



HISTORICAL NOTES

Monte dei Paschi di Siena is held to be the oldest bank in the world, and today is one of the main banks in Italy. It is the flagship of the MPS Group, which is a leader on the domestic market in terms of market share. Monte dei Paschi, familiarly called “il Monte,” was founded in 1472 under the auspices of the Republic of Siena. It became the ideal heir of Siena’s prestigious medieval mercantile and banking traditions, developing an efficacious system of credit to the advantage of the local economy. The public character of the Monte was confirmed with the reform of 1624, which equipped the bank with progressive banking structures. On this occasion, the Medici Grand Duke granted depositors state guarantees on their money by entailing the income from the state-held pasture lands in the Maremma (the “Paschi” which gave the bank its name). It is especially meaningful that the Grand Duke asked in return to be indemnified by the entire citizenry of Siena for any losses he might incur. On this foundation, Monte dei Paschi was able to consolidate and increase its banking activity in the seventeenth and eighteenth centuries. Thus the bases were created for its considerable expansion right after national unification, and even more significantly in the twentieth century. In 1995, by decree of the Minister of the Treasury, the banking firm was transformed into a corporation called Banca Monte dei Paschi di Siena. The Bank operates, also through its subsidiaries, in the various sectors of banking and finance, from traditional banking to special credit to asset management, insurance, and investment banking, with more than 1,900 branches all over Italy and a presence in the world’s major economic and financial centers.

The Monte has a strong retail vocation (families and small and medium businesses) that helps to make it the “bank of reference” in all the areas in which it is active. Since June 1999, Banca Monte dei Paschi di Siena shares are traded on the Mercato Telematico Azionario (screen-based trading market) of the Italian Stock Exchange, and since September 1999 it is listed on the market’s most representative index, S&P/MIB.