



ANTONVENETA
GRUPPOMONTEPASCHI

2010 ANNUAL REPORT
Individual Financial Statements



ANTONVENETA

GRUPPOMONTEPASCHI

BANCA ANTONVENETA S.p.A., Sole Partner Bank

Subject to the management and co-ordination of Monte dei Paschi di Siena S.p.A.

Fully paid up share capital EUR 1,006,300,00

Registered office: 35131 Padova – Piazzetta Filippo Turati, 2

Register of Companies of Padua

Taxpayer and TVA Code 04300140284

Member of the Interbank Deposit Protection Fund



CORPORATE OFFICERS

BOARD OF DIRECTORS

Chairman	PISANESCHI Andrea
Deputy Chairmen	CALTAGIRONE Francesco MARCHI Enrico
Directors	BIANCONI Marco Maria (*) BUORO Lauro CARRARO Massimo COCCHERI Lucia DESTRO Nereo MONTINARI Dario NUTI Andrea QUERCI Carlo RABIZZI Ernesto ROSATI Mauro (*) ZANI Ezio (*)

(*) present as of April 20, 2010

Board of Statutory Auditors

Chairman	FABRETTI Pietro
Acting Auditors	BIANCHI Claudio DALLA LIBERA Alberto
Alternate Auditors	NALLI Enzo ROSSI CHAUVENET Leopoldo

HEAD OFFICE

Chief Executive Officer	MENZI Giuseppe
Deputy Chief Executive Officer	PIRONDINI Daniele (1)
Assistant Chief Executive Officer	TUSSARDI Massimo (2)

(1) Massimo Tussardi as of Jan. 1, 2011

(2) Cesare Chiavistelli as of Jan. 1, 2011

BALANCE SHEET

(EUR)

Assets		31 12 2010	31 12 2009
10	Cash and cash equivalents	94.270.392	85.061.134
20	Financial assets held for trading	140.302.352	89.695.298
40	Financial assets available for sale	15.190.394	15.907.845
60	Due from banks	3.999.637.120	1.008.639.657
70	Due from customers	13.629.573.958	12.976.826.809
100	Equity investments	39.022	39.022
110	Tangible assets	260.929.490	26.700.118
120	Intangible assets	1.622.875.280	1.690.732.559
	<i>of which: goodwill</i>	1.382.918.576	1.416.918.574
130	Tax assets	524.353.262	284.400.298
	<i>a) current</i>	2.405.949	-
	<i>b) advanced</i>	521.947.313	284.400.298
150	Other assets	384.765.046	543.010.439
Total assets		20.671.936.316	16.721.013.179

BALANCE SHEET

(EUR)

	Total liabilities and shareholders' equity	31 12 2010	31 12 2009
10	Due to banks	5.480.283.975	3.201.166.551
20	Due to customers	7.766.832.346	7.447.272.858
30	Outstanding securities	431.928.229	291.533.789
40	Financial liabilities held for trading	100.923.862	74.525.079
50	Financial liabilities valued at <i>fair value</i>	2.487.604.232	1.350.410.181
80	Tax liabilities	-	130.430.815
	<i>a) current</i>	-	130.430.815
	<i>b) differed</i>	-	-
100	Other liabilities	721.685.035	793.902.168
110	Staff severance indemnity pay	29.395.564	31.370.137
120	Provision for risks and charges:	74.071.555	92.440.119
	<i>a) pension funds and similar obligations</i>	-	-
	<i>b) other funds</i>	74.071.555	92.440.119
130	Valuation reserves	526.249	333.788
160	Reserves	243.087.320	(131.555)
170	Share premium	2.166.000.002	2.200.000.000
180	Capital	1.006.300.000	1.006.300.000
200	Profit (Loss) of the year (+/-)	163.297.947	101.459.249
	Total liabilities and shareholders' equity	20.671.936.316	16.721.013.179

INCOME STATEMENT

EUR)

Accounts		31 12 2010	31 12 2009
10	Interest and similar income	424.253.408	502.976.440
20	Interest and similar expense	(114.395.208)	(132.928.982)
30	Interest margin	309.858.200	370.047.458
40	Commissions receivable	216.388.736	194.575.471
50	Commissions payable	(23.184.621)	(20.904.785)
60	Net commissions	193.204.115	173.670.686
70	Dividends and similar income	30.694	-
80	Net result of trading	2.986.888	1.983.194
100	Profit (loss) from sale or repurchase of: <i>(d) other financial liabilities</i>	5.397 5.397	
110	Net result of financial assets and liabilities valued at fair value	(658.042)	(786.196)
120	Intermediation margin	505.427.252	544.915.142
130	Value adjustments/recoveries for impairment of:	(75.752.421)	(126.066.609)
	<i>a) Loans</i>	(76.005.841)	(121.919.246)
	<i>b) Financial assets available for sale</i>	(922.296)	(4.641.425)
	<i>d) Other financial transactions</i>	1.175.716	494.062
140	Net result of financial activities	429.674.831	418.848.533
150	Administrative expenses	(332.863.052)	(353.964.811)
	<i>a) Staff expenses</i>	(203.194.775)	(211.895.747)
	<i>b) Other administrative expenses</i>	(129.668.277)	(142.069.064)
160	Net provisions to risk and charge funds	3.350.902	(37.266.715)
170	Net value adjustments/recoveries on tangible assets	(9.569.981)	(8.629.272)
180	Net value adjustments/recoveries on intangible assets	(28.824.083)	(28.933.015)
190	Other operating income/charges	23.847.232	25.864.189
200	Operating costs	(344.058.982)	(402.929.624)
210	Profit (loss) of equity investments	(361.150)	-
240	Profit (Loss) from investment sale	35.106	(2.595)
250	Profit (loss) of the current trading assets before tax	85.289.805	15.916.314
260	Income tax for the period of the current trading assets	78.008.142	85.542.935
270	Profit (loss) of the current trading assets after tax	163.297.947	101.459.249
290	Profit (loss) for the period	163.297.947	101.459.249

STATEMENT OF CONSOLIDATED PROFITABILITY

(in euro)

Items		31 12 2010	31 12 2009
10	Profit (loss) for the year	163.297.947	101.459.249
Other income components after tax			
20	Financial assets available for sale	192.461	333.788
110	Total other income components after tax	192.461	333.788
120	Overall profitability (Item 10 + 110)	163.490.408	101.793.037

TABLE OF THE CHANGES IN NET EQUITY

(EUR)

	Outstanding as at 31 12 09	Opening balance change	Outstanding as at 01 01 10	Allocation result for previous year		Changes for the year							Net equity as at 31 12 10	
				Reserves	Dividends and other allocations	Changes in reserves	Net equity transactions					Profit (Loss) for 31 12 10		
							Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Capital instrument change	Derivatives on own shares			Stock option
Capital:														
a) ordinary shares	1.006.300.000	-	1.006.300.000	-	-	-	-	-	-	-	-	-	-	1.006.300.000
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium	2.200.000.000	-	2.200.000.000	-	-	(33.999.998)	-	-	-	-	-	-	-	2.166.000.002
Reserves:														
a) of profits	(131.555)	-	(131.555)	5.247.049	-	-	-	-	-	-	-	-	-	5.115.494
b) other	-	-	-	-	-	237.971.826	-	-	-	-	-	-	-	237.971.826
Valuation reserves	333.788	-	333.788	-	-	-	-	-	-	-	-	192.461	-	526.249
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the year	101.459.249	-	101.459.249	(5.247.049)	(96.212.200)	-	-	-	-	-	-	-	163.297.947	163.297.947
Net Equity	3.307.961.482	-	3.307.961.482	-	(96.212.200)	203.971.828	-	-	-	-	-	-	163.490.408	3.579.211.518

TABLE OF THE CHANGES IN NET EQUITY

(EUR)

	Outstanding as at 31 12 08	Opening balance change	Outstanding as at 01 01 09	Allocation result for previous year		Changes for the year							Net equity as at 31 12 09	
				Reserves	Dividends and other allocations	Changes in reserves	Net equity transactions					Profit (Loss) for 31 12 09		
							Issue of new shares	Purchase of own shares	Extraordinary distribution of dividends	Capital instrument change	Derivatives on own shares			Stock option
Capital:														
a) ordinary shares	6.300.000	-	6.300.000	-	-	-	1.000.000.000	-	-	-	-	-	-	1.006.300.000
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	2.200.000.000	-	-	-	-	-	-	2.200.000.000
Reserves:														
a) of profits	-	-	-	(131.555)	-	-	-	-	-	-	-	-	-	(131.555)
b) other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-	333.788	-	333.788
Capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the year	(131.555)	-	(131.555)	131.555	-	-	-	-	-	-	-	-	101.459.249	101.459.249
Net Equity	6.168.445	-	6.168.445	-	-	-	3.200.000.000	-	-	-	-	-	101.793.037	3.307.961.482

CASH FLOW STATEMENT

(EUR)

	31 12 2010	31 12 2009
A. OPERATING ASSETS		
1. Cash flow from operations	64.876.898	476.516.659
net income (+/-)	163.297.947	101.459.249
capital gains/losses on financial assets held for trading and on assets/liabilities valued at fair value (-/+)	658.042	786.196
capital gains/losses on hedging assets (-/+)	-	-
net value adjustments/recoveries for impairment (+/-)	88.344.374	138.376.035
net value adjustments/recoveries on tangible and intangible assets (+/-)	38.394.064	37.562.287
net provisions to risk and charge funds and other costs/revenues (+/-)	(3.350.902)	37.266.715
tax and duties to be settled (+/-)	(196.231.882)	173.330.446
net value adjustments/recoveries of groups of assets being sold after tax (+/-)	-	-
other adjustments	(26.234.745)	(12.264.269)
2. Liquidity generated/absorbed by financial assets	(3.827.986.089)	2.908.959.064
financial assets held for trading	(50.607.054)	(81.411.307)
financial assets held at fair value	-	-
financial assets available for sale	(12.384)	(29.209)
due from banks: at sight	(99.225.986)	237.129.424
due from banks: other loans	(2.886.656.755)	1.419.330.874
customer loans	(741.344.943)	111.222.088
other assets	(50.138.967)	1.222.717.194
3. Liquidity generated/absorbed by financial liabilities	3.874.333.177	(3.409.096.451)
due to banks: at sight	706.463.011	(2.621.826.523)
due to banks: other loans	1.572.654.413	(529.128.802)
due to customers	319.559.488	(353.751.513)
outstanding securities	140.394.440	165.275.456
financial liabilities held for trading	26.398.783	65.348.743
financial liabilities held at fair value	1.136.536.009	1.349.623.985
other liabilities	(27.672.967)	(1.484.637.797)
Net liquidity generated/absorbed by operating assets	111.223.986	(23.620.728)
B. INVESTMENTS		
1. Liquidity generated by:	87.692	-
sale of shareholdings	87.692	-
dividends collected on shareholdings	-	-
sale/repayment of financial assets held to maturity	-	-
sale of tangible assets	-	-
sale of intangible assets	-	-
sale of subsidiaries and company branches	-	-
2. Liquidity absorbed by	(6.055.439)	(3.539.173)
purchase of shareholdings	-	-
purchase of financial assets held to maturity	-	-
purchase of tangible assets	(6.055.439)	(3.539.173)
purchase of intangible assets	-	-
purchase of subsidiaries and company branches	-	-
Net liquidity generated/ absorbed by investments	(5.967.747)	(3.539.173)
C. FUNDING		
issue/purchase of own shares	-	-
issue/purchase of capital instruments	-	-
distribution of dividends and other purposes	(96.212.200)	-
Net liquidity generated/absorbed by funding	(96.212.200)	-
NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR	9.044.039	(27.159.901)
Reconciliation		
Accounts	31 12 2010	31 12 2009
Cash and cash equivalents at year opening	85.061.134	-
Cash and cash equivalents from conferment	-	112.339.275
Total net liquidity generated/absorbed during the year	9.044.039	(27.159.901)
Cash and cash equivalents resulting from forex floating	165.219	(118.240)
Cash and cash equivalents at year closing	94.270.392	85.061.134

INDEPENDENT AUDITORS' REPORT
pursuant to articles 14 and 16 of Italian Civil Code of 27 Jan 2010, no. 39,
and 165 of Italian Civil Code of 24 February 1998, no. 58

(Translation from the original Italian text)

To the Shareholder of Banca Antonveneta S.p.A

1. We have audited the consolidated financial statements of Banca Antonveneta S.p.A. up to December 31, 2010 comprising the balance sheet, the income statement, the statement of changes in shareholders' equity, the cash flow statement and the related explanatory notes. The responsibility of preparing these consolidated financial statements in conformity with International Financial Reporting Standards adopted by the European Union and the standards issued in accordance with article 9 of Legislative Decree no. 38/05 are of the directors of Banca Antonveneta S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards and procedures recommended by Consob. In accordance with such standards and procedures, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such consolidated financial statements, taken as a whole, may be relied upon. An audit includes examining, on a sample basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles and the reasonableness of the estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion. For our opinion relating to the financial statements of the previous year, for which the data is presented for comparative purposes, please refer to our audit report dated 31 March 2010.
3. In our opinion the consolidated financial statements of Banca Antonveneta S.p.A. for the year ended December 31, 2010 comply with International Financial Reporting Standards as adopted by the European Union and the standards issued in accordance with article 9 of Legislative Decree n° 38/05; accordingly, they present clearly and give a true and fair view of the consolidated financial position, result of operations, changes in shareholders' equity and cash flows of Banca Antonveneta S.p.A. for the year then ended.
4. The Bank, as required by law, has included in its notes to the consolidated accounts, essential data pertaining to the last balance sheet of the company that on its behalf, exercised management and coordination activities. The opinion given on the balance sheets of Banca Antonveneta S.p.A does not take into consideration this data.
5. The responsibility of preparing the report on management in conformity and as prescribed by law are the responsibility of the directors of Banca Antonveneta S.p.A. It is our competence to express our opinion on the reporting of the balance sheet, as required by law. To such end, we have performed the procedures as indicated under audit principle no. 001 emanated by the National Board of Commerce and Accounting Experts as recommended by Consob. In our opinion, the balance sheet is coherent with the annual report of Banca Antonveneta S.p.A. for the year ended 31 December 2010.

Padova, 1 April 2011

KPMG SpA

Vito Antonini, Partner

“REPORT OF THE BOARD OF STATUTORY AUDITORS FOR THE SHAREHOLDERS MEETING CALLED TO APPROVE THE ANNUAL REPORT OF BANCA ANTONVENETA S.P.A. AS AT 31 DECEMBER 2010, PURSUANT TO ARTICLE 2429, COMMA 2 OF THE ITALIAN CIVIL CODE”

Dear Shareholder,

During the period that ended on 31 December 2010, the Board of Statutory Auditors performed supervisory activities as required by law based on behavioral principles recommended by the *Consiglio Nazionale dei Dottori Commercialisti* (National Board of Accountants) and accounting professionals, taking into account supervisory instructions received from the Bank of Italy and deliberations from Consob.

The Board of Statutory Auditors organized their supervisory activities based upon the observance of laws and the Statute, respect of principles for correct administration, the adequacy of the organization's structure, administration, and accounting, adopted by the Bank and its concrete functionality.

From the stated activity and their results, the Board of Statutory Auditors responds with the present report.

During 2010, the Board of Statutory Auditors participated in 3 Assemblies and 12 Board of Director's meetings and obtained by the Administrators periodic information on the activity performed and on operations of major economic relief, finance, and equity effected by the Bank. In the opinion of the Board of Statutory Auditors, the transactions that were deliberated can be reasonably considered to be in conformity with the laws and social statutes and do not appear to have imprudent, risky manifestations, with potential conflicts of interest or in contrast with the deliberations assumed by the Assembly or such so that compromise the integrity of the shareholder's equity.

With regards to operations carried out with the entities that perform the functions of administration, management, and control, they were deliberated with respect to art. 136 of the Cumulative Text relating to banking and finance and by supervisory instructions received from the Bank of Italy, notwithstanding the obligations foreseen by art. 2391 of the Italian Civil Code in matters dealing with the administrators.

The Board of Statutory Auditors has acquired knowledge and supervises the adequacy and the function of the organizational systems adopted by the Bank, that attribute clear tasks and responsibility, and define the Bank's decision making process, taking into account both the size of the Bank and the activities contractually outsourced to the Group Head and other specialized divisions of the Group.

With regards to the activities of supervising adequacy, the functioning of internal control systems, and the administrative-accounting system, the Board of Statutory Auditors, based upon documentation collected and from the exchange of data and information obtained during the course of meetings held with the heads of the respective functions of the Bank and the external auditors, retain that the structure that has been attained is adequate for the necessary and efficient monitoring of the risk factors and for a correct representation of the issues pertaining to the management, economic, equity, and finances of the Bank.

The Board of Statutory Auditors reminds that resulting from the ordinary Assembly of 26 June 2009, as proposed by the Board of Statutory Auditors and in respect to art. 165 of L.D. 58/1998, has entrusted the duty of accounting revision to KPMG SpA, that has effected controls and the regular maintenance of the accounting and revision of the financial statements, even in consideration of the modifications instilled within the guidelines pursuant to the L.D. 39/2010.

Within the framework of tasks assigned, pursuant to L.D. 39/2010, the Board of Statutory Auditors supervised the audit of the accounts independently from the auditor, based upon the supply of information and documentation exchanged during the periodic meetings held with the auditors.

The participation in the Board of Director's meetings, the information gathered, and the controls performed have permitted the ascertainment that the Bank is operating with respect to laws and the Statute. Further to the supervisory activities performed, and on the basis of information obtained, no

omissions or reprehensible issues or irregularities have emerged nor any significant issues, that are in contrast with the principles of the correct administration and the observance of laws and the Statute.

Within the course of 2010, no charges pursuant to ex art 2408 of the Italian Civil Code were made, given that the social capital is entirely held by the stakeholder Banca Monte dei Paschi di Siena S.p.A.

On 1 April 2011 KPMG SpA issued their report on the 2010 annual reports of Banca Antonveneta S.p.A as of 31 December 2010 pursuant to art. 14 and 16 of the L.D. 39/2010, and based on such we take note that:

- they were drafted in conformity with the principles of the aforementioned decree;
- have provided an opinion on the annual report in conformity with the norms that discipline the drafting;
- have expressed an opinion without any findings on the coherence between the Director's Report and the annual report;
- did not indicate the presence of any inconsistent information.

Taking into account even the results of the activities performed by the company entrusted with the revision of accounts, and taking note of the attesting letter issued by the Local Representative to the Managing Provost for the drafting of financial statements of the Bank Group, the Board of Statutory Auditors does not indicate any motive that may obstacle the approval of the Balance Sheets of Banca Antonveneta S.p.A, closed on 31 December 2010, as restated and presented by the Assembly's Administrators; the Board of Statutory Auditors equally agree with the proposal of the Administrators on the distribution of the income reported for the period.

Padova, 4 April 2011

THE BOARD OF STATUTORY AUDITORS

Pietro Fabretti, President
Claudio Bianchi, Auditor
Alberto Dalla Libera, Auditor