



**1H 2006 Results  
and  
update on the first 100 days of  
new Business Plan**

Siena, 7<sup>th</sup> September 2006

# Highlights

## 1H 2006 Results

- ❑ Strong growth in lending product flows in 1H06: +11.5% YoY
- ❑ Strong growth in volumes: direct deposits +6.3% YoY, loans +9.2% YoY
- ❑ Increase in revenues (+6.2%, in line with the 2006-2009 BP CAGR)
- ❑ Growth in Net Interest Income (+4% YoY), with an acceleration in 2Q, and in Net Fees (+2.5% YoY)
- ❑ Operating costs under control (-0.3% QoQ and +0.8% YoY despite one-off early retirement costs) and in line with BP target
- ❑ Provisions down to 50 bps vs 52 bps in March
- ❑ Net income Euro 480 mln (+29% YoY)

## Business Plan Update

- ❑ All Business Plan initiatives up and running
- ❑ The internal efficiency gaps are being closed
- ❑ Confirmation of good commercial momentum and the launching of several new marketing campaigns
- ❑ Major human resources initiatives implemented
- ❑ ALM re-mix ongoing
- ❑ Significant improvement in capital allocation and Raroc
- ❑ Board gave mandate for a JV in Bancassurance

# Agenda

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**Analysis of 1H06 Results**

**Business Plan update**

**Conclusions**

**Annexes**

# Highlights 1H06 and 2Q06 results: delivering at a good pace

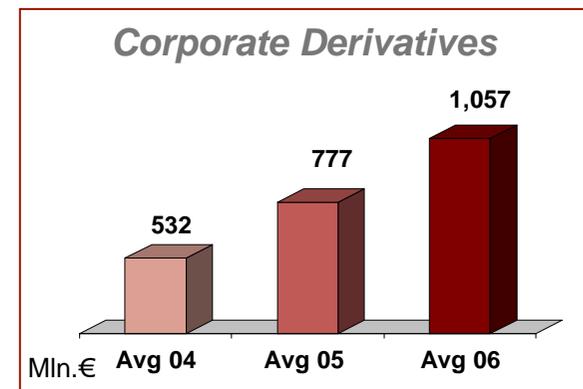
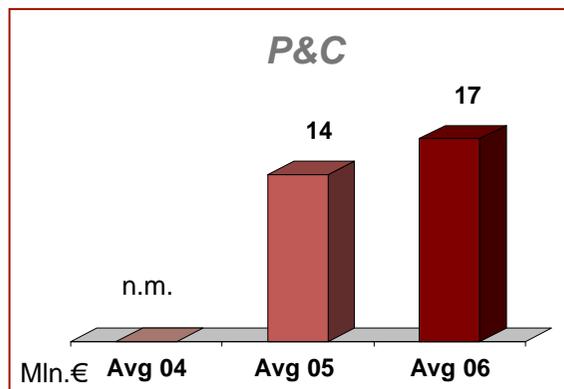
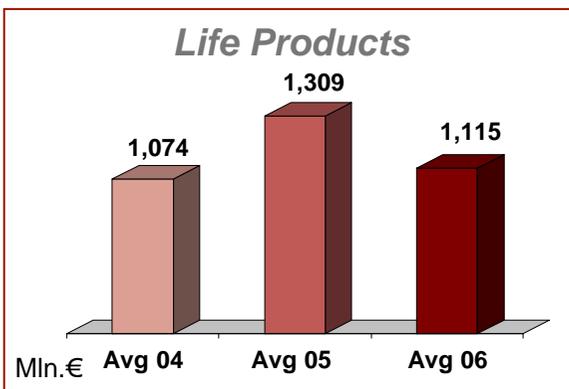
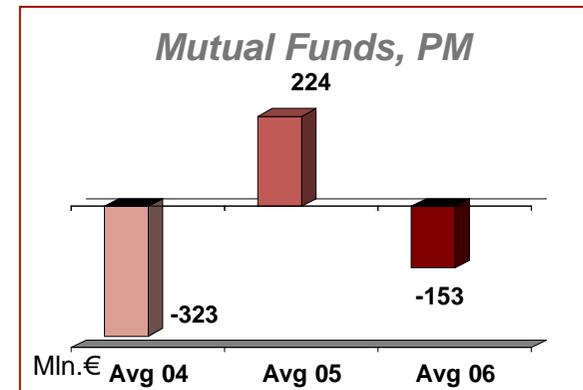
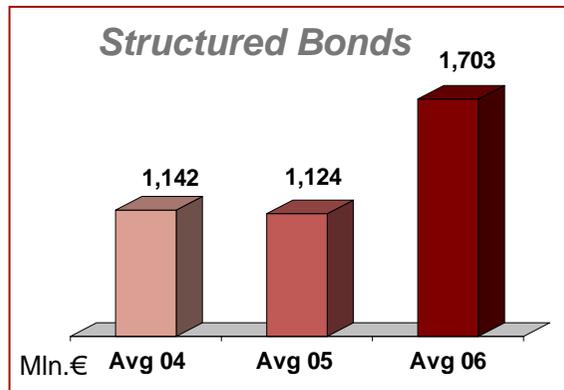
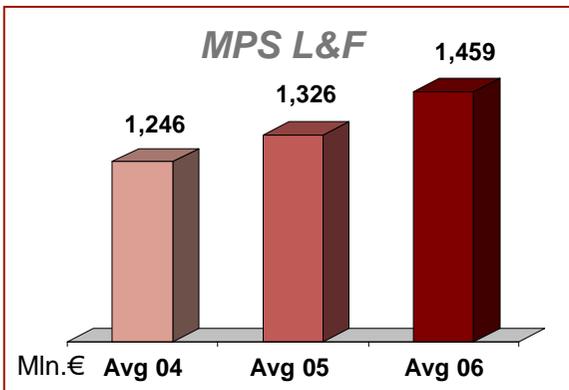
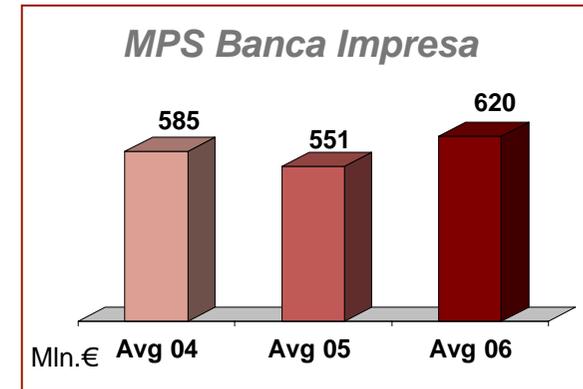
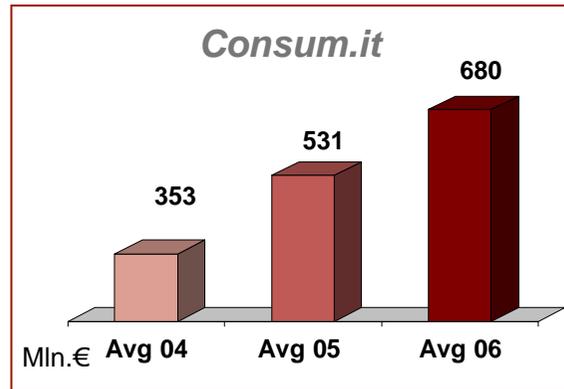
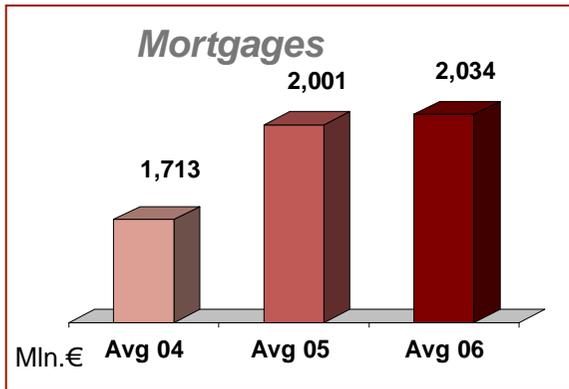
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- ❑ **Significant growth in lending product flows in 1H06 +11.5% YoY with strong acceleration in 2Q 06 at +3.8 bn: +6.5% vs 1Q06, +5.2% vs 2Q05**
- ❑ **Steady growth of net interest income (+4% YoY) thanks to a recovery in 2Q06 (+3.8% vs 1Q06, +6.1% vs 2Q05), underpinned by commercial banking contribution (+3.7% vs 1Q06, +6.6% vs 2Q05)**
- ❑ **Good Wealth Management flows notwithstanding financial market conditions at Euro 2.2 bn: +16% vs average 2005 (Euro 1.9 bn), with repositioning of customers on safe assets**
- ❑ **Yearly increase in net fees (+2.5% YoY) with continuing fees +16.7%YoY. 2Q06 deceleration due to lower performance fees. Contribution of structural fees stable QoQ despite reduction of current account exit fees**
- ❑ **Operating costs under control: -0.3% QoQ and +0.8% YoY despite one-off early retirement costs**
- ❑ **Provisions down to 50 bps vs 52 bps in March (51 bps vs 53 bps net of tax collection)**
- ❑ **Impaired loans: -15% YoY**
- ❑ **Euro 20 mln net negative one-off items impacted on our second quarter bottom line**

# Highlights of 1H06 and 2Q06 Results

<b>Profit &amp; Loss</b> (mln €)	<b>1H06</b>		<b>2Q06</b>		
		<i>1H06/1H05</i>		<i>2Q06/1Q06</i>	<i>2Q06/av.2005</i>
Net Interest Income	1,319	4.0%	672	3.8%	4.2%
Net Fees	903	2.5%	441	-4.5%	-0.9%
Basic Income	2,222	3.4%	1,113	0.4%	2.1%
Total Revenues	2,520	6.2%	1,196	-9.6%	1.2%
Loan Loss Provisions	221	11.3%	113	5.5%	6.3%
Operating Costs	1,500	0.8%	749	-0.3%	-2.3%
Net Operating Income	786	13.8%	322	-30.4%	17.6%
Net Income	480	28.9%	203	-27.0%	2.6%

# Highlight product flows\*: keeping the upward trend ...



\* Quarterly average

# ... and strenghtening our position on the market

Banca Reale

- ❑ Focus on commercial activity development and on expansion of our network:
  - ❑ +26,000 new customers in 1H06 (vs -25,500 in 1H05)
  - ❑ +23 branches in 1H06
  - ❑ Strong development of customers in 2Q06
- ❑ Implementation of initiatives for an “anytime-anywhere service” (30 branches opened on Saturday and 30 branches with continuing banking hours, flextime for advisory activity)

*New customers: monthly average*

Period	New Customers	YoY Change
1Q06	3,775	-
2Q06	4,870	+26.3%
Jul 06	7,041	+44.6%

Market Share

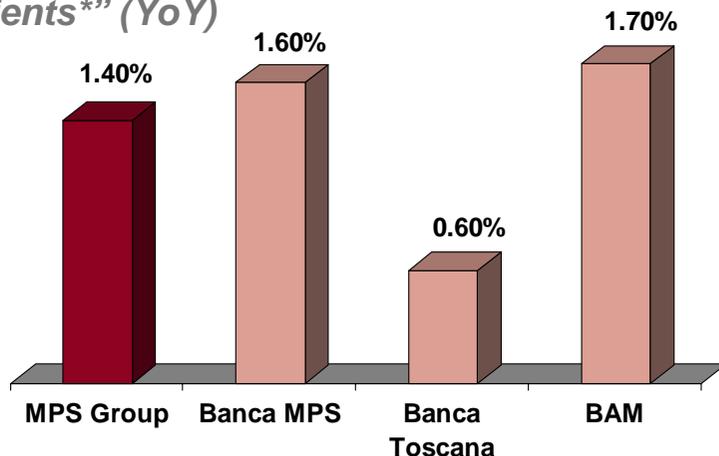
- ❑ Increase in the market share in the main business areas, with good performance in Consumer Credit and Factoring businesses
- ❑ In spite of the negative market trend, Bancassurance has recovered during 2Q06 vs 1Q06
- ❑ Increase in our loans market share, thanks to the short term component

*GMPS Market Shares in the main businesses (YoY trend)*

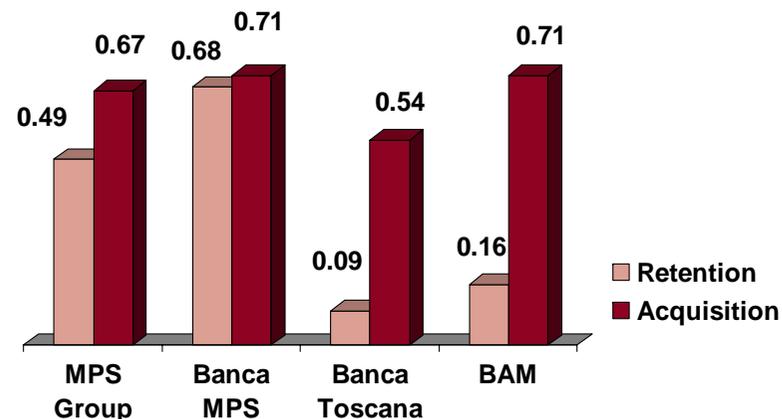
Business Area	30.06.05 (%)	30.06.06 (%)
Bancassurance	9.6%	8.7%
Consumer credit	4.5%	5.1%
Leasing	3.3%	3.4%
Factoring	4.0%	4.8%
Loans	6.31%	6.33%
Short term loans	6.43%	6.68%

# Focus on retail customers

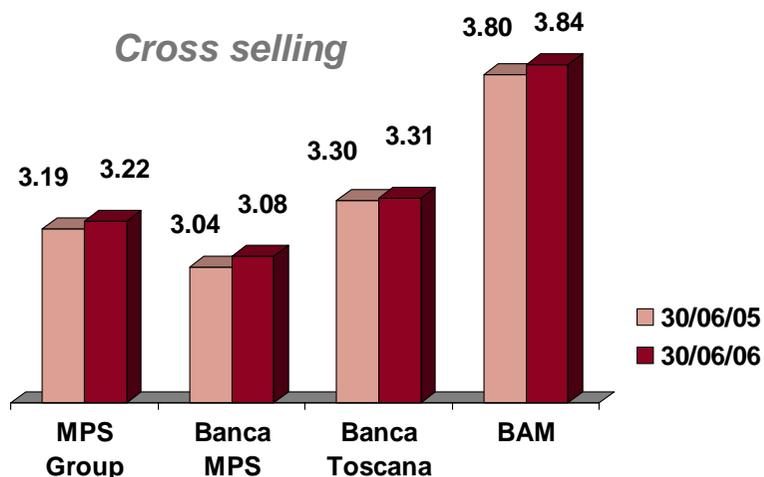
*Evolution in the number of retail “active clients\*” (YoY)*



*Evolution of retention\* and acquisition\* rate (difference between 30.06.06 and 30.06.05)*



*Cross selling*



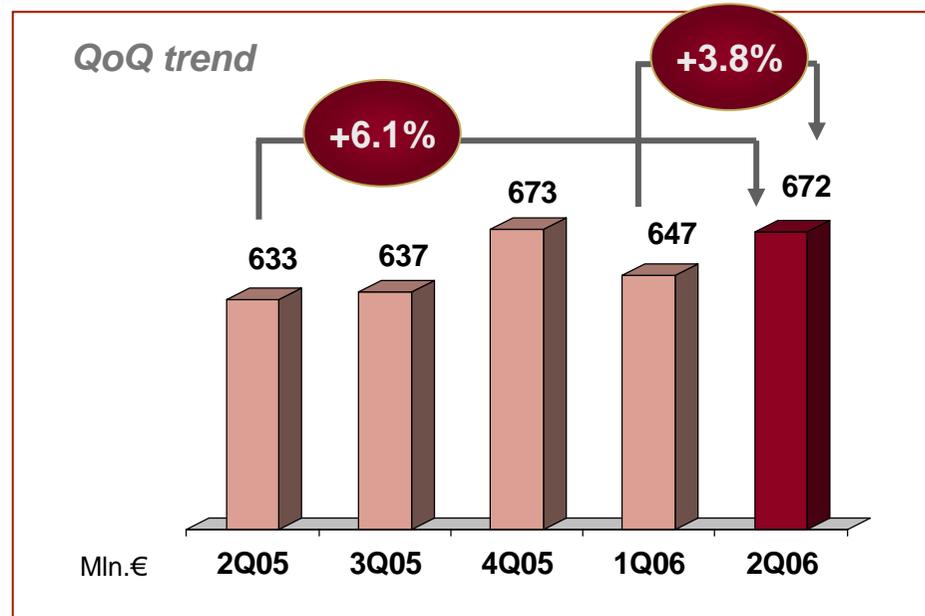
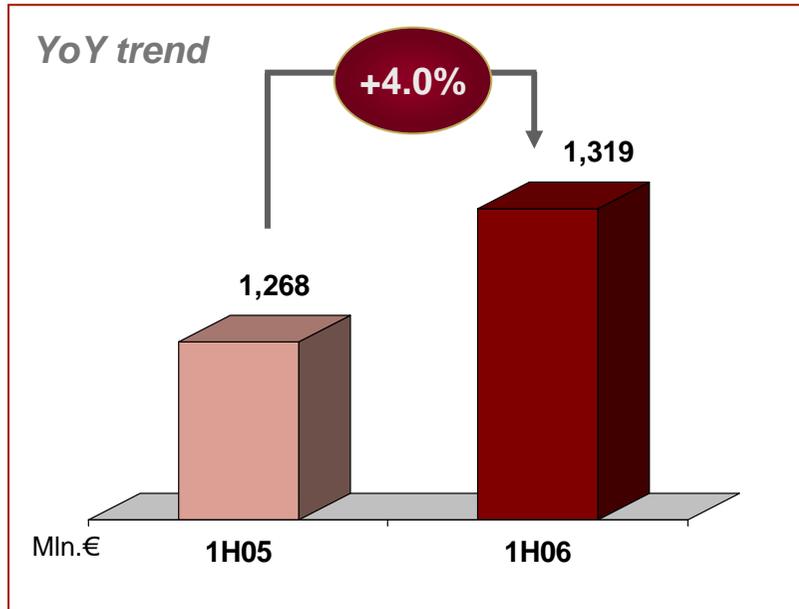
- In 1H06 increase in the number of “active clients” of about 21,000 (+47,700 YoY)
- Good progress in terms of customer retention and acquisition
- Increase in cross selling of 3 bps YoY

\* *Active Clients*: clients holding/receiving at least one product/service

*Acquisition Rate*: rate of acquisition of new customers. It is the ratio between new clients at a certain date and total number of clients at a past date

*Retention Rate*: rate that expresses the ability to keep customers. In numerical terms, it is the ratio between the number of retained customers (excluding new customers) and the total number of customers at a pre-set date.

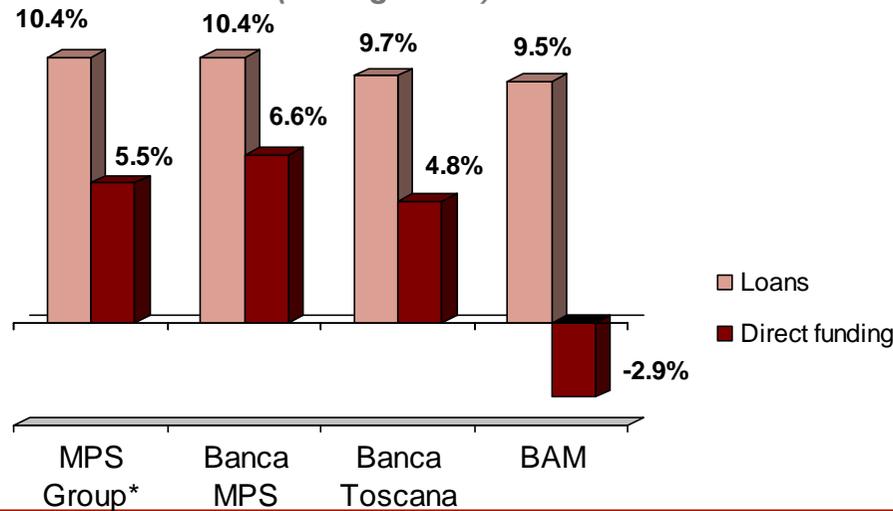
# Net Interest Income: a strong structural pick up



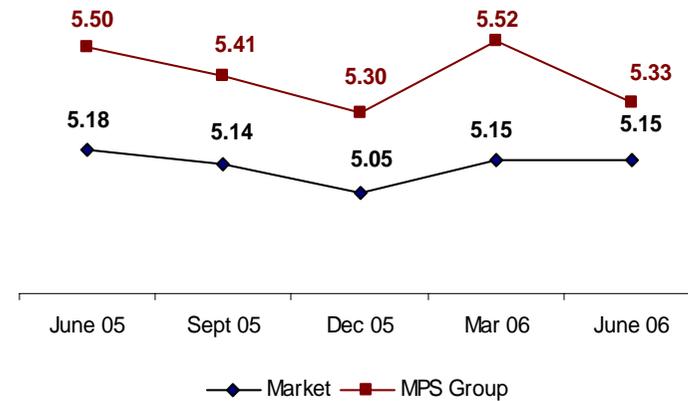
- ❑ Important contribution from Retail Banking (+15.8% YoY)
- ❑ Strong acceleration during the quarter (+3.8%), thanks to the significant contribution of commercial areas (+5.2% vs 3.8% in 1Q06)
- ❑ Increase of business volumes of over 8% (QoQ) offsetting the spread decrease

# Volumes and Pricing: significant acceleration in 2Q

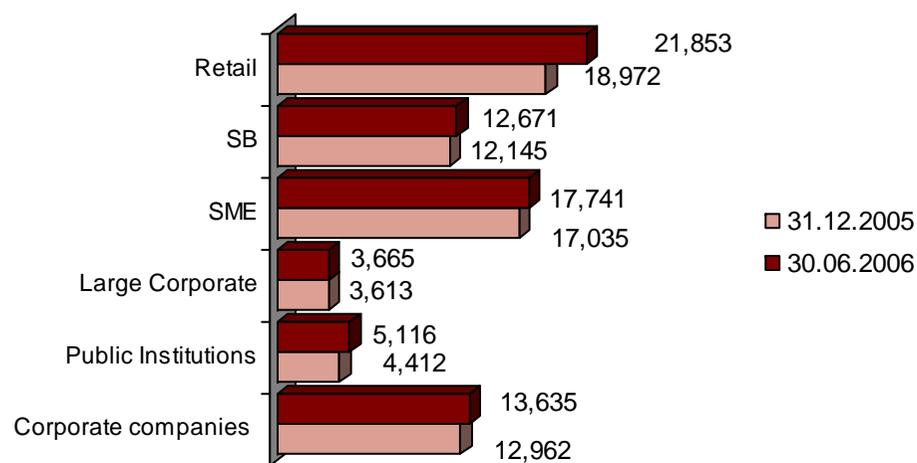
Loans and direct funding growth of bank divisions  
(average data)



Spread Trend (short term loans)  
GMPS vs Market (at 30.06.06)



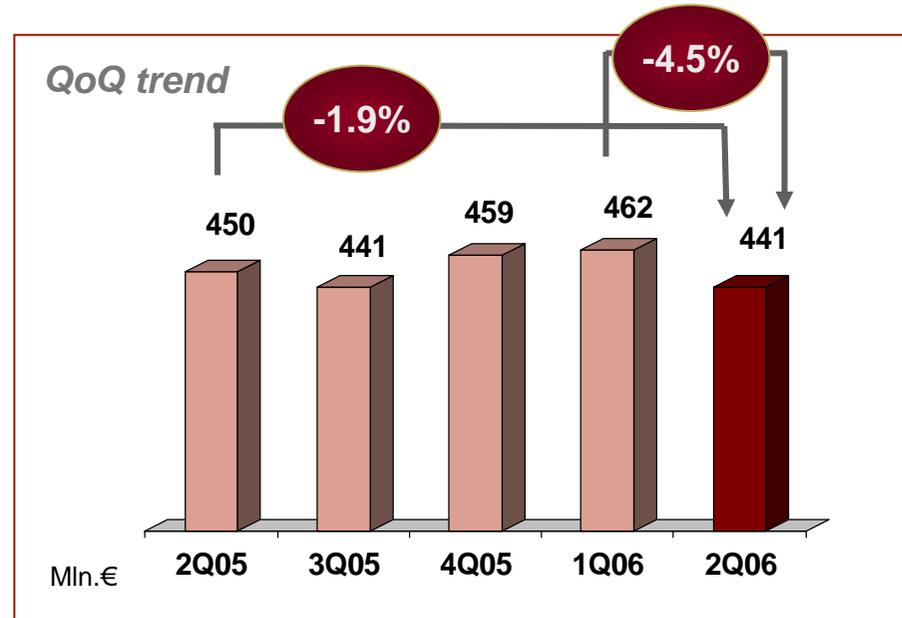
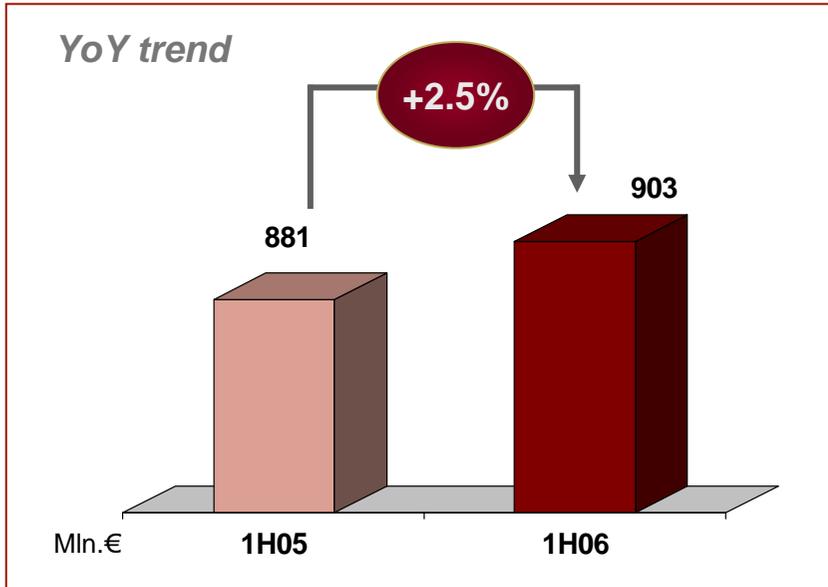
Loans breakdown evolution



- Good direct deposit funding; BAM decrease is due to reduction from FIG, but short side deposits up 6%
- Commercial banking average spread at 440 bps, up 2 bps QoQ
- Pressure on short term rates together with an increase of short term loans during 2Q and lower risk level

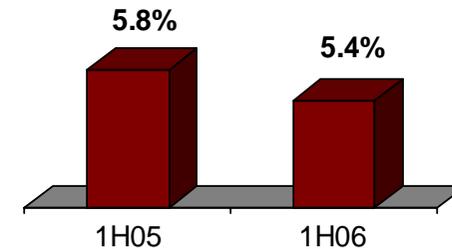
\* Including Product Companies

# Net Fees: focusing on recurring fees

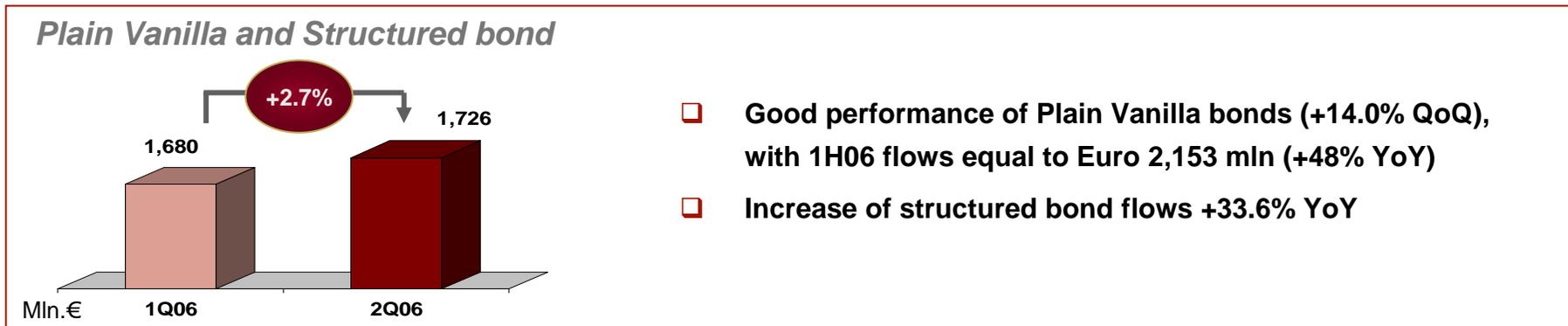
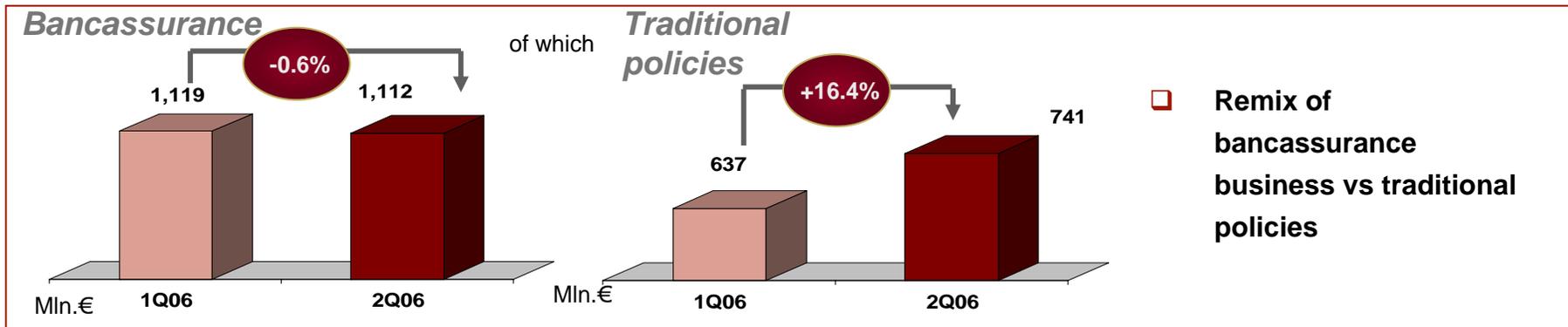
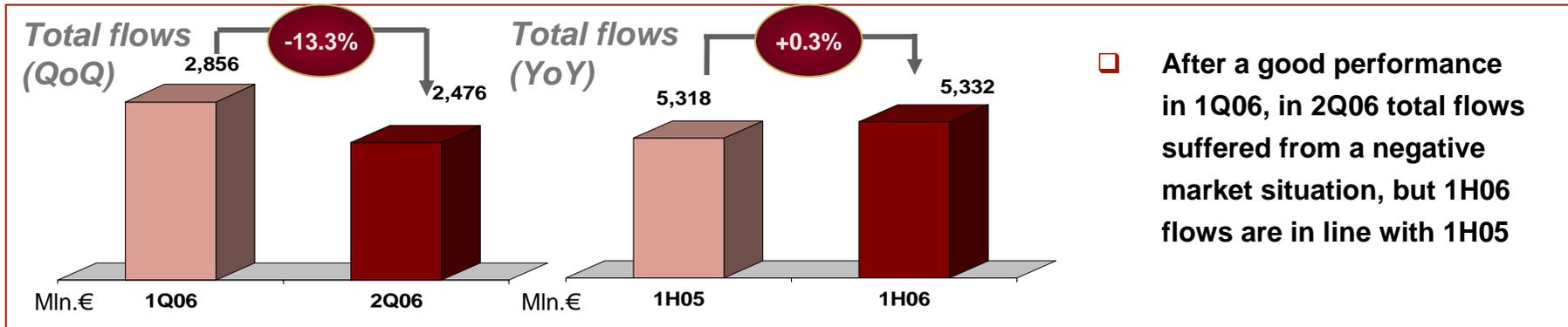


- ❑ QoQ decrease due to reduction of performance fees and cancellation of bank accounts exit fees
- ❑ Up front fees/Total fees at 5.4% in 1H06 vs 5.8% in 1H05, continuing fees: +16.7% YoY (+15% net of performance fees)
- ❑ Increase of fees for payment services (+8.4% YoY)
- ❑ Opening to external product factories in line with Business Plan: related flows increased from Euro 209 mln (1H05) to Euro 459 mln (1H06)

*Up Front fees/Total fees*

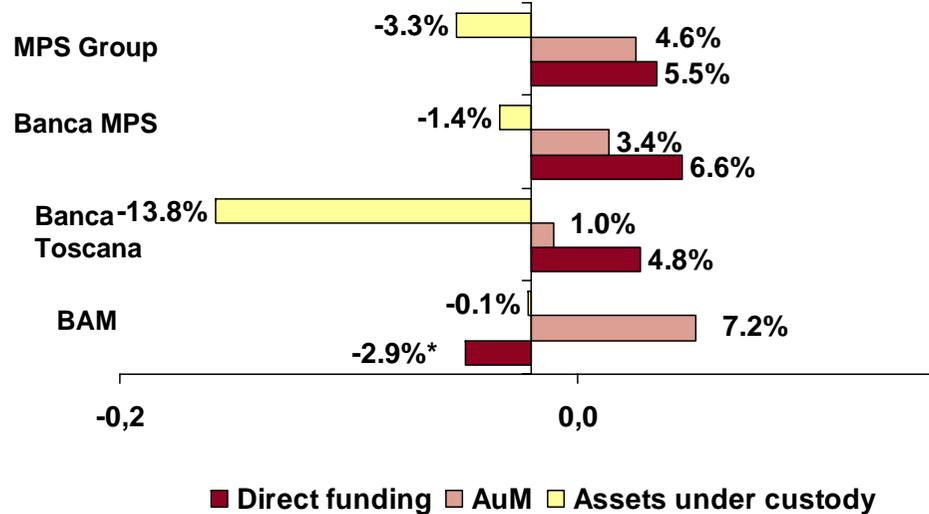


# Trend in saving products flows

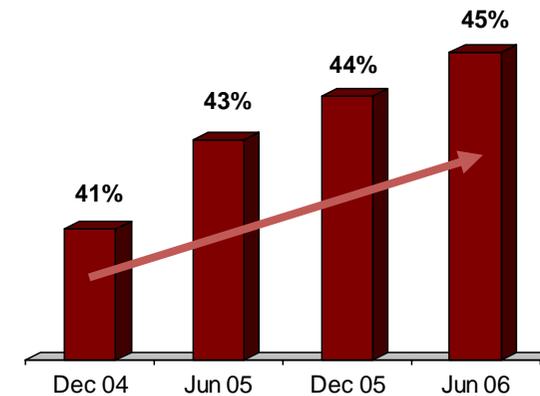


# Total funding breakdown: the switching is going on

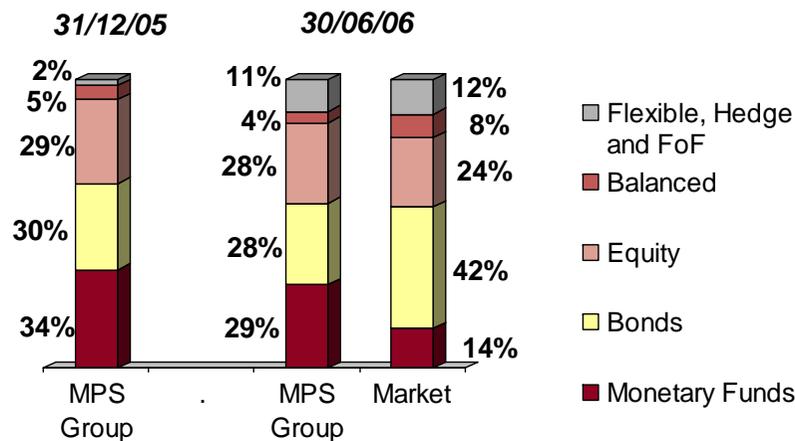
Evolution of total funding (YoY) (average data)



Indirect funding breakdown: AuM/Total indirect funding



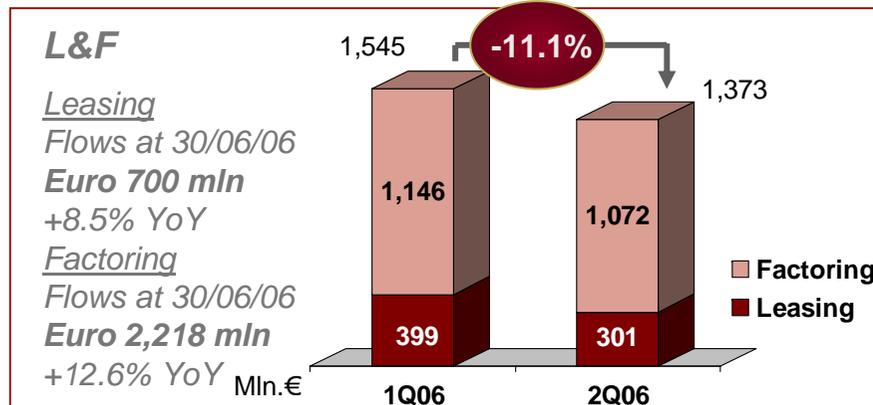
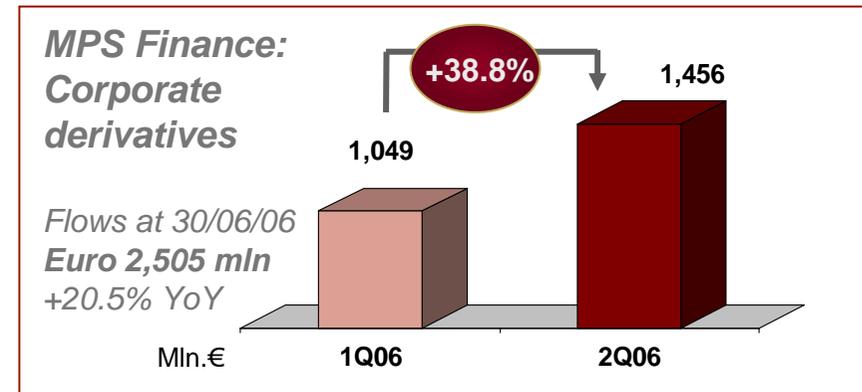
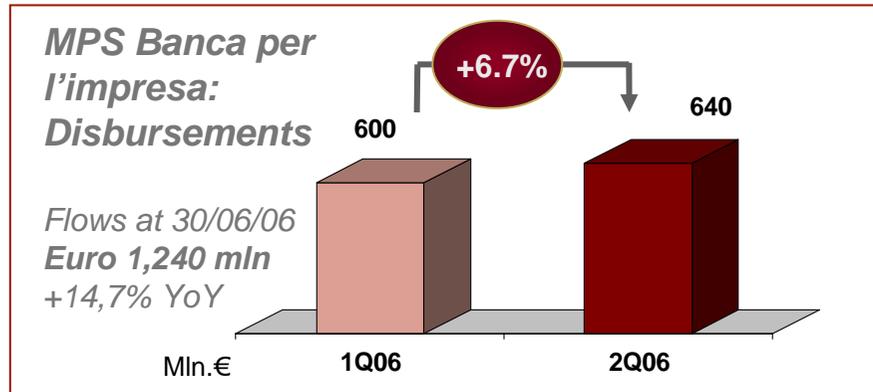
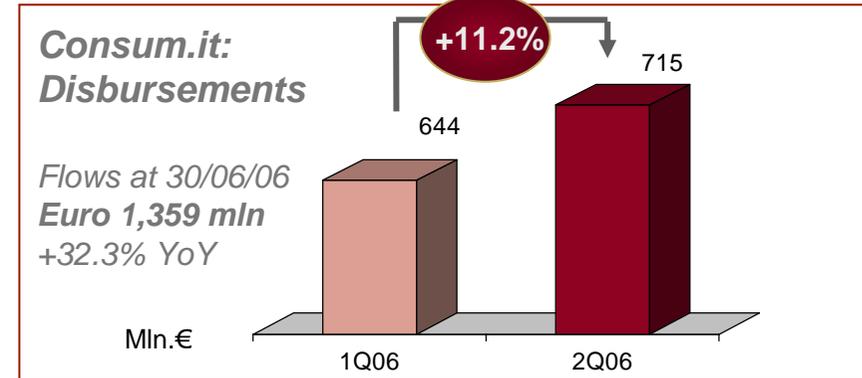
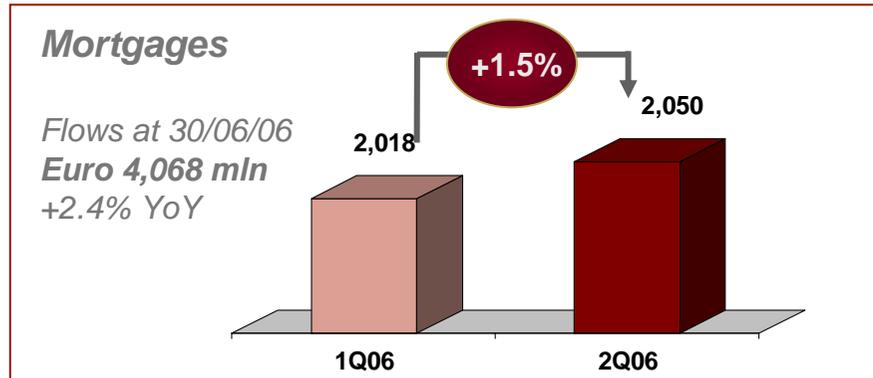
Mutual funds breakdown



- Our product catalogue restructuring is underway. We are going towards a multibrand approach: “Ducato Multimanager Cash Premium” has been launched
- Mutual funds negative flows (- Euro 357 mln in 1H) are impacted by the planned requalification of our asset mix, with a decrease of monetary funds (- Euro 620 mln during 1H) together with a better average return on AuM stocks (+2 bps vs Dec 2005)

\* Due to reduction of deposit from FIG; short side deposits +6%

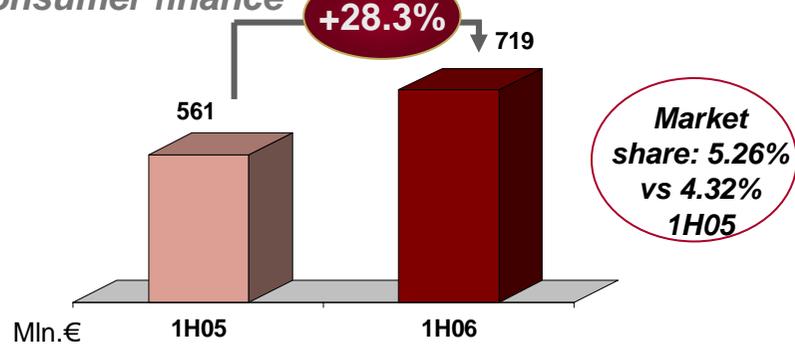
# Commercial flows: good performance overall



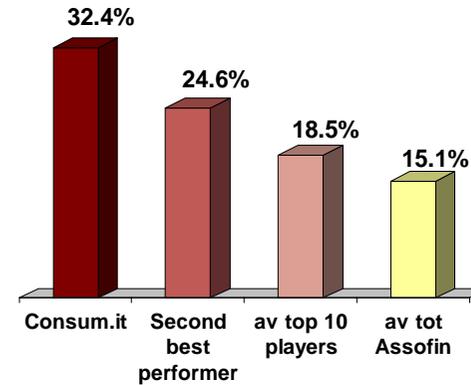
- ❑ L&F flows going down but our market share going up (Leasing 3.4% vs 2.7% at 31.12.05 and Factoring 4.8% vs 4.1% at December 2005)
- ❑ Good contribution of MPS Banca per l'Impresa and MPS Finance

# Focus on Consum.it: the first pure Italian player

## Consumer finance

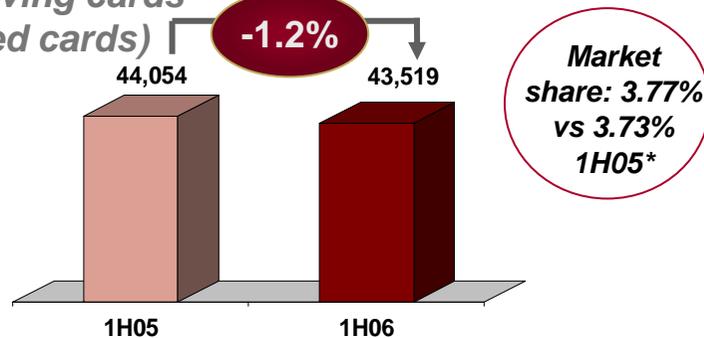


## Growth of first top ten players (avg growth YoY)

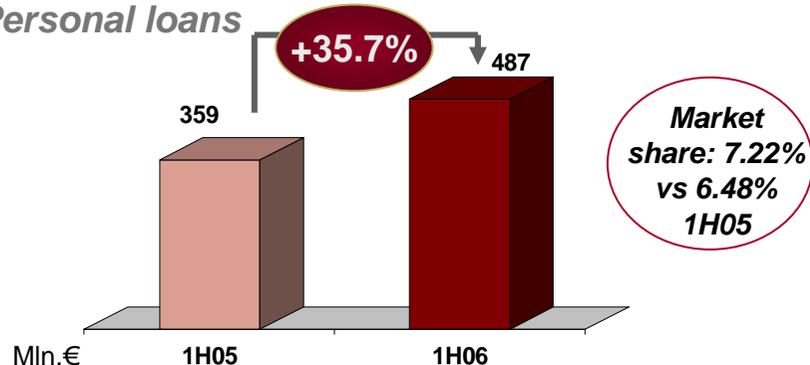


\* Source: Assofin at June 2006

## Revolving cards (issued cards)



## Personal loans

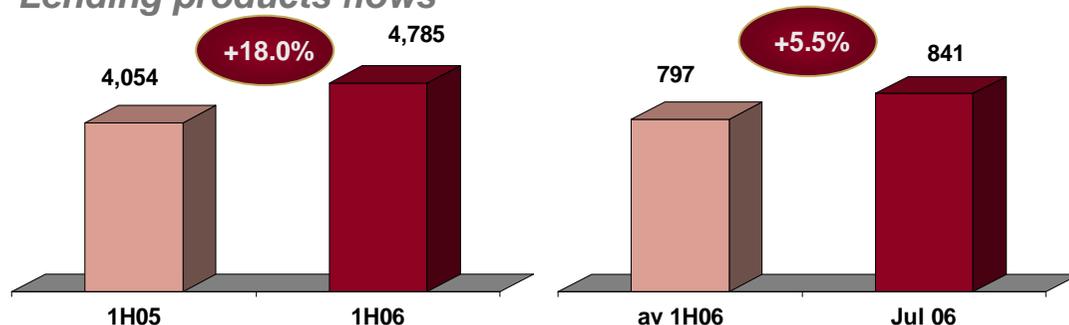


- ❑ Strong growth in commercial activity YoY: first among 10 Assofin top players for growth rate (+32.4%)
- ❑ Lending flows: Euro 1,359 mln (+32.3% YoY)
- ❑ Market share: 5.1%
- ❑ Cost/Income: 23.4%
- ❑ Net profit: Euro 18 mln

\* Non comparable information as starting from 2006, the perimeter for the calculation of this data has changed including cards with non revolving option

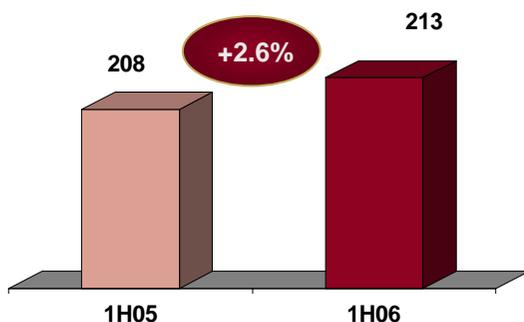
# Corporate Banking: first evidence of pick up

## Lending products flows

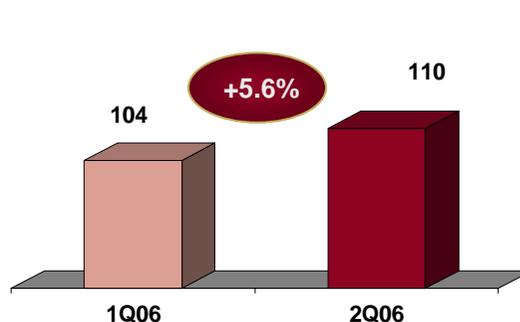


- Strong increase in lending products flows (+18.0% YoY and +4.8% QoQ), also confirmed by the trend of July (+5.5% vs monthly average 1H06)
- Active clients: 5,103 (vs 1,831 at 30.06.05)

## Net fees (YoY)

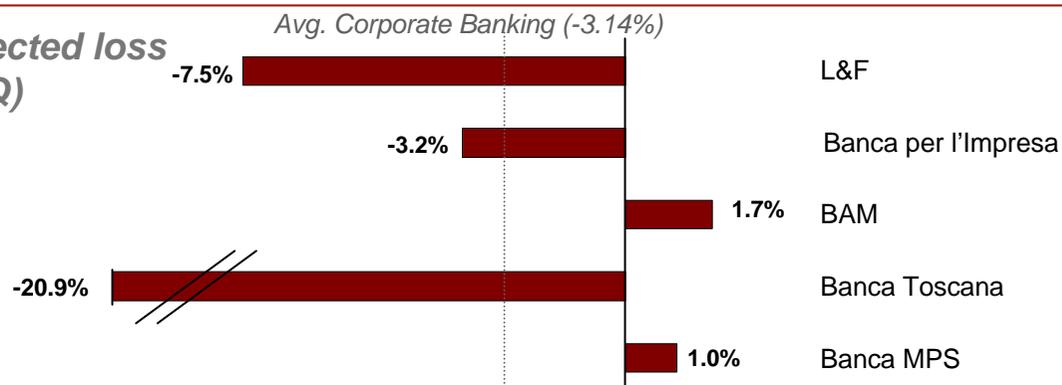


## Net fees (QoQ)



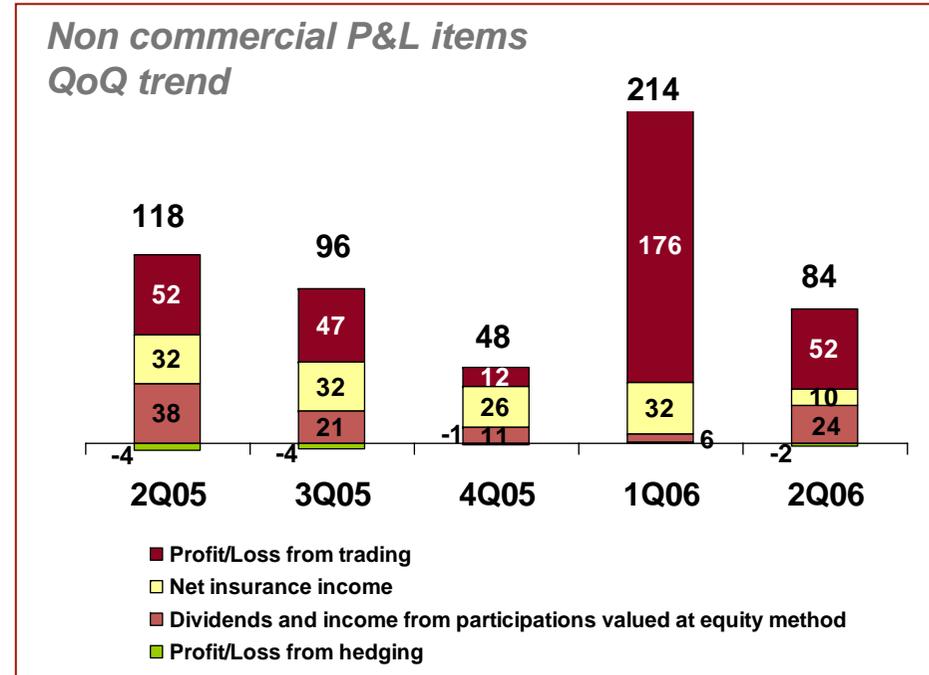
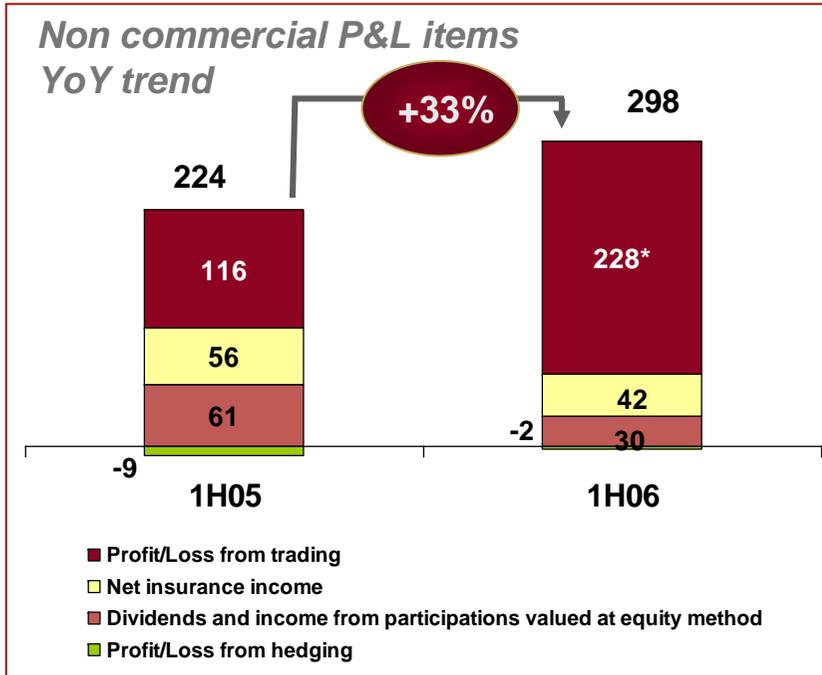
- Increase of net commission: +2.6% YoY and 5.6% QoQ
- Good results for product placement (+16.6% YoY), credit services (+2.6% YoY), payment and collection services (+6.7% YoY) and recouping of expenses (+2.5% YoY)

## Expected loss (QoQ)



- Improving in Corporate Business risk portfolio (-3.14% QoQ), in particular for Banca Toscana, L&F and Banca per l'Impresa
- RAROC up from 5.6% (31.12.05) to 9%

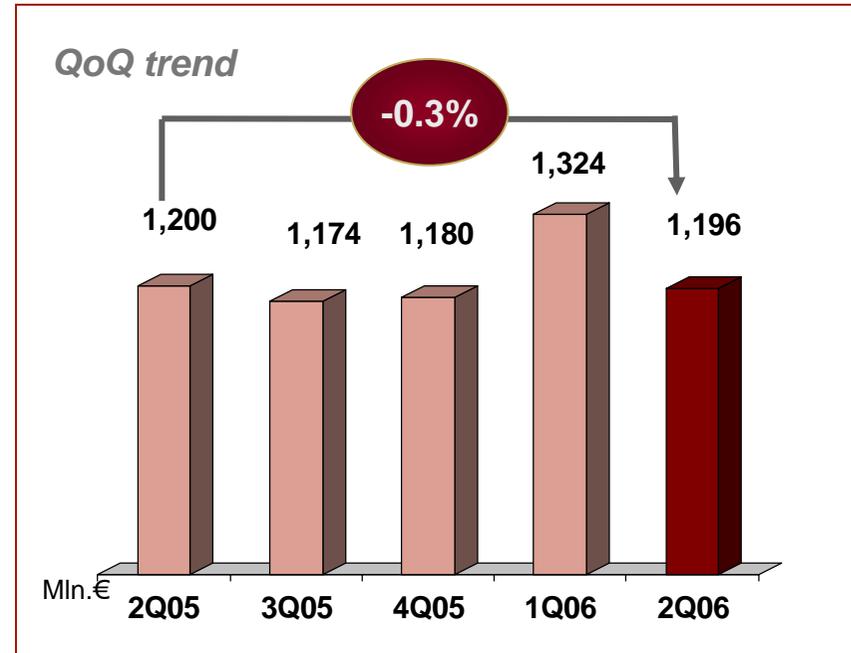
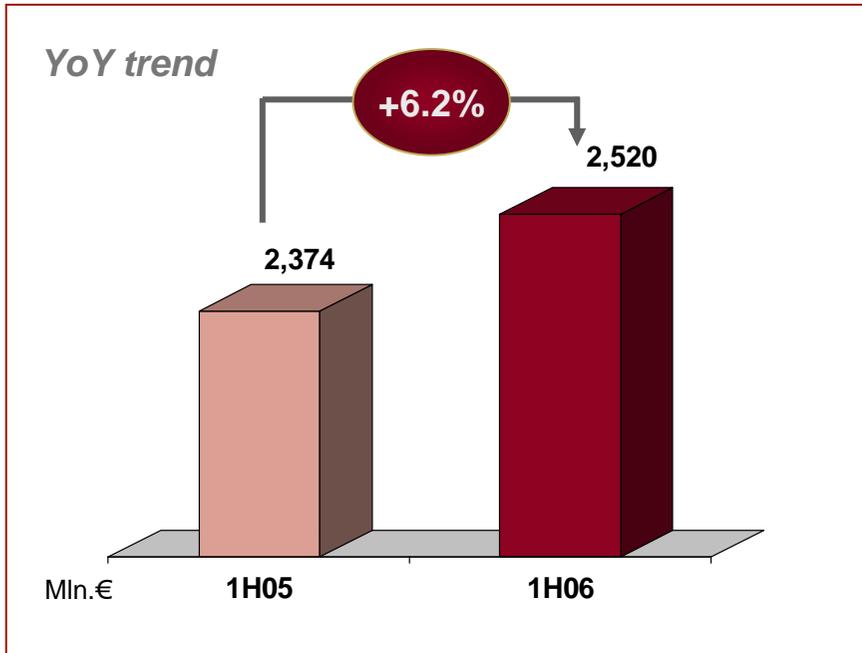
# Non commercial P&L items



- ❑ Good results of 2Q06 Profit/Loss from trading, even if affected by negative one-off items
- ❑ Net insurance income down (-25.9% YoY) due to the increase of interest rates during 2Q, already partially recovered during 3Q06

\* It does not include the capital gain connected to the divestment in Parmalat occurred in July (Euro 7.7 mln), that will be included in the 3Q06 results

# Total Revenues: the best structural quarter ever

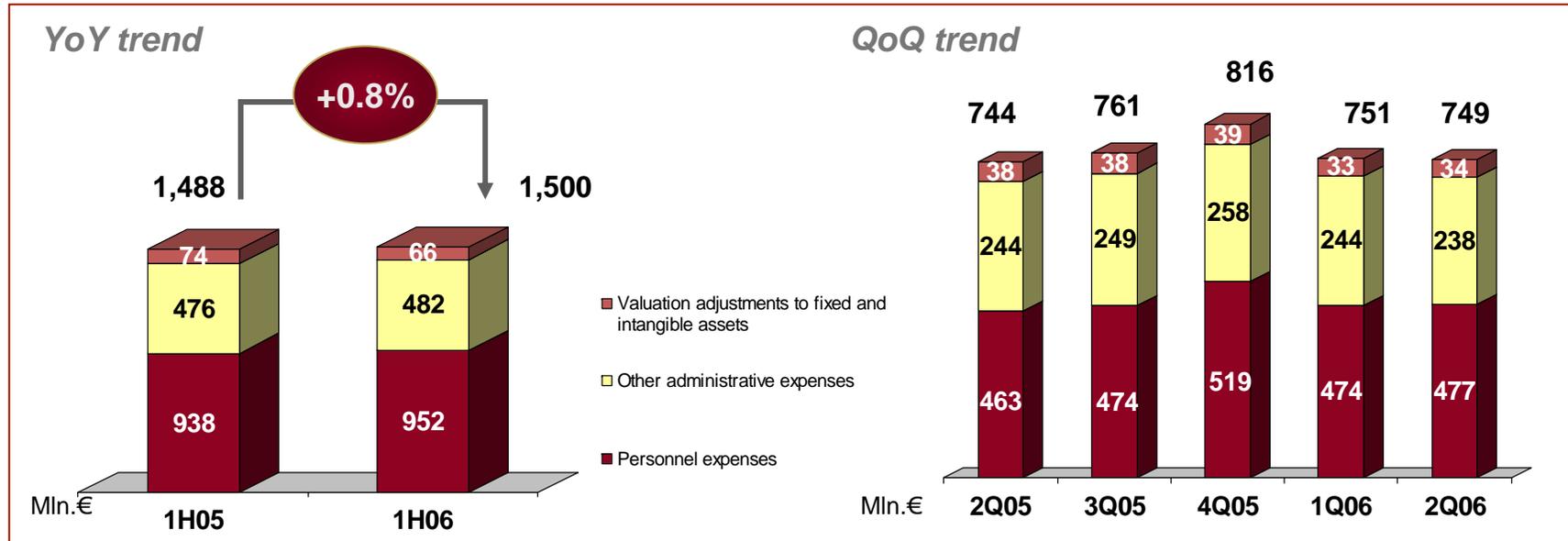


- ❑ Revenues increase by 6.2% YoY, in line with Business Plan growth targets
- ❑ Basic income component up 3.4% YoY
- ❑ During 3Q06 we expect a recovery of Bancassurance revenues and our new branches starting to deliver

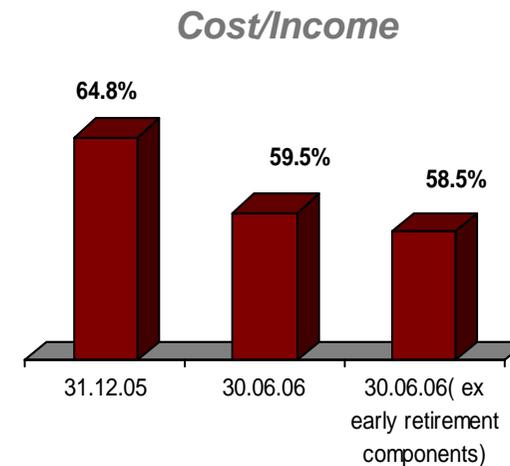
*Basic income*

Period	Basic Income (Mln.€)
av.2005	1,090
1Q06	1,109
2Q06	1,113

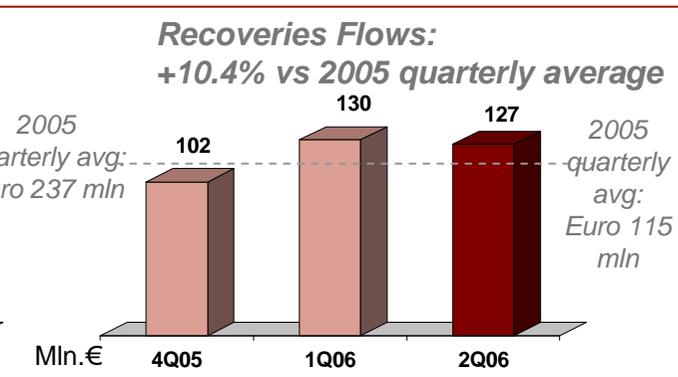
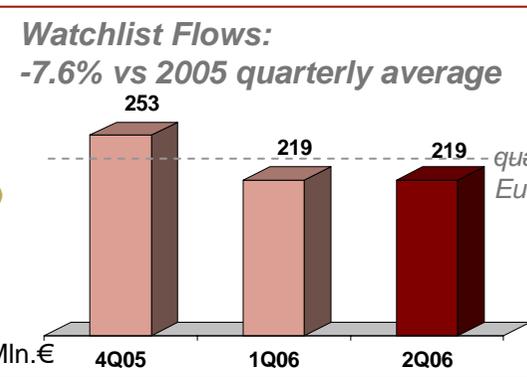
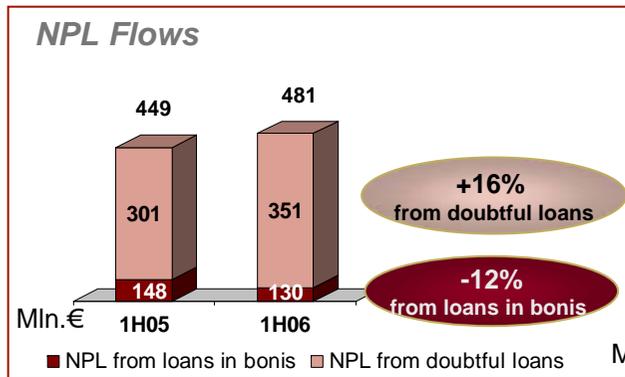
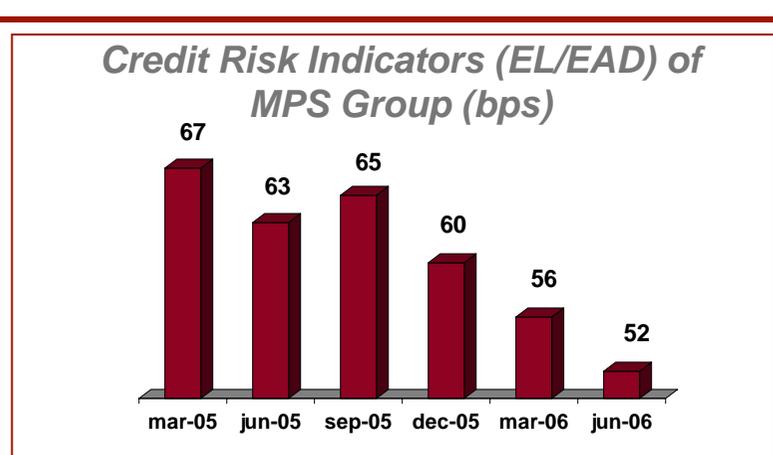
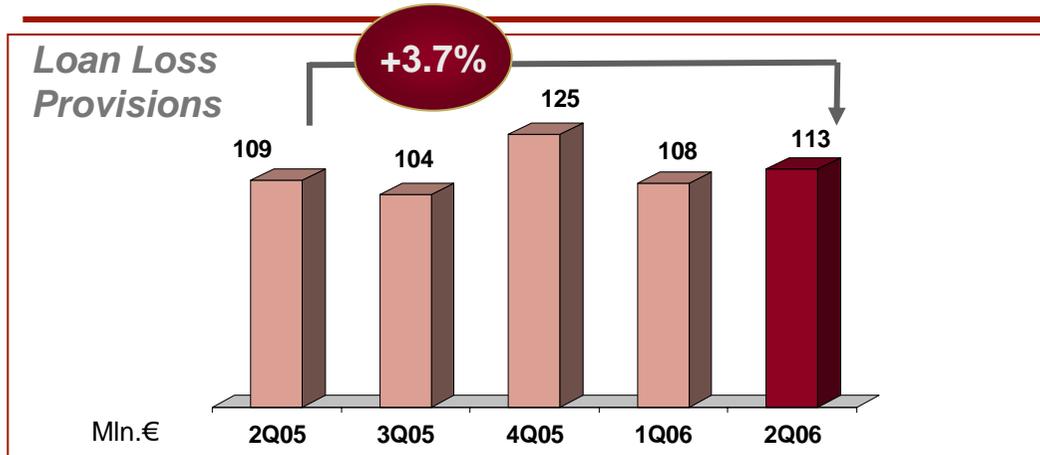
# Operating costs: cost cutting is going on



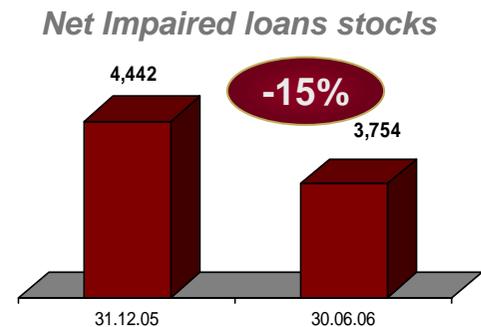
- Slight increase in costs (+0.8% YoY), in line with our targets, thanks to our steady commitment in cost cutting
- Personnel expenses affected by one-off related to early retirement (Euro 26 mln in 1H) and the effects of 2005 new labor contract (+1.7% YoY)
- Opening of 5 new Private Banking centres during 2Q (vs 2 in the 1Q) and 12 new branches (11 during 1Q)



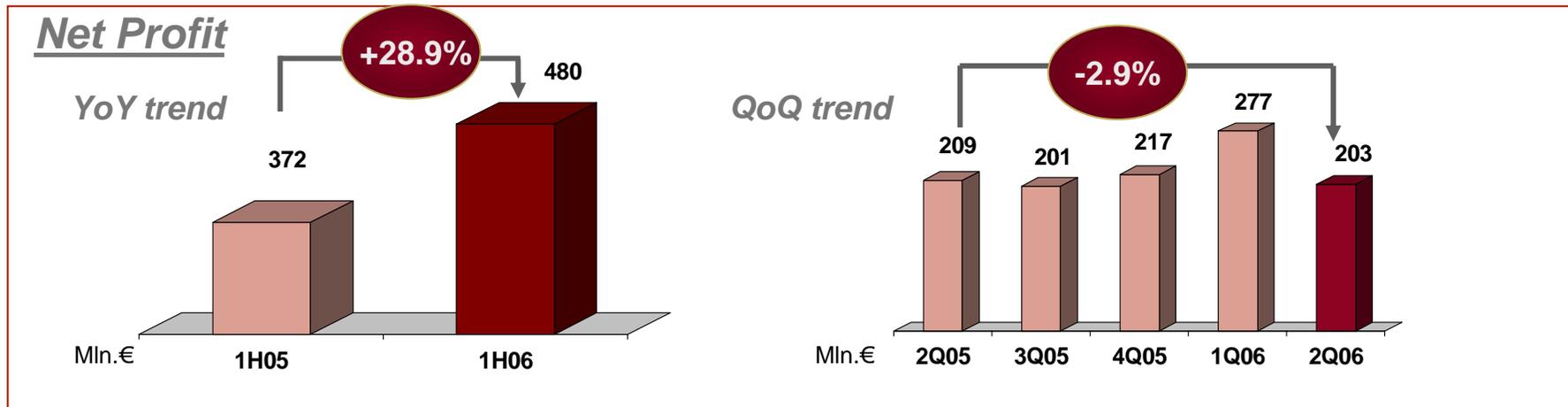
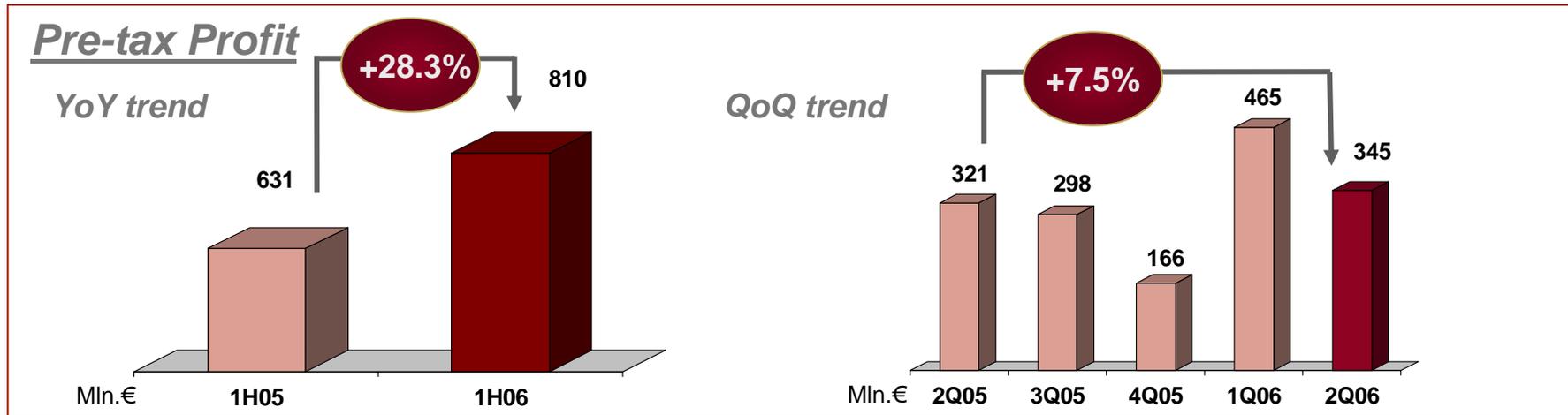
# Loan loss provisions and doubtful loans



- Provisioning down to 50 bps from 52 bps in March (51 bps vs 53 bps net of Tax Collection)
- Improvement of coverage of NPL from 51.8% to 52.8% QoQ (close to 65% considering write-off on initial loans)
- Annualized weight of gross non performing flows on total loans equal to 1.2%

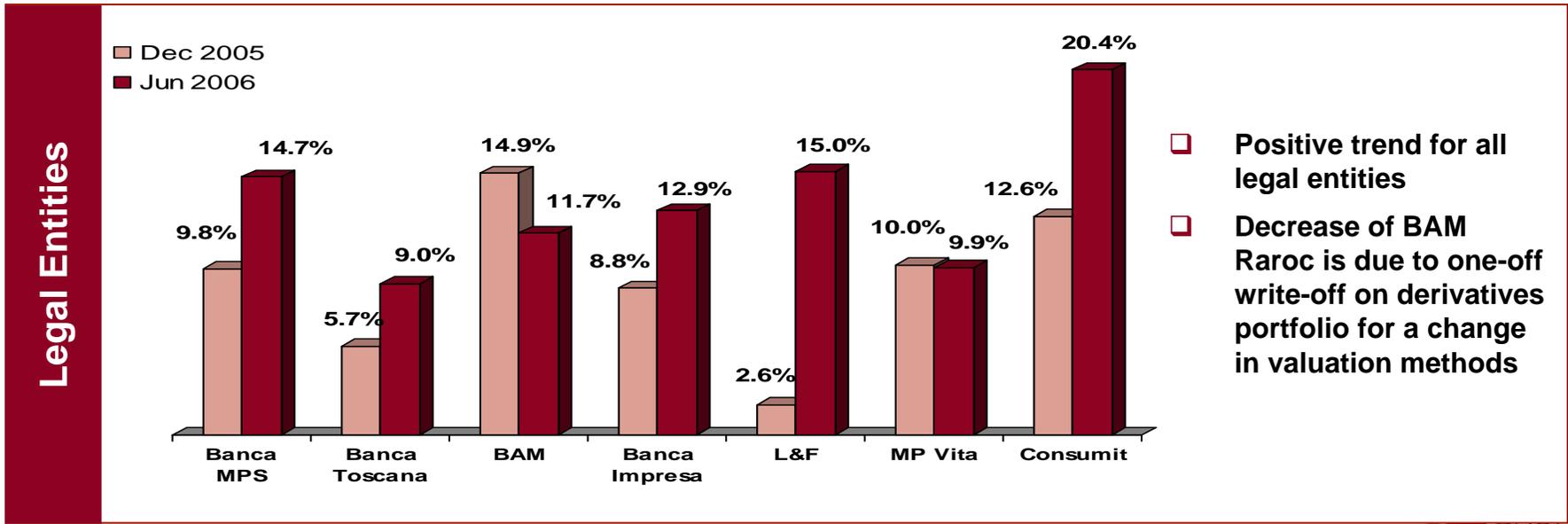
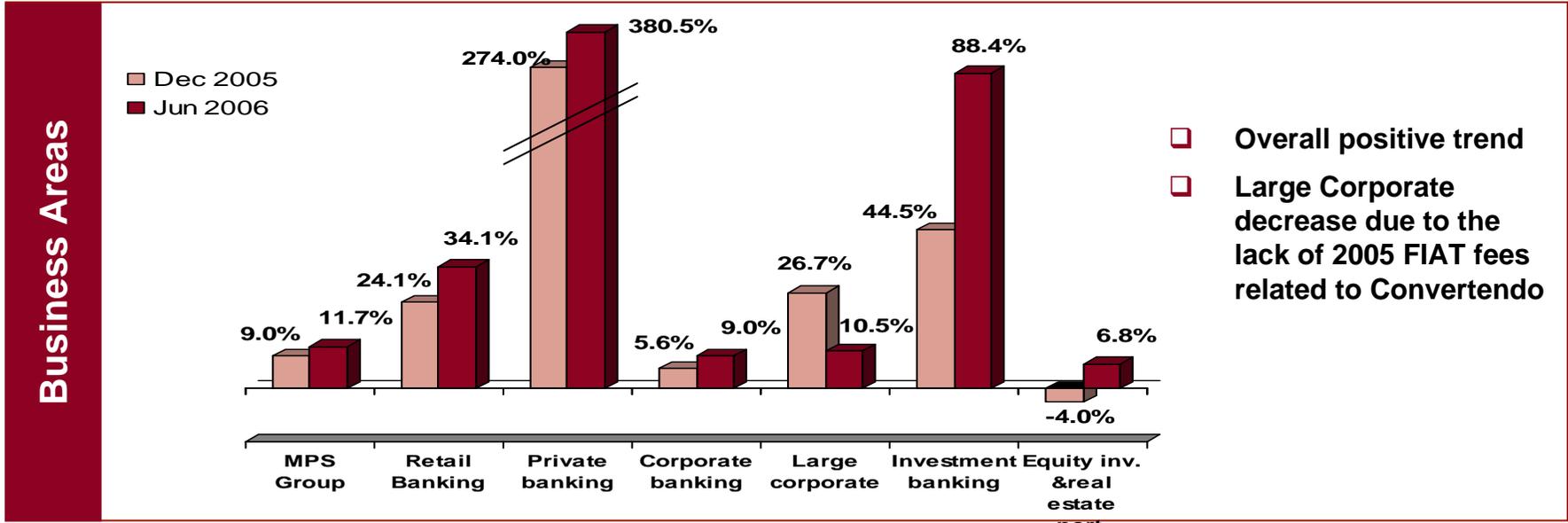


# Pre-tax Profit and Net Profit



- ❑ 2Q06 above net income Euro 200 mln threshold without tax benefit affecting 2005 and absorbing:
  - ❑ Euro 12 mln of write-off on Sorin (net)
  - ❑ Euro 8 mln of now undeductable LLP due to new law (net)

# RAROC: a general strong pick up



# Agenda

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Analysis of 1H06 Results

Business Plan update

Conclusions

Annexes

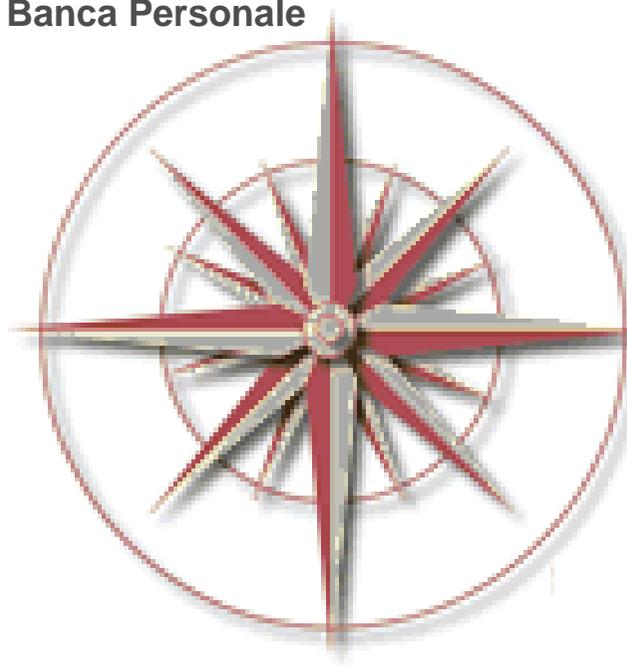
# The progress of our compass of change

## Profitability and value creation

- ❑ Net income 1H06 at Euro 480 mln (+29% YoY)
- ❑ RAROC at 11.7% vs 9% 2005
- ❑ First evidence of closing internal gaps on Banca Toscana, L&F and Banca Personale

## Optimization of capital and risk management

- ❑ EL/EAD -8 bps since December 05 down to 52 bps
- ❑ Capital allocated to equity holdings -10% vs 2005
- ❑ Significant reduction in financial assets and in interbanking exposure



## Governance model and business development

- ❑ All Business Plan initiatives implemented with 60 fully dedicated people
- ❑ More than 26,000 new customers in 1H06 and 23 new branches opened
- ❑ Cross selling +3 bps YoY

## Operating model & network redesign, increase in efficiency

- ❑ Redesigning of Corporate Center together with rationalization of commercial activities
- ❑ 400 employees have already joined our early retirement schemes
- ❑ Mandate for a JV in Bancassurance

# Main trends vs 03-06 BP target and vs 06-09 BP target

## Key indicators

	2003	2005	1H06	BP Target 2003-2006	BP Target 2006-2009
Roe	+7%	+13%	+13%	+14%	+18.1%
Cost/income	68%	64.8%	59.5%	57%	51.2%
Credit Cost	77 bps	51 bps	50 bps	61 bps	40 bps
Tier I	6.5%	6.5%	6.8%	7.2%****	7.5%
		2005	1H06 cum.	BP Target 2003-2006	BP Target 2006-2009
Opening/transfer of branches*		107	130	150	200
Net headcount*** reduction		1,500	1,400	1,700	450
		CAGR 03-05	1H06/ 1H05	BP Target 2003-2006	BP Target 2006-2009
Direct funding		+3.2%	+6.3%	3.4%	5.5%
Loans		8.9%	9.2%	5.8%	7.5%

- We are reaching our main 2006 targets
- Branches opening and headcount reduction on track. Significant human resources reorganization, started in 2Q06, will be fully completed in 1Q07
- Commercial flows are above targets with a good pace in 2Q
- Tax Collection is still in the perimeter (positive C/I impact net of Tax Collection c +1%)

\* Does not include Private Banking Branches

\*\* Increased to 200 in 2005

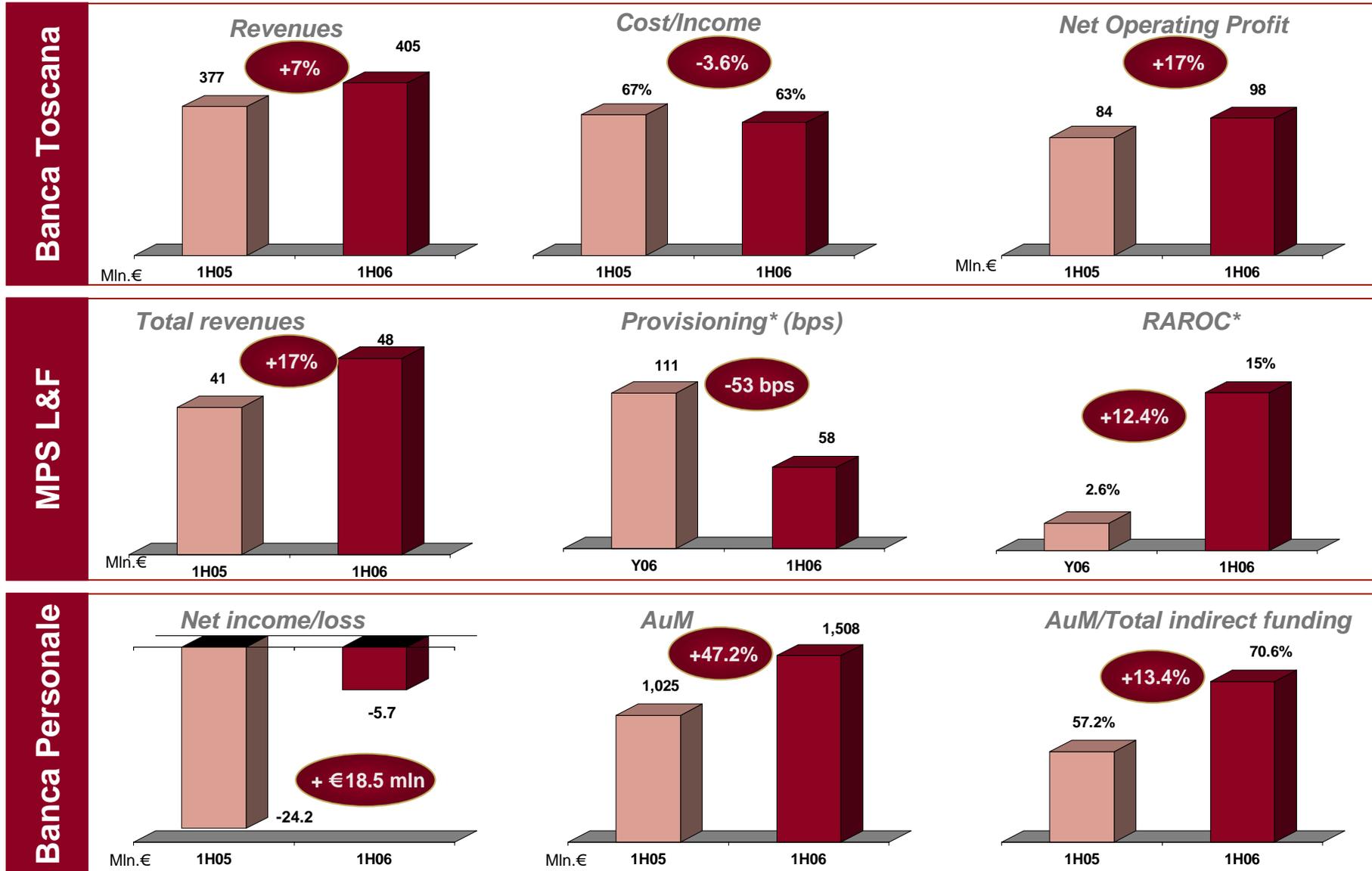
\*\*\* Does not include exits planned for 2H06 and 1Q07.

\*\*\*\* Core Tier 1 target: 7%

AuM and Funds under custody CAGR not included in the 2006-2009 Business Plan target: AuM: +4.6% 1H06/1H05 vs +10.6% CAGR 2003-2006 BP target.

Funds under custody: -3.3% 1H06/1H05 vs +1% CAGR 2003-2006 BP target

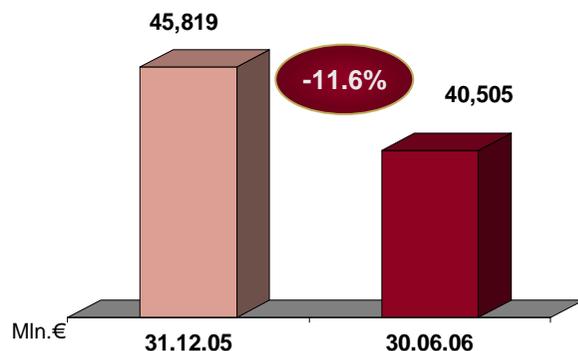
# First evidence of closing the internal gap



\* Annualised

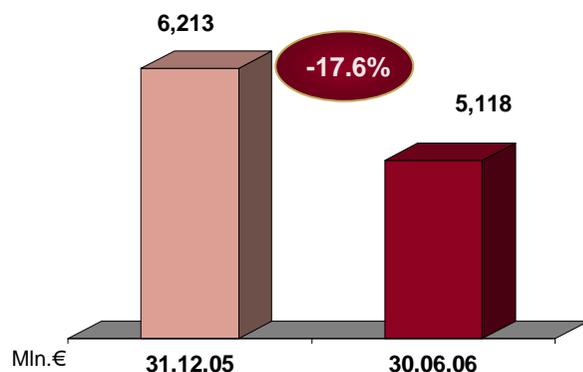
# The rebalancing of the capital allocation ...

## Financial Assets



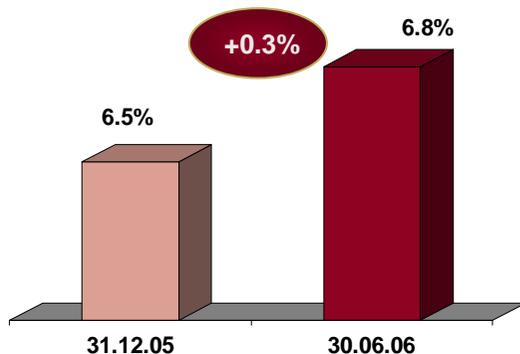
- Average VAR of Banca MPS during the 1H equal to Euro 9.31 mln; at 30.06.06 equal to Euro 7.96 mln
- Banking group trading financial assets at Euro 25 bn, down 15.9% vs year end

## Interbanking Exposure



- Decrease of the interbanking exposure (-17.6% YoY) and vs 31.12.05
- Decrease in line with Business plan targets

## Tier 1

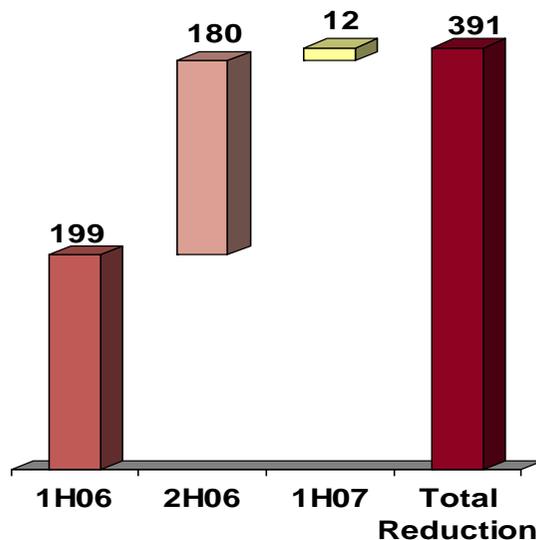


- Tier 1 increase from 6.5% at 31.12.05 to 6.8% at 30.06.06
- Total solvency ratio from 9.2% to 10%, thanks to the issuing of Euro 1.2 bn Upper Tier 2 instruments
- Capital allocated to equity holdings down 10% vs 2005 year end

## ... and the human resources mix

### Staff Reduction

Banca MPS staff reduction for early retirement schemes\*



- At Group level, 409 people have already joined the early retirement schemes, 105 top managers (dirigenti)
- 391 people have already joined the early retirement scheme of Banca MPS (1.6% headcount ex. Tax Collection and 23.7% of the total staff reduction forecast in our '06-'09 Business Plan)
- Exits planned throughout 2006 and beginning of 2007, with economic effects starting from 3Q06
- Implementation of early retirement schemes for Banca Toscana, BAM and other GMPS companies
- Employees average age: 41.7 years (vs 42.7 in 2005)

### Rebalancing Resource Allocation

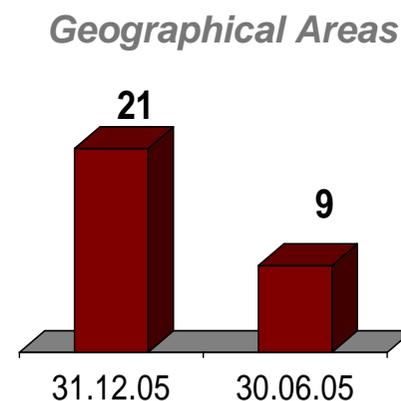
- 80% of Banca MPS staff reduction for early retirement (about 310 people) involved Headquarters
- Enhancement of the network with 200 new people in 1H06
- Implementation of incentive schemes mainly addressed to people employed in the network
- Front office/Back office ratio: +1% from December 2005

\* Figures related to Banca MPS. Early retirement schemes for Banca Toscana, BAM and other GMPS companies are ongoing

## Other main organizational initiatives: our first 100 busy days

- ❑ Implementation of Business Plans for all Group's Banks
- ❑ All Business Plan initiatives up and running, with 60 fully dedicated people
- ❑ Creation of a new centre dedicated to the requalification and training of staff, with the aim to retrain people, previously working at head office level, to commercial activities (130 QoQ)
- ❑ Implementation of a new organizational structure, through the centralization of "non core" activities of Banca MPS division to Head Office

- ❑ The Geographical Areas down from 21 to 9\*
- ❑ They will perform governance and supervision of functions in order to guarantee an optimal level of management, efficiency and effectiveness



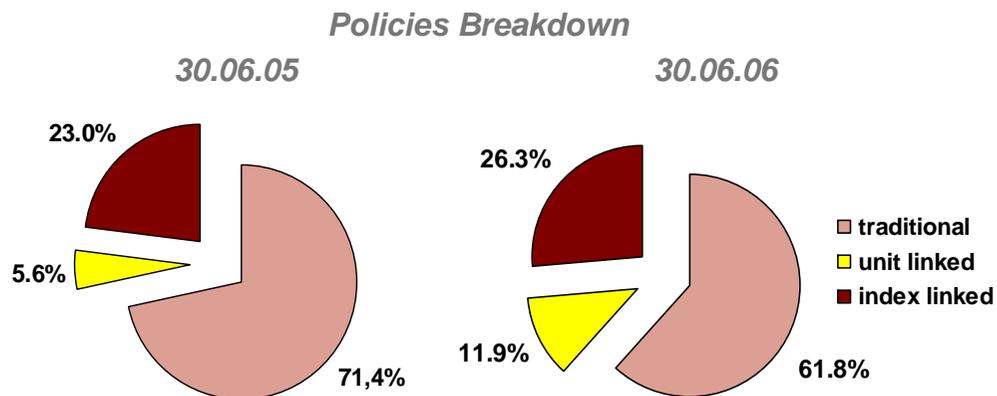
\* For Banca MPS

# Bancassurance: on-going progress on JV

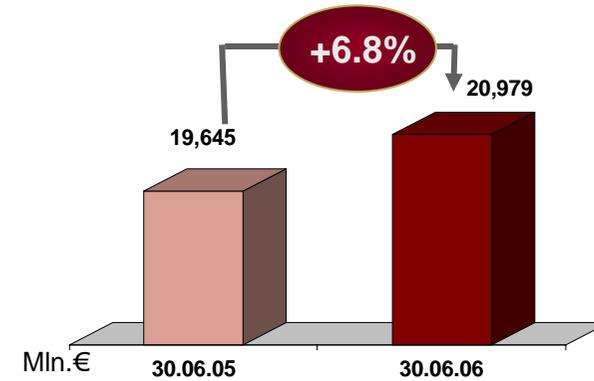
## Joint Venture

- Board gave mandate to JP Morgan and Mediobanca to find a partner
- Ideally, within 3 months a decision will be taken

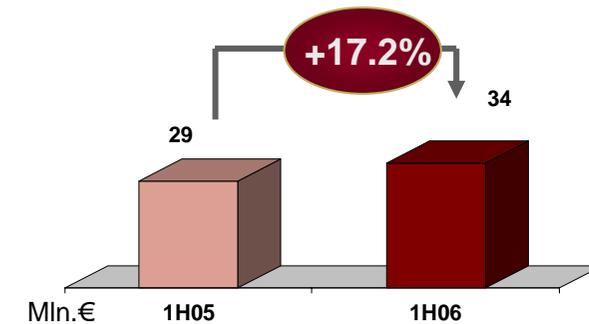
- Traditional flows: Euro 1,378 mln (-28,5% YoY, +16.3% QoQ)
- Index linked flows: Euro 587 mln (-5.6% YoY)
- Unit linked flows: Euro 265 mln (+75.5% YoY)



## Life insurance Stock



## P&C flows



- P&C net income: Euro 6 mln

\* MPVita Group (MP Vita +MP Life) + Quadrifoglio (partecipated at 50%)

# Agenda

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- Analysis of 1Q 2006 Results
- Business Plan update
- Conclusions
- Annexes

## Conclusions: working hard and delivering is our rule

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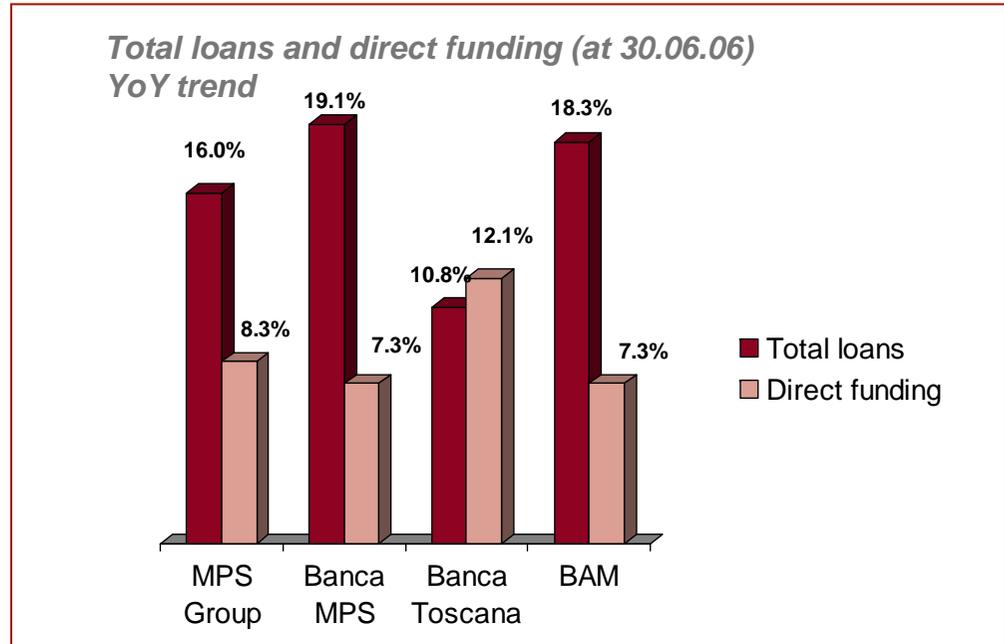
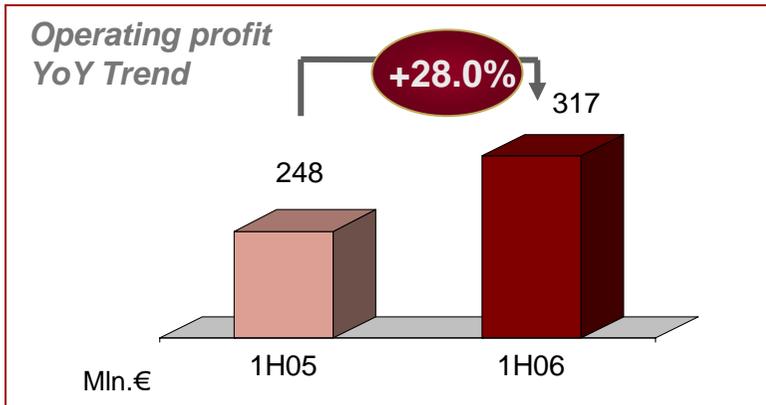
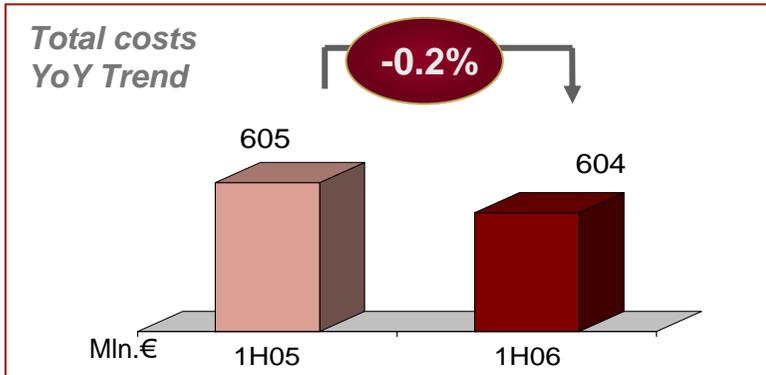
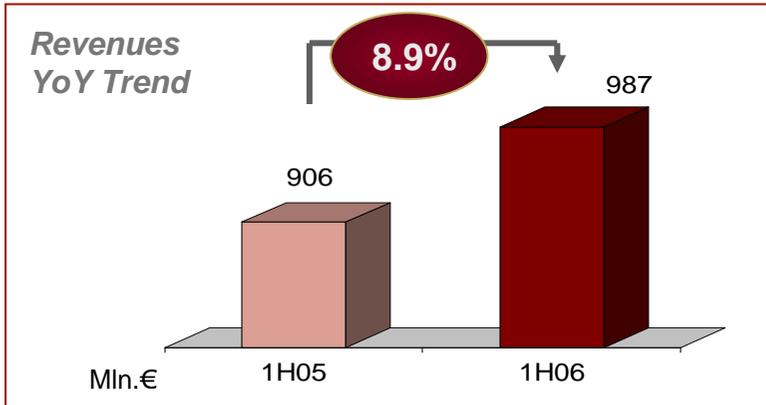
- ❑ **We are on track with our 2006 Business Plan and we confirm our profitability targets**
- ❑ **Our commercial activities are proceeding at a good pace, with a good acceleration in volumes during 2Q that has been confirmed during the summer**
- ❑ **We published a challenging and innovative Business Plan that will unlock the value of the Bank**
- ❑ **Impressive delivering of initiatives by our new management in the first 100 days as announced in the Business Plan**
- ❑ **We are finalizing a bancassurance partnership that will help us to be among the best players in this business**

# Agenda

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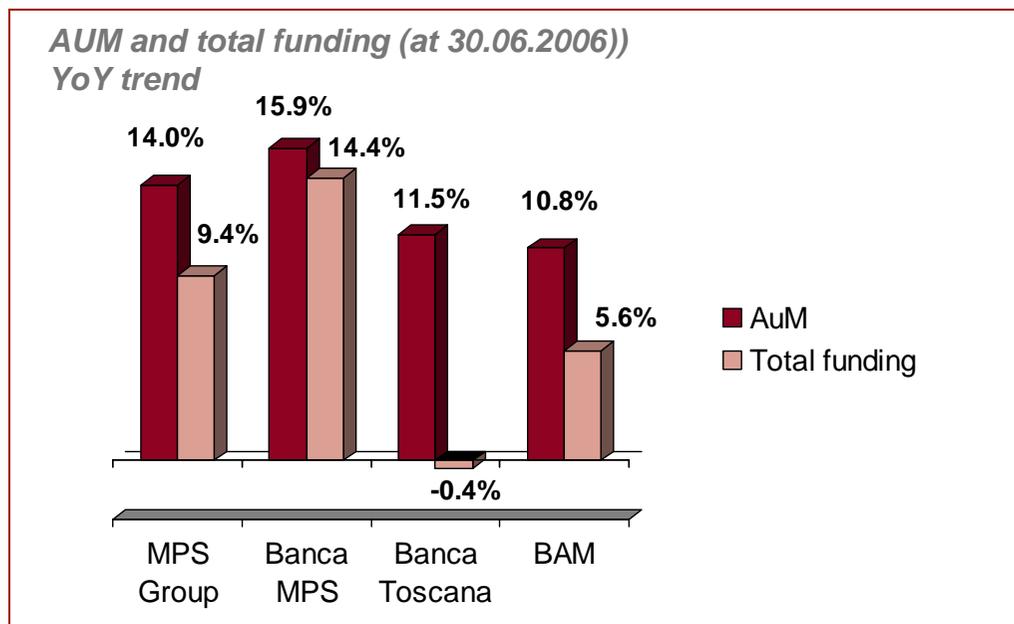
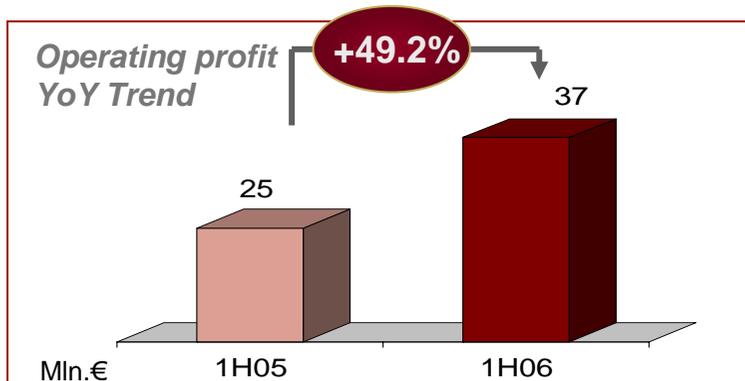
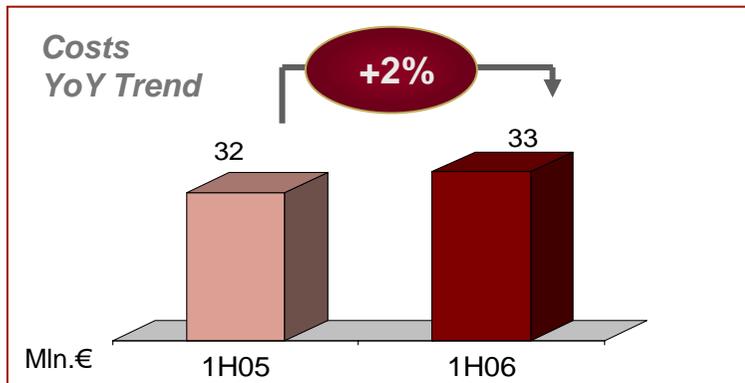
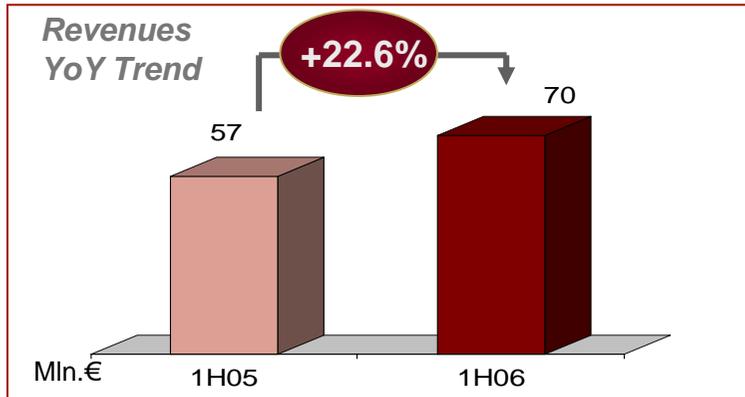
- Analysis of 1Q 2006 Results
- Business Plan update
- Divisional analysis
- Annexes

# Retail Banking



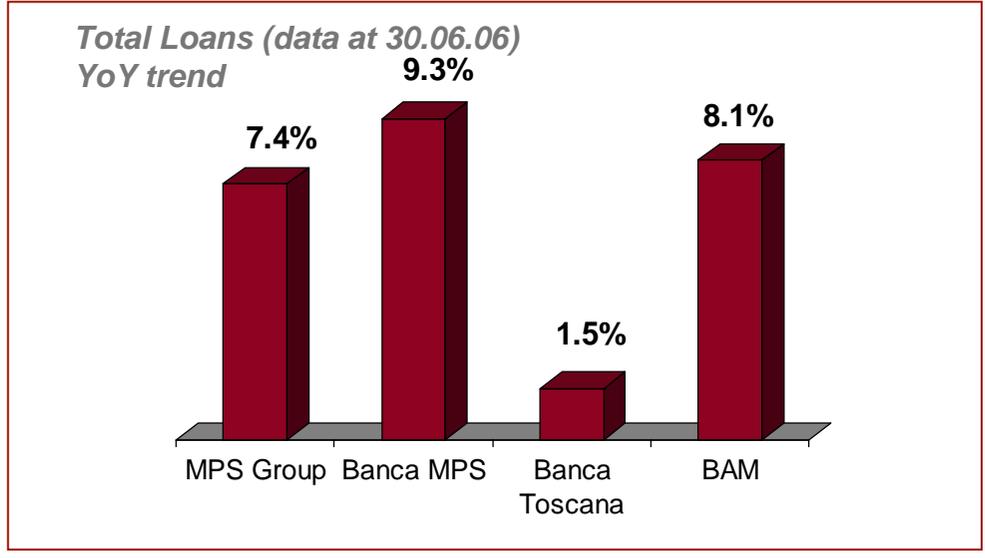
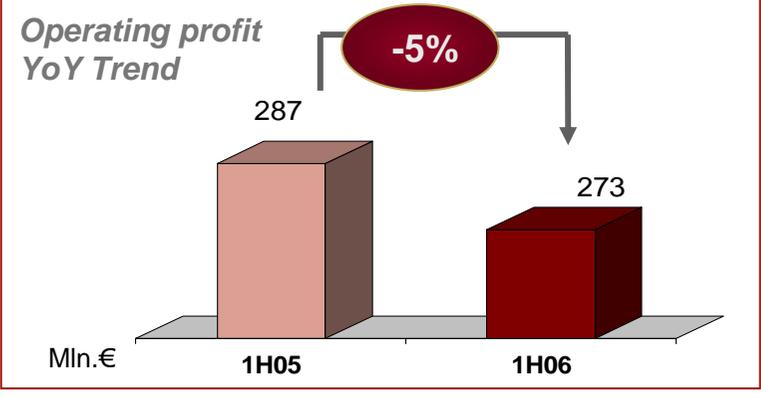
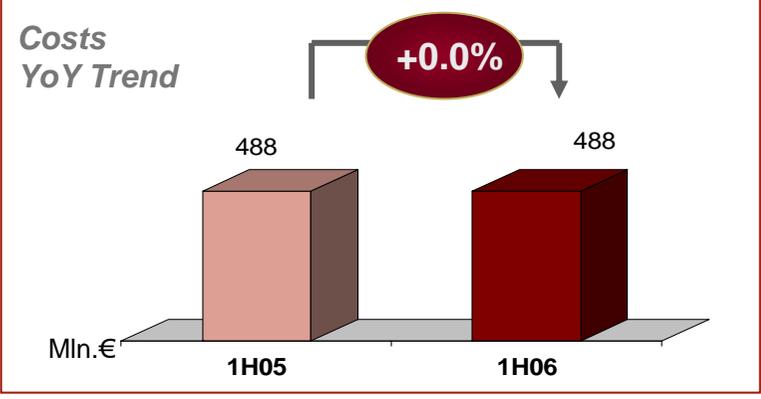
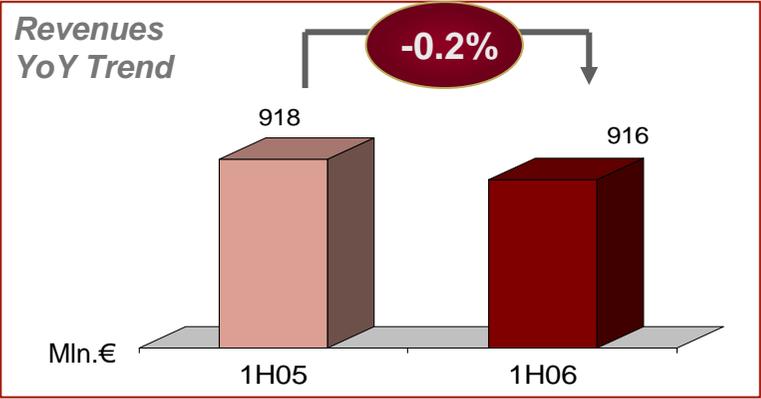
- ❑ **Commercial banking contribution: +6.2% vs 1Q06 and +17.2% vs 2Q05**
- ❑ **Positive contribution from continuing fees from AUM (+14.5% YoY)**
- ❑ **Significant increase (+24% YoY) in medium/long term loans**

# Private Banking



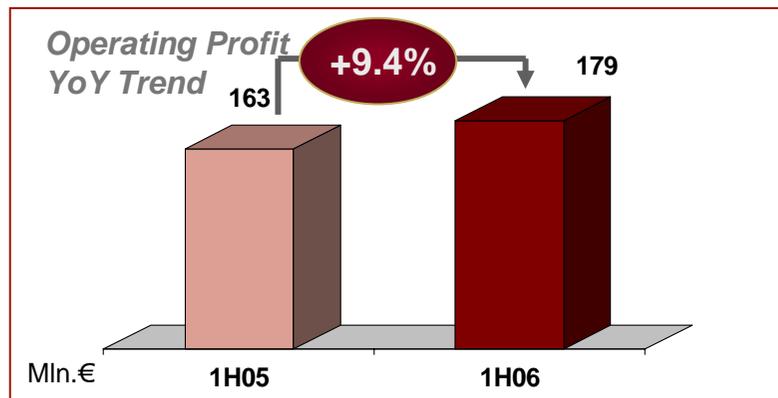
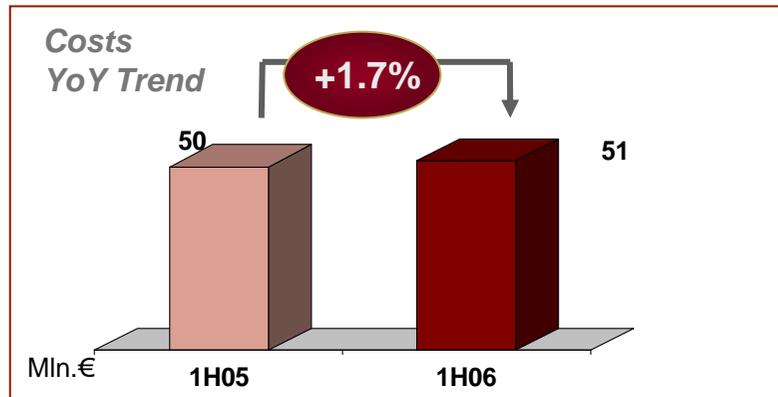
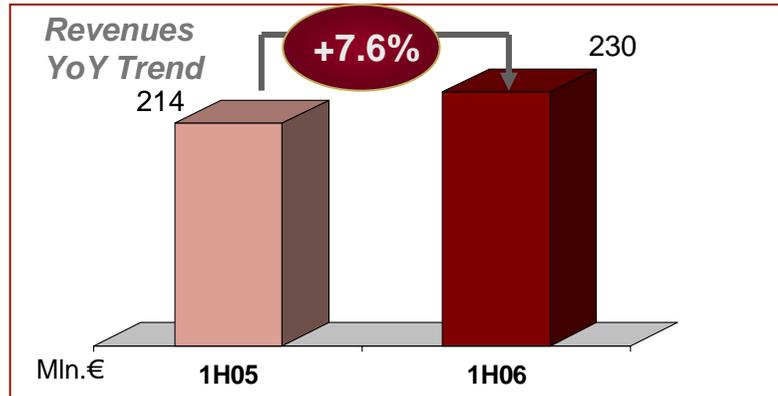
- ❑ **Strong growth of net fees (+21.3% YoY) and recurring AUM fees (+28% YoY)**
- ❑ **Flows on savings products +17% YoY, flows on AUM +54% YoY**
- ❑ **Opening of 5 Private Banking centers during 2Q06 for Banca MPS, on top of the 2 opened during 1Q06 (1 for Banca MPS and 1 for BAM)**

# Corporate Banking



- ❑ Roll out of Banca Toscana SMEs Centers continues (17 new centers vs target of 26 within October)
- ❑ Loans up 7.4% YoY
- ❑ Profitability from net fees is starting to recovery (+2.6% YoY), mainly thanks to fees from payment services (+6.7% YoY)
- ❑ Reduction of Watchlist of Banca per l'Impresa (-6.2% YoY) and increase in recoveries of 73% YoY

# Investment Banking



- ❑ **MPS Finance: excellent increase in revenues +44.6% YoY thanks to innovative products and good performance**
- ❑ **MPS Finance retail product flows (+75% YoY), Corporate derivatives products flows Euro 2.1 bn (+25% YoY)**
- ❑ **Intermonte: good increase in revenues (+13.5% YoY) thanks to strong increase in fees (+21.9% YoY)**

# Profit & Loss

## MPS GROUP

### ■ INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA

	30/06/06 (*)	30/06/05 restated (**)	change	
			Abs.	%
<b>Net interest income</b>	<b>1,318.8</b>	<b>1,268.2</b>	<b>50.6</b>	<b>4.0%</b>
Net commissions	903.0	881.1	21.9	2.5%
<b>Income from banking activities</b>	<b>2,221.8</b>	<b>2,149.3</b>	<b>72.5</b>	<b>3.4%</b>
Dividends, similar income and profits (losses) from equity investments	30.3	61.0	-30.7	-50.3%
Net result from realisation/valuation of financial assets	228.4	116.3	112.0	96.3%
Net gain (loss) from hedging	-1.8	-8.5	6.8	ns.
Net insurance income (loss)	41.5	56.0	-14.5	-25.9%
<b>Financial and insurance income (loss)</b>	<b>2,520.2</b>	<b>2,374.2</b>	<b>146.1</b>	<b>6.2%</b>
Net adjustments for impairment of:				
a) loans	-220.9	-198.4	22.4	11.3%
b) financial assets	-13.9	2.2	ns.	ns.
<b>Net financial and insurance income (loss)</b>	<b>2,285.5</b>	<b>2,178.0</b>	<b>107.5</b>	<b>4.9%</b>
Administrative expenses:	-1,433.2	-1,414.0	19.2	1.4%
a) personnel expenses	-951.7	-938.1	13.7	1.5%
b) other administrative expenses	-481.5	-476.0	5.5	1.2%
Net adjustments to the value of tangible and intangible fixed assets	-66.5	-73.6	-7.2	-9.8%
<b>Operating expenses</b>	<b>-1,499.7</b>	<b>-1,487.7</b>	<b>12.0</b>	<b>0.8%</b>
<b>Net operating income</b>	<b>785.8</b>	<b>690.3</b>	<b>95.5</b>	<b>13.8%</b>
Net provisions for risks and liabilities and Other operating income/costs	24.1	-30.1	54.2	ns.
Goodwill impairment	-0.3	-29.0	28.7	ns.
Gains (losses) from disposal of investments	0.17	0.0	0.1	ns.
<b>Gain (loss) from current operations before taxes</b>	<b>809.7</b>	<b>631.1</b>	<b>178.7</b>	<b>28.3%</b>
Taxes on income for the year from current operations	-322.6	-249.0	73.6	29.6%
<b>Gain (loss) from current operations after taxes</b>	<b>487.1</b>	<b>382.1</b>	<b>105.0</b>	<b>27.5%</b>
Gain (loss) on fixed assets due for disposal, net of taxes	0.0	-0.2	0.2	ns.
Minority interests in profit (loss) for the year	-7.0	-9.5	-2.5	-26.2%
<b>Net profit (loss) for the year</b>	<b>480.1</b>	<b>372.4</b>	<b>107.7</b>	<b>28.9%</b>

(\*) 2006 figures include "line by line" tax collection area results

(\*\*) Dati ricostruiti sulla base delle disposizioni Bankit introdotte con circolare n. 262 emanata nel dicembre 2005.

# Segment Reporting

## ■ SEGMENT REPORTING - Euro mln

30/06/06	Retail Banking	% chg.	Private Banking	% chg.	Corporate Banking	% chg.	Investment Banking	% chg.
<b>Income aggregates</b>								
<b>Financial and insurance income (loss)</b>	<b>986.7</b>	<b>8.9%</b>	<b>70.0</b>	<b>22.6%</b>	<b>916.2</b>	<b>-0.2%</b>	<b>229.9</b>	<b>7.6%</b>
Net adjustments for impairment of loans and financial assets	-65.2	24.1%	-0.3	59.6%	-155.2	8.6%	0.0	n.s.
Operating expenses	-604.0	-0.2%	-32.9	2.0%	-488.0	0.0%	-51.2	1.7%
<b>Net operating income</b>	<b>317.5</b>	<b>28.0%</b>	<b>36.9</b>	<b>49.2%</b>	<b>272.9</b>	<b>-5.0%</b>	<b>178.7</b>	<b>9.4%</b>
<b>Capital aggregates</b>								
Customer loans	22,739.1	20.4%	388.3	3.9%	49,825.2	7.3%	37.3	18.4%
Due to customers and securities	36,866.1 *	8.3%	3,207.2	18.8%	20,127.8	6.7%	176.9	-7.3%
AuM	30,954.6	1.4%	10,374.7	14.3%	4,421.1	-0.2%		
<b>Profitability Ratios</b>								
Cost Income	61.2%		46.9%		53.3%		22.3%	
Raroc	34.1%		380.5%		9.0%		88.4%	

(\*) Values do not include index-linked funding, included as usual in the aggregate "assets under management".

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