

Real values
are not for sale.

MPS
and Social
Responsibility



MPS
BANKING GROUP

The MPS Group

Our history dates back to 1472 when the "Monte di Pietà" was founded at the behest of the Republic of Siena to provide assistance and succour to the needy, combat usury, and guide and support development in a historically difficult time for the city.

Taking advantage of our long history as a local public institution, MPS has grown to become one of the leading banking organizations in Italy.

With more than 24,000 employees, over 1,900 branches and a highly-developed extensive combination of sales channels, we offer a wide array of banking and financial services to 4.5 million customers, in Italy and abroad.

The parent company, Banca MPS, has been listed on the stock market since 1999, with a market capitalization of € 14.85 billion and assets exceeding € 1.58 billion.

Where we are

Our registered office is in Siena.

MPS operates across Italy and holds a 5.90% market share.

Italy is where we do most of our business (98.6% of total net operating profit) with special focus in the areas of central Italy.

We also operate on the international markets with 36 locations that include branches, representative offices, subsidiary banks, and operating branches, with the main purpose of helping Italian businesses succeed in their international activities.

Our strategy

Our ambition is to create value for all of our stakeholders. We have differentiated ourselves by the high quality of our service and our ability to meet the expectations of our customers, our commitment to developing the skills of our staff, the solidity and continuity of the economic results to benefit shareholders, and our involvement in the growth of the communities where we are active.

Our goal is not to adapt to change, but to be catalysts of change, ahead of our competitors, and to grow with the objective of becoming leader in customer service, delivering on our promises.

Our values:

- Responsibility ethic
- Customer orientation
- Readiness for change
- Entrepreneurship and proactiveness
- Passion and professional skills
- Team spirit and co-operation

To do this, our strategy aims to:

- Develop the organizational model and the distribution network to the capacity and quality of our commercial activity;
- Increase productivity through reorganization of staff and control operating costs;
- Manage credit risks actively and improve the profitability and soundness of our capital structure.

Social responsibility in the Monte dei Paschi di Siena Group

For Monte dei Paschi di Siena, social responsibility (Corporate Social Responsibility – CSR) means participating in the sustainable development of the company, with corporate decisions and individual conduct that can meet the needs and interests of stakeholders, in compliance with the law and institutional recommendations and with the highest level of integrity and transparency.

The CSR supports the company strategy. We feel that correct and transparent company governance, careful management of company factors that are relevant in terms of the environment, society and the reputation of MPS, positive relations with stakeholders, and development of intangible and non-economic assets are vital to achieving superior profitability over time.

The CSR is not merely the ability to generate value for the company and its stakeholders, but hinges on reinforcing and protecting the credibility and reputation of the company over time.

To put our vision in practice, we rely largely on the integrity and strong sense of loyalty of our employees, an essential prerequisite for developing good customer relations and ensuring a high level of integration into the communities where we live.

We undertake to operate in compliance with key principles that we use to measure our results and our reputation.

Our principles are part of the company culture and embody the expectations of our stakeholders.

We also support them as members of the United Nations and through the initiatives of the European Commission.

Principles of social responsibility

- Sustainable development
- Correctness and transparency
- Anti-corruption and anti-crime
- Labour standards
- Human rights
- Environment

Our stakeholders

MPS stakeholders are those:

- Who help us accomplish our mission;
- Whose decisions (on spending, investment, co-operation, regulations, and control) can influence attainment of our objectives;
- Who are influenced by our decisions and our business practices.

In our business, we work closely and constantly with our stakeholders in order to:

- Inform them of the strategies and business of the company;
- Understand their expectations and how they feel the company should operate;
- Improve our work, while taking into account the factors most important to them and their needs in our business.

Our commitment to our stakeholders:

Shareholders and investors

Our largest shareholder is MPS Foundation (Fondazione Monte dei Paschi di Siena), which is closely related to us by history as well as a shared sense of responsibility toward the community. Our other shareholders are mainly small investors, among which many of our own employees. We prefer to build lasting relationships with the market, founded on sincerity and concrete action. The Chairman and the General Manager lead us in our commitment to involve the financial community, presenting our strategies and financial statements at general shareholders' meetings and in investor relations activities.

Customers

We have 4.5 million customers, most of which are families, small investors and small businesses. We attempt to provide personalized services to our customers and this is why, for MPS, relationships are worth more than the product. We carefully monitor the satisfaction of our customers and we look at claims as opportunities for improvement.

Staff

More than 24,000 people work at MPS, nearly all of whom are hired under open-ended contracts. Our staff turnover is very low (on average only 9 employees out of one thousand resign each year), which we perceive to be a sign of appreciation for our commitment to develop and cultivate our employees and create positive work relationships.

Suppliers

We work with more than 19,000 suppliers, giving priority to small, local companies which account for more than half of total purchases. In turn, we ask our suppliers to respect the basic rights of their employees. Certified companies that put in practice sound environmental management are given preference in our supplier selection.

Community

We work with institutions to develop economic systems, supporting their efforts for social and cultural development of the community.

Organizations of civil society

We maintain regular relationships with numerous organizations that work in human services. We work with consumer associations on the issue of financial problems to improve our work and we participate in social and humanitarian projects promoted by the "third sector".

Finance and Sustainability

Our first responsibility is to make profit. This is the only way we can create tangible value for our stakeholders and directly or indirectly for the community in general, by contributing to shareholders' and consumers' investments, paying wages, providing high-quality services to our customers, supporting the product chain, paying taxes to improve public services and participating in development of the economies in which we work.

In our profit-generating activities, we undertake to perform our banking services in harmony with our values, while careful to meet the expectations of the community.

This is why:

- we were one of the first banks in Italy to refuse to finance arms trade;
- we have designed products and services specifically for temporary workers, students, young couples, the elderly, immigrants, not-for-profit organizations and micro-enterprise, in order to meet the needs of the weaker members of the community, ensuring wider access to banking services;
- we offer a wide range of ethical investment products that focus on companies that respect human rights and the rights of workers, do not pollute the environment and do not operate in morally reprehensible sectors (arms, tobacco, nuclear power);
- we have formed Microcredito di Solidarietà S.p.A., a financial company that was the first of its kind in Europe to provide credit (without third-party guarantees) to those in need and otherwise excluded from the traditional banking circuits;
- we support investments by families, organizations, and enterprise that aim to improve their efficiency and energy and environmental quality;

- we avoid involvement in money laundering from criminal activities, frequently with a view to financing terrorism. We do so by following precise procedures and using control systems that make it possible to discover the identities of those behind suspicious transactions;
- we prevent information fraud and identity theft, ensuring the highest levels of security and confidentiality in the use of our internet banking services.



CRS REPORT 2006 In a nutshell

- A CSR Committee set up within the Board of Directors.
- Value added to our stakeholders of € 3.5 billion.
- 75% of satisfied customers.
- Claims decreased by 23%.
- Retention rate at 93.5%.
- Ranked second in Italy for services to immigrants.
- Average age of employees down to 41.6 years old.
- Female personnel up to 41.8%.
- 4.3 days of training for every employee.
- Rate of turnover of employees at 0.9%.
- 68% of suppliers are certified.
- € 20 million in micro-loans distributed in the past ten years.
- € 38 million in sponsorships and donations to the community for social purposes.
- 60% of our activities are certified for environmental management.
- 94% of electricity used is from renewable sources.
- € 130 million in loans distributed for developing renewable energy.
- € 4.3 billion in loans evaluated for environmental compatibility.

MAIN HONORS AND AWARDS



Oscar di bilancio Award 2006

We were awarded with the Oscar di bilancio prize for the most effective economic, social and environmental communication toward our entire reference market in the "Key and large banking and financial companies" category. This recognition was awarded by FERPI (Italian Federation of Public Relations).



Sustainability Index

MPS shares are included in some of the main financial benchmarks for stocks investments of ethical funds, pension funds and "traditional" investors who attach importance to certain corporate values and a commitment to sustainability.

Top 20 for reputation

Cohn & Wolfe and Research International indicate that Monte dei Paschi di Siena is one of the top twenty companies in Italy with the highest reputation. Among its most valued characteristics: relationship-building ability, value of corporate image and ethical management.

For more information:
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