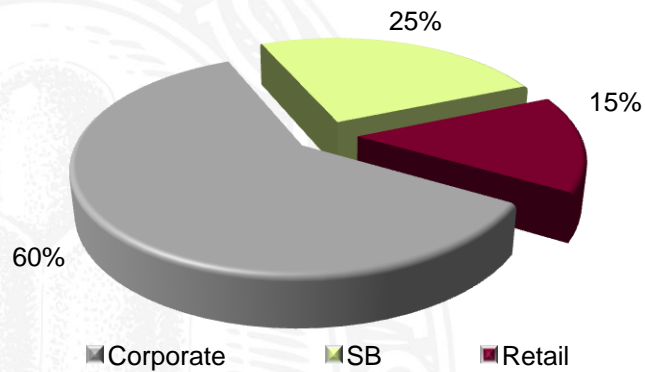


Market share evolution on Loans and NPLs

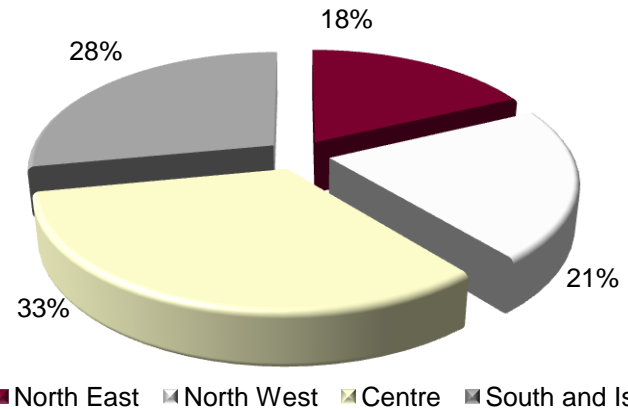




Doubtful flows: breakdown by type of customer



Doubtful flows: breakdown by geographical areas

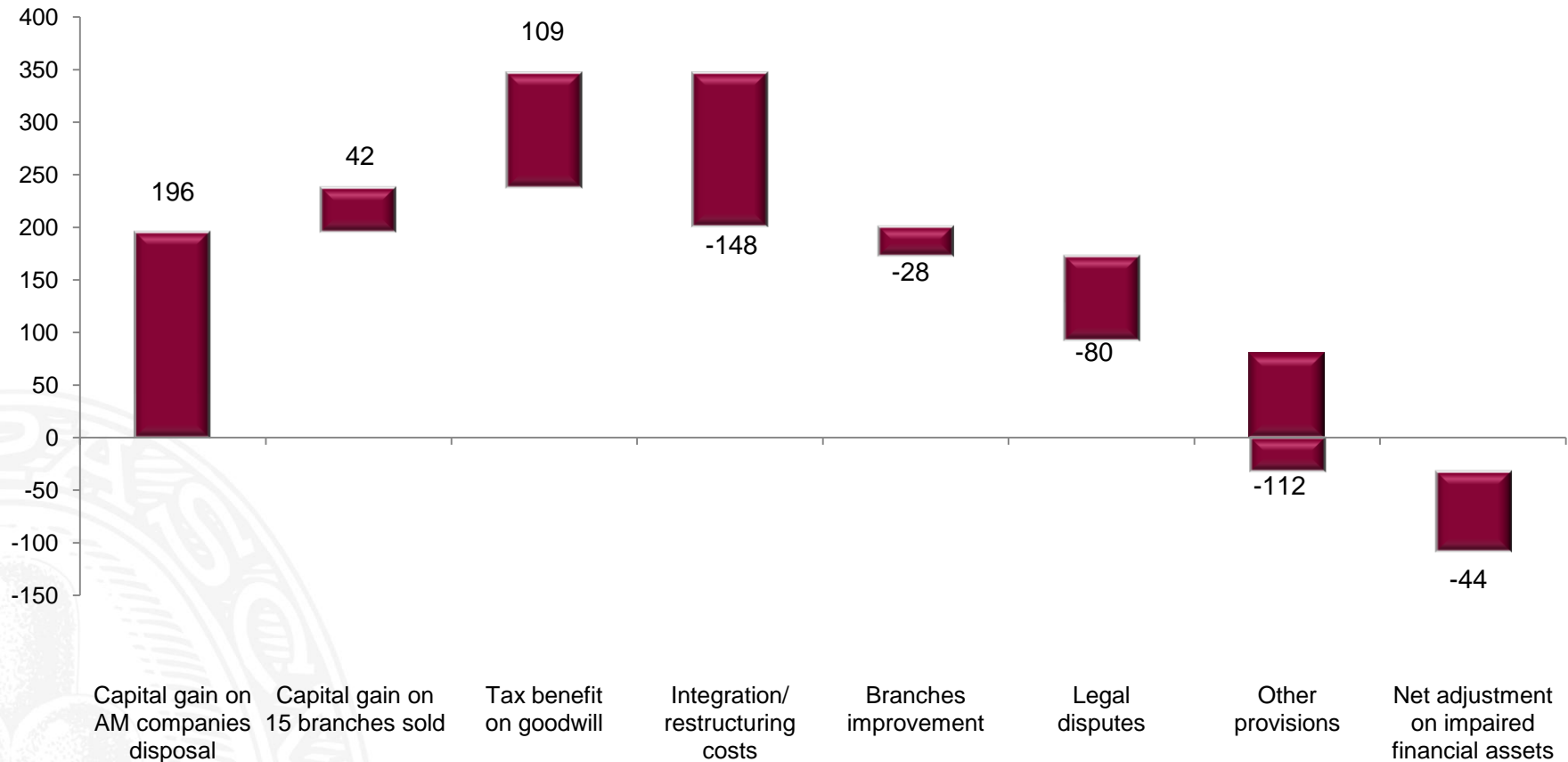


* Watchlist and "under special administration"

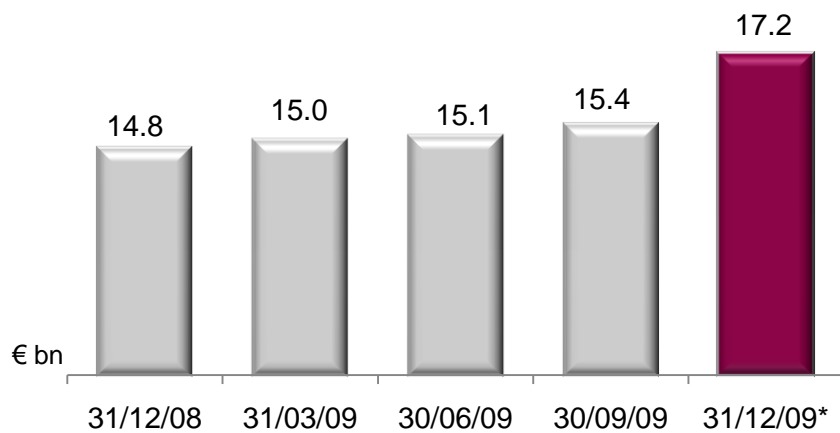
** Former MPS Capital Services and Biver

2009 Net Profit at €220mln, affected by non structural items

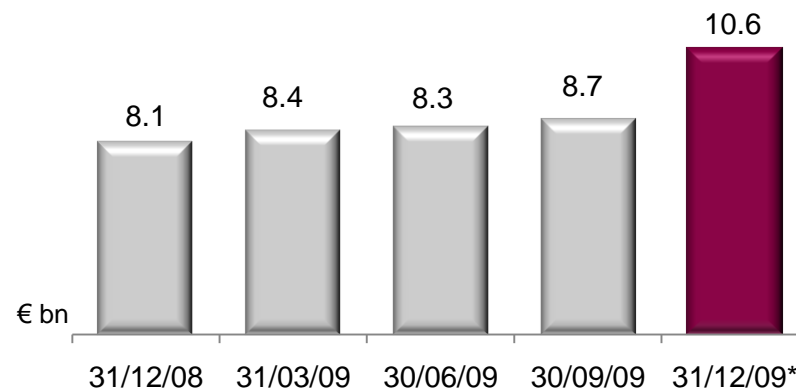
2009 Non structural items (€ mln)



Book value

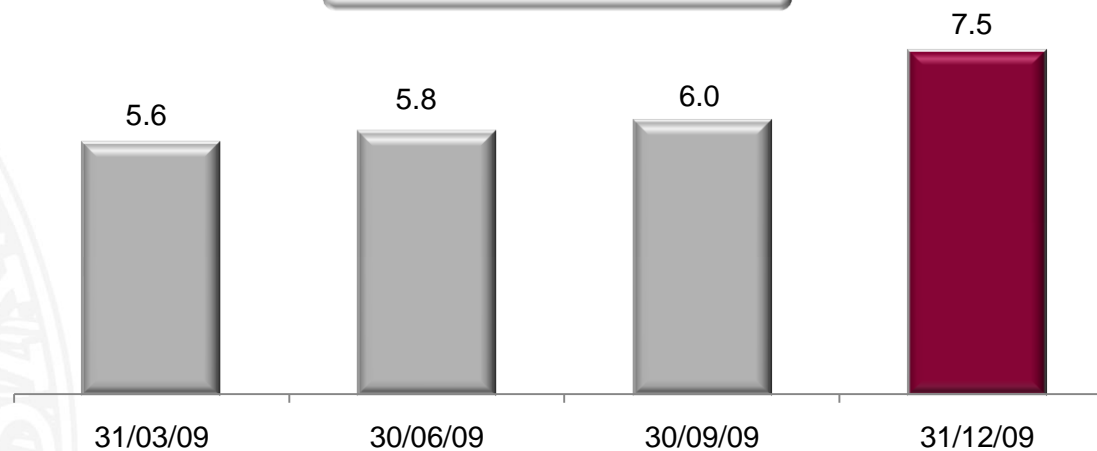


Book Value net of Goodwill



Tier 1 ratio (%) evolution:

**Total capital:
11.9%**



Core Tier 1 improvement (bps) from:

- ❑ **+25bps from recent branches disposal to ISP and Carige to be finalized**
- ❑ **+45/50bps from AIRB introduction for BAV and Basel 2 floor at 85% under review from Bank of Italy**
- ❑ **Capital retained**
- ❑ **Capital generation from € 3bn Real Estate assets**

“Chianti Classico” Project **ongoing**

683 Buildings

transferred to
Perimetro Gestione Proprietà Immobiliari

Market Value
€1.7 bn

“Salimbeni” Project **New**

371 Instrumental Buildings:

Market Value
€0.7bn

Sale of Non instrumental
buildings through the network

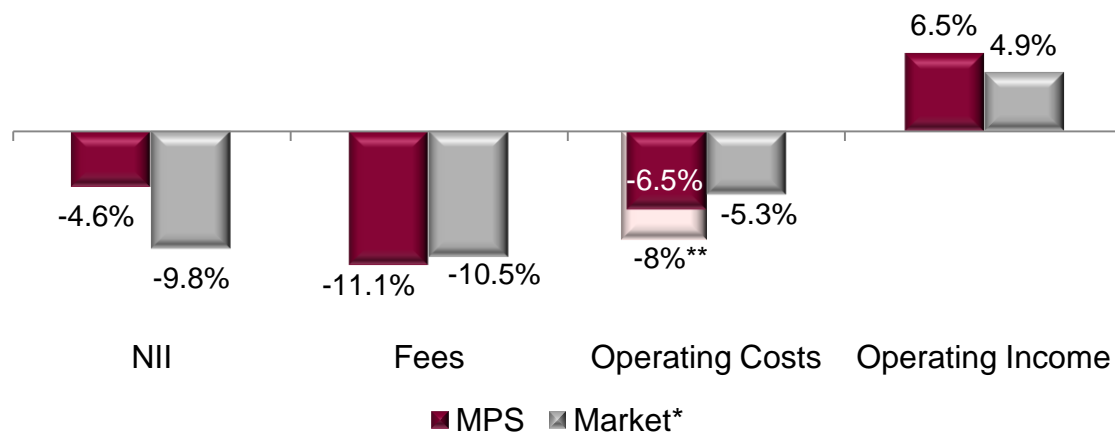
New

266 non instrumental Buildings:

Market Value
€0.5 bn

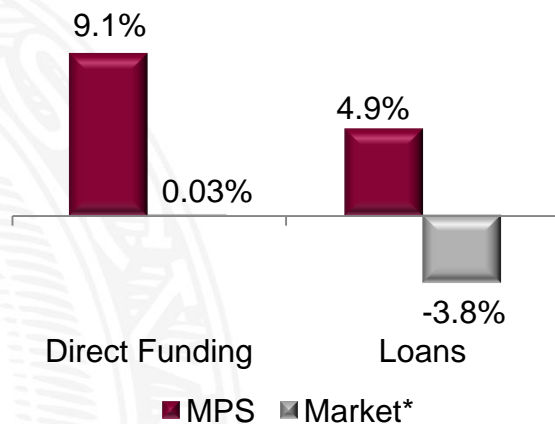
Our results vs benchmark and guidelines

P&L Results: 2009 vs 2008

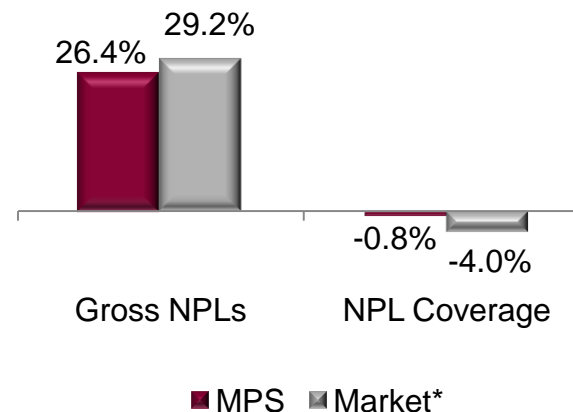


	Guidelines	Results
NII (YoY)	Better than -5%	-4.6%
Operating costs (YoY)	Start 2009: -3/-4% Mid 2009: revised in -4/-5%	-8%
LLP (bps)	Mid 2009: 105/110	96

Commercial Volumes Evolution



Asset Quality Evolution



* The "Market" includes the three major players.

** Net of € 60mln of early retirement one-off classified as cost of personnel.

Fully met 2009 guidance

Guidelines for 2010

- ❑ **Ongoing commercial momentum**
- ❑ **Improving profitability in 1Q10 vs 4Q09**
- ❑ **Strong commitment to delivering on cost cutting**
- ❑ **Cost of credit expected to be below 2009 level**
- ❑ **Tier 1 ratio improving QoQ and YoY**

**Thank you for your
attention**

Q&A



4Q09 and 2009 Results

An Italian story since 1472
2009 Results Presentation



4Q09 and 2009 P&L (€mln)	2009	2009/2008	4Q09	4Q09/3Q09	4Q09/4Q08
Net Interest Income	3,638.4	-4.6%	889.6	-2.6%	-9.3%
Net Fees	1,893.2	-11.1%	465.7	-2.3%	-4.3%
Basic income	5,531.6	-7.0%	1,355.3	-2.5%	-7.6%
Trading	66.8	n.m.	-20.8	n.m.	-87.6%
Dividends and other revenues	108.9	n.m.	32.2	n.m.	n.m.
Total Revenues	5,707.3	-2.2%	1,366.8	-2.9%	8.1%
Operating Costs	-3,664.8	-6.5%	-1,029.1	16.3%	-2.4%
Personnel costs	-2,290.2	-6.2%	-614.8	9.1%	-5.8%
Other admin expenses	-1,211.6	-8.2%	-368.5	31.0%	0.7%
Loan Loss Provisions	-1,466.0	37.6%	-428.3	22.0%	1.0%
Provisions on financial assets	-44.1	n.m.	-12.2	35.3%	n.m.
Net Operating Income	532.4	-37.8%	-102.8	n.m.	-52.9%
Integration costs	-86.8	-73.0%	-54.8	n.m.	n.m.
Taxes	-101.7	n.m.	167.0	n.m.	n.m.
Gains from asset disposals	195.5	n.m.	0.2	n.m.	n.m.
Purchase Price Allocation	-134.2	n.m.	-31.0	n.m.	n.m.
Net income	220.1	n.m.	-181.3	n.m.	n.m.

GRUPPOMONTEPASCHI

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Declaration

In accordance with section 2, Article 154-bis of the Consolidated Law on Finance (TUF), the Financial Reporting Manager Daniele Bigi, declares that the accounting information contained in this presentation corresponds to documentary records, ledgers and accounting entries.

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