PRESS RELEASE

<u>2007 first half results approved</u>

MPS GROUP: NET PROFIT OF € 513.8 MILLION

Strong acceleration of commercial flows,
83,000 new customers in the first half of the year

- **Significant structural growth of main revenue components**
  - **Net interest income: + 7.6%**
  - **Income from banking activities: + 5.7%**

- **Considerable increase in operating volumes and market shares**
  - **Loans: +14.8% (market share at 6.46%, +19 bps vs. year-end 2006)**
  - **Leasing: +15% (market share at 3.36%, +95 bps vs. year-end 2006)**
  - **Consumer credit: +6.5%**
  - **Mortgages: +32%**
  - **Direct funding: +10.4% (market share at 6.65%, +17 bps vs. 2006)**
  - **Saving products flows: +13.9%**

- **Significant increase in customer base: +83,000 customers in the first six months of the year, more than 100,000 including customers managed directly by Consum.it**

- **Decrease in cost/income ratio: 57% (from 60.9% at year-end 2006 and 64.8% in 2005).**

- **Decrease in the percentage of deteriorated loans (-22 bps vs.2006) and increase in their coverage (+90 bps vs. year-end 2006)**

- **Net profit of € 513.8 million: +6.6% (+18% net of proceeds from sale of equity investments)**

- **R.O.E. (on year-end equity) at 14.2% compared with 13.3% of 2006**

- **CDO/subprime mortgage exposure: Group exposure is limited to € 50 million on the CDO/subprime mortgage sector, substantially offset by an hedging structure**

Siena, 10 September 2007. Today, the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. approved the interim results at 30 June 2007 of the MPS Group.

Key consolidated figures

In the first six months of 2007, the **MPS Group** achieved very significant commercial results while increasing the quantity and quality of its relational assets and reinforcing its position in its main business segments. These results confirm the growing commercial effectiveness of the platforms specialized by customer segment and the progressive benefits of the policies and strategies laid down in the 2006-2009 Business Plan.

From an operating and income standpoint, results featured growth as regards both (a) development of **asset and commercial performance** with significant growth in volume intermediated, also in terms of market shares, and (b) profit performance, as demonstrated by the upswing recorded in **income from banking activities** (+**5.7%** vs. 1H 2006), **net operating income (**which came **to € 825.2 million)** and **net profit (€ 513.8 million, up 6.6% with respect to the first half of 2006).**

In particular, the analysis of the **consolidated financial and insurance income** shows:

net interest income at €1,415.5 million (+7.6% vs. 1H 2006) which benefited from the good development of average volume intermediated (+12.7% year-on-year). In particular, direct funding grew by 10.4% year-on-year (market shares stood at 6.65%, +17 bps vs. year-end 2006), and loans by 14.8% (market shares to 6.46%, +19 bps vs. year-end 2006). Short-term loans showed positive and robust growth (+16% year-on-year) while the respective market share increased (7.06% from the 6.66% at year-end 2006). Interest rate spread was in line with the June 2006 level.

As regards the contribution of the commercial areas, we highlight the significant progress of the commercial banking area (+10% year-on-year) driven by the major increase in volumes (+10.6% vs. the first half of 2006) while the impact of the finance area (€ 22.2 million compared with € 49 million in the first half of 2006) must be read together with the excellent results obtained in trading revenues.

With reference to the quarterly developments, there was a positive increase in net interest income equal to € 714 million (+5.2% with respect to the first quarter of the year) proving the good commercial performance of the Group.

net commissions showed growth (+2.4% vs. 30 June 2006) to € **771.1 million** and there was a considerable increase in the contribution of the corporate area (+10.7% vs. 30 June 2006) and the commercial banking area (+7.7% vs. 30 June 2006). A breakdown of commission income by type shows an increase in asset management revenue (+2.3% year-on-year, despite the elimination as of January 2007 of over-performance fees on the Ducato fund, which amounted to € 25.6 million in the first half of 2006) and constant progress in the revenue components from traditional services (+4.3% year-on-year).

Bringing about the positive evolution of both primary revenue components was the strong acceleration in the number of Group customers: +83,000 in the first six months of the year, including 81,500 retail (families and Small Business) and around 1,400 corporate. The total was +101,000 including stand-alone customer relationships managed directly by Consum.it.

net result from realisation/valuation of financial assets came to **€ 212.6 million** (€ 228.4 million at 30 June 2006, thanks to some € 80 million arising from sale of Fiat and BNL equity investments) which benefited from the appreciable improvement in the contribution of trading activities performed by the Parent Company and MPS Finance.

Among the other items forming total financial and insurance income, there were also **dividends, similar income and profits/losses from equity investments, which amounted to** € 38.2 million (vs. € 30.3 million in 1H06) of which € 26 million in profits referring to the sale of part of the shareholding held in Finsoe, assigned in the first quarter.

Overall, consolidated banking and insurance income thus amounted to €2,439.1 million (+4.9% vs. 30 June 2006), with the "top-quality" component (net interest income and customer fees) increasing by 5.7% compared to the previous year. Net of the gains on sale of equity investments, the **increase in financial and insurance income compared to June 2006 was 7.5%**.

As regards the cost of lending and financial assets, we highlight the following:

“**net adjustments for impairment of loans” amounted to € 225.5 million**, which express a provisioning rate of approximately 46 bp and involve an additional strengthening (+90 bps with respect to year end 2006) of provisions against deteriorated loans.

“**net adjustments for impairment of financial assets"** with **a positive balance of € 2.9 million**

Financial and insurance income amounted to € 2,216.4 million (+5.1% at June 2006, + 8.0% net of gains from disposal of equity investments).

Operating expenses (€ 1,391.2 million) were up by 1.6% with respect to the € 1,369.8 million in the first half of 2006 and in line with the objective of a programmed decrease by year end.

Specifically:

“**personnel expenses"** stood at **€ 868.8 million,** posting a decrease of 0.7% on last year due mainly to the staff reorganization initiatives carried out in the previous financial year. The total also includes the estimated expenses against the contract renewal and benefits connected to changes in the accounting treatment applicable to employee benefits, following the reform of Italian supplementary social security (approximately € 13 million).

“**other administrative expenses” amounted to € 467.7 million** (+8.5% vs. 30 June 2006) due to development of the network (six new branches, six SME/Entity Centres, seven Private Centres, and the lease contracts already signed on more than 60 new branches), the advertising campaign in the second quarter and consulting expenses related to Business Plan and extraordinary events.

“**net value adjustments on tangible and intangible assets” totalled € 54.7 million** (down 14.7%).

Cost/income ratio, including amortization and depreciation thus decreased **57%** (60.9% as at December 2006).

Due to the effect of the actions mentioned above, **net operating income** came to **€ 825.2 million (+11.6% yoy).**

As regards the breakdown by **business area outlined in the 2006-2009 Business Plan**, the **Commercial Business segment** showed a growing contribution during the year in question. This segment benefited both from the **enhanced effectiveness of platforms specialized by customer segment and from a well-conceived customer relationship policy and communications and marketing campaigns on products.**

More specifically:

Commercial Banking/Distribution Network:

- financial and insurance income: +9.3% year-on-year
- net operating income: +23.3% year-on-year
- customer loans: +10.6% year-on-year

Private Banking/Wealth Management:

- financial and insurance income: -7.8% year-on-year[1]
- operating income: -14.8% year-on-year
- direct funding: +14.2% year-on-year

Corporate Banking/Capital Markets:

- financial and insurance income: +3.5% year-on-year
- net operating income: +7.9% year-on-year
- customer loans: +15.3% year-on-year

- [1] As a result of restructuring of MPS SGR AM's management fees (cancellation of performance fees), which led to higher retrocession fees for the Group's networks.

Completing the income picture are **total taxes** that amounted to € 326.6 million (€ 310.2 million at June 2006)**, resulting in a "tax rate" of around 39%**.

Gains (losses) on fixed assets due for disposal, net of taxes totaled **€ 57.1 million** and refers entirely to the insurance operations which in the first half of 2006 amounted to € 22.4 million. Last year, the Group also earned income from its tax collecting business (which exited the Group scope of consolidation in October 2006) that had contributed € 38.4 million at 30 June 2006.

Consolidated net profit amounted to € 513.8 million (€ 481,8 million at 30 June 2006) marking an increase of 6.6% on the same period in 2006 and 18% after excluding the gains on sale of investments. Annualized R.O.E. (on year-end equity) amounted to 14.2%.

On an individual business unit level, the Group can report satisfactory results for the subsidiaries Banca Toscana and BAM:

Banca Toscana

- Net income from financial and insurance operation: € 377.7 million (+6.6% year-on-year)
- Net income: € 73.7 million (+38.9% year-on-year)

BAM

- Net income from financial and insurance operation: € 249.6 million (+11.9% year-on-year)
- Net income: € 48.4 million (+89% year-on-year)

Balance sheet highlights

In the first six months of 2007, operations at the MPS Group, in terms of asset and credit management, translated into an appreciable development of the main capital aggregates and respective market shares.

In particular, **direct funding** (more than € 99 billion) grew by 10.4% year-on-year **while indirect funding amounted to € 102 billion.**

The results were due to placing of € 6,1 billion in savings products (+13.9% vs. the same period 2006), including **€ 2,172 billion** in insurance premiums (€ 2,231 billion in the first half of 2006), **€ 3,9 billion** in linear and structured bonds (+14.8% on 30 June 2006) and € 793 billion in mutual funds/ SICAV (-€ 297 million at June 2006).

Customer loans amounted to € 98.8 billion euro, **14.8%** more than the first half of 2006, with loans issued by the networks and specialized lending companies amounting to **€8.7 billion** (up 20.8% on June 2006 volumes).
Mortgage loan **and Consum.it customer credit** volumes increased significantly yet again (more than +30% and 6.5% respectively vs. June 2006); Mps Banca per l'Impresa grew by 7.6% in the same period as did lease volumes (up +14.7%).

As regards the quality of credit, the first half of 2007 ended with net exposure of deteriorated loans in line with the end of 2006, confirming the decrease in the ratio of customer loans to non-performing loans and watchlist loans that stood at 2.78% (net of value adjustments) compared to the 2.94% at December 2006. As regards the Group’s methods to cover credit risk, the ratio of value adjustments to non-performing loans stood at 54.6% (up compared to the 54.1% at the end of 2006). The ratio of net non-performing loans to total loans was 1.8% while watchlist loans accounted for 1% of total loans. Collections efforts showed improvements (up 6.5% compared to the first half of 2006), while income from abnormal accounts from ordinary risk were down by 12.5% with respect to 30 June 2006.

Parent Company

Positive results at Group level are also evident in the Parent Company results in the increase of the basic income (+8.3% yoy, confirming the important growth at March 2007) that shows the structural positive trend of the core business.

Significant events in 2007

16 January 2007: The rating agency Standard & Poor’s raised its outlook of Banca Monte dei Paschi di Siena, Banca Toscana and Banca Agricola Mantovana from "stable" to "positive" thus confirming the progressive improvement in the profitability of the entire MPS Group. Long and short-term ratings were confirmed.

13 February 2007: Holmo and Banca Monte dei Paschi di Siena entered into an agreement whereby Banca MPS will sell Holmo outstanding shares of Finsoe in the amount of € 350.4 million, totalling 14.839% of share capital. The estimated impact on 2007 Tier 1 and Total capital ratios is expected to be in the amount of 7 bps and 30 bps respectively.

22 March 2007: The sale of 50% of MPS Vita was executed with AXA for € 1,150 million. The sale, whose price implies a total value of the MPS Vita and MPS Danni in the amount of € 2.300 billion (the embedded value at 30 June 2006, totalled € 900 million) will result in capital gains for € 753 million with substantial benefits on capital ratios: approximately 80 bps on Tier I Ratio and almost 100 bps on Total Capital Ratio.

13 April 2007: The rating agency, Moody's, raised Banca Monte dei Paschi di Siena’s rating on long-term liabilities and deposits to Aa3 (from A-1), by virtue of a new valuation methodology implemented by the rating agency. The rating assigned on short-term liabilities and deposits was P-1; the outlook was stable.

20 April 2007: Spoleto Credito e Servizi, the co-operative that holds 51.03% of the ordinary share capital of Banca Popolare di Spoleto and Banca Monte dei Paschi di Siena, which directly holds 19.98% and indirectly, through Montepaschi Vita, a further 5.95% of the ordinary share capital of Banca Popolare di Spoleto, have signed the renewal of the three-year shareholders' agreement concerning Banca Popolare di Spoleto.

4 June 2007: Intesa Sanpaolo (ISP) and Banca Monte dei Paschi di Siena (MPS) signed the sales-and-purchase agreement relating to the 55% sale of Biverbanca currently held by ISP for an amount of € 398.7 million, with a consequent capital gain of € 270 million, posted to the consolidated income statement of ISP.

26 July 2007: AXA S.A. ("AXA") and Banca Monte dei Paschi di Siena S.p.A. ("BMps") signed the sales-and-purchase agreement relating to the sale of 100% of the share capital of AXA SIM S.p.A. ("AXA SIM") presently held by AXA through its subsidiaries AXA Partecipazioni S.p.A. and AXA Assicurazioni S.p.A..
AXA SIM operates in the financial consulting sector. As at 30 June 2007, AXA SIM had assets under management of € 1.9 billion and a distribution network made up of more than 440 financial consultants.

30 August 2007: With reference to Consob request, in accordance with section 5, Article 114, Law N.58/1998 (Letter of 30 August 2007 n°7079556) BMPS Group show that Group exposure to CDO/subprime mortgage sector and financial products correlated is marginal.

In accordance with section 2, Article 154- bis of the Consolidated Law on Finance (TUF), the Financial Reporting Manager Daniele Pirondini, declares that the accounting information contained in this press release, related to 1H07 results, corresponds to documentary records, ledgers and accounting entries.

This press release will be available on the web site at the address: www.mps.it

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RESTATEMENT CRITERIA

In the attached schedules are the income statement and balance sheet restated according to operating criteria. More specifically, as regards the income statement for the two periods concerned, the main adjustments made relate to grouping of items and reclassifications with the aim of assuring a clearer reading of operating performance trends. As regards this, we highlight the following points:

a) the restated income statement item “Net result from realisation/valuation of financial assets” comprises the reported items 80 (Gains (Losses) on financial instruments held for trading), 100 (Gains/(losses) on loans & receivables, available-for-sale and held-to-maturity financial assets, and financial liabilities) and 110 (Gains/(losses) on financial assets and liabilities), supplemented by those concerning dividends of some “complex” securities transactions insofar are these are strictly connected with the trading component (€447 million as at 30 June 2007) and adjusted for these transactions’ cost of funding (€ 24 million), separated out from the item “interest and similar expenses”;

b) the restated income statement item "Dividends, similar income and Profit (Loss) from equity investments" includes the reported item 70 "Dividends and similar income" and the reported item 240 " Profit (Loss) from equity investments ", deducted from the total amount were also some complex transactions as described in point a) above;

c) the restated income statement item " Impairment Losses/Reversals on loans and receivables" was determined by restating charges for € 23 million (write-downs of junior note coupons, financial plans) that were more correctly allocated with “Net provisions to the provision for risks and liabilities and Other operating income/costs";

d) the restated income statement item “Other administrative expenses” was supplemented with the part relating to recovery of the stamp duties and recovery of expenses on customers (€ 94 million) reported in item 220 (*Other operating* income/costs);

e) the restated income statement item "Net provisions for risks and liabilities and Other operating income/costs" is the result of the disequilibrium between the reported item 220 - *Other operating income/costs* and the reported item 190 "*Net provisions for risks and liabilities*" eliminating points c -d as described.

As regards the insurance operations, to lend continuity to the trends published to date and provide a picture closer to the situation that will result after assignment of the business, the revenue items affected by the assignment were supplemented in accordance with IFRS 5 by restoring those items that as a result of the assignment will be classified as normal transactions with third parties. In particular, as at 30/06/07, net interest income of € 55.7 million was deducted while net banking fees and commissions were added for € 46.6 million. The imbalance was reclassified in item 310 "Gains (losses) on disposal groups classified as held for sale, net of tax"

Compared with the figures published previously, the situation at 30 June 2006 was reconstructed following redefinition of payroll costs made in accordance with IAS 8 (arising from recalculation of the mathematical reserve of the severance fund of a subsidiary).

The main restatements applied to the consolidated **balance sheet** relate to the following items:

e) the restated balance sheet asset item “Financial assets held for trading” includes balance sheet items 20 (*Financial assets held for trading (HFT)*), 30 (*Financial assets at fair value*), 40 (*Available-for-sale (AFS) financial assets*);

f) the restated balance sheet asset item “Other assets” includes balance sheet items 80 (*Hedging assets*), 90 (*Change in fair value of financial assets covered by macrohedges*), 140 (*Tax assets*), 150 (*Non-current assets and asset disposal groups held for sale*), and 160 (*Other assets*);

g) the restated balance sheet liability item “Customer accounts and debt securities ” comprises balance sheet items 20 (*Customer accounts*), 30 (*Debt securities in issue*), and 50 (*Financial liabilities at fair value*) ;

h) the restated balance sheet item “Other liabilities” comprises balance sheet items 60 (*Hedging liabilities*), 70 (*Change in fair value of financial liabilities covered by macrohedges*), 80 (*Tax liabilities*), 90 (*Liabilities associated with asset disposal groups classified as held for sale*), and 100 (*Other liabilities*).

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 06/30/2007

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MPS GROUP	06/30/2007	06/30/2006	% chg
• INCOME STATEMENT FIGURES (in millions of euros)		restated (°)	
Financial and insurance income (loss)	2,186.6	2,068.9	5.7
Financial and insurance income (loss)	2,439.1	2,325.8	4.9
Net operating income	825.2	739.2	11.6
Net profit (loss) for the period	513.8	481.8	6.6
• BALANCE SHEET FIGURES AND INDICATORS (in millions of euros)	**06/30/2007**	**06/30/2006**	**% chg**
Direct funding	99,199	89,832	10.4
Indirect funding	102,195	107,957	-5.3
of which: assets under management	*48,701*	*48,121*	1.2
of which: assets under custody	*53,494*	*59,837*	-10.6
Customer loans	98,829	86,124	14.8
Group net equity	7,794	7,430	4.9
• KEY LOAN QUALITY RATIOS (%)	**06/30/2007**	**12/31/2006**	
Net non-performing loans/Customer loans	1.8	1.8	
Net watchlist loans/Customer loans	1.0	1.1	
• PROFITABILITY RATIOS (%)	**06/30/2007**	**12/31/2006**	
Cost/Income ratio	57.0	60.9	
R.O.E. (on average equity)	13.2	12.1	
R.O.E. (on year-end equity)	14.2	13.3	
Net adjustments to loans / Year-end investments	0.46	0.50	
• CAPITAL RATIOS (%)	**06/30/2007**	**12/31/2006**	
Solvency ratio	8.7	9.5	
Tier 1 ratio	6.1	6.5	
(a) determined using the Bank of Italy's prudential filters.			
• INFORMATION ON BMPS STOCK	**06/30/2007**	**12/31/2006**	
Number of ordinary shares outstanding	2,454,137,107	2,454,137,107	
Number of preference shares outstanding	565,939,729	565,939,729	
Number of savings shares outstanding	9,432,170	9,432,170	
Price per ordinary share:			
average	4.94	4.61	
low	4.59	3.72	
high	5.34	5.08	
• OPERATING STRUCTURE	**06/30/2007**	**12/31/2006**	**Abs. chg**
Total head count - year-end (1)	24,573	24,348	225
Number of branches in Italy	1,909	1,903	6
Financial advisor branches	139	139	0
Number of branches & rep. offices abroad	36	36	0

(°) Reclassified pursuant to IAS 8

(1) Data at 06/30/2007 do not include Tax Collection Business

■ **INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA** (in millions of euros)

MPS Group	06/30/2007	06/30/2006 restated (°)	Change Ins.	Change %
Net interest income	**1,415.5**	**1,316.1**	**99.4**	**7.6%**
Net commissions	771.1	752.8	18.3	2.4%
Income from banking activities	**2,186.6**	**2,068.9**	**117.7**	**5.7%**
Dividends, similar income and profits (losses) from equity investments	38.2	30.3	7.9	25.9%
Net result from realisation/valuation of financial assets	212.6	228.4	-15.8	-6.9%
Net gain (loss) from hedging	1.7	-1.8	3.5	n.s.
Financial and insurance income (loss)	**2,439.1**	**2,325.8**	**113.3**	**4.9%**
Net adjustments for impairment of:				
a) loans	-225.5	-209.6	-16.0	7.6%
b) financial assets	2.9	-7.2	10.1	n.s.
Net financial and insurance income (loss)	**2,216.4**	**2,109.0**	**107.4**	**5.1%**
Administrative expenses:	-1,336.5	-1,305.7	-30.7	2.4%
a) personnel expenses	-868.8	-874.7	5.9	-0.7%
b) other administrative expenses	-467.7	-431.0	-36.6	8.5%
Net adjustments to the value of tangible and intangible fixed assets	-54.7	-64.1	9.4	-14.7%
Operating expenses	**-1,391.2**	**-1,369.8**	**-21.3**	**1.6%**
Net operating income	**825.2**	**739.2**	**86.0**	**11.6%**
Net provisions for risks and liabilities and Other operating income/costs	-32.2	-0.9	-31.3	n.s.
Goodwill impairment	-0.3	-0.3	0.0	2.7%
Gains (losses) from disposal of investments	0.09	0.2	-0.1	-47.0%
Gain (loss) from current operations before taxes	**792.9**	**738.2**	**54.7**	**7.4%**
Taxes on income for the year from current operations	-326.6	-310.2	-16.4	5.3%
Gain (loss) from current operations after taxes	**466.3**	**428.0**	**38.3**	**8.9%**
Gain (loss) on fixed assets due for disposal, net of taxes	57.1	60.8	-3.7	-6.1%
Minority interests in profit (loss) for the year	-9.6	-7.0	-2.6	36.6%
Net profit (loss) for the year	**513.8**	**481.8**	**32.0**	**6.6%**

(°) Reclassified pursuant to IAS 8 after a subsidiary recalculated the mathematical reserve of the severance indemnity provision.

QUARTERLY TREND IN INCOME STATEMENT FIGURES RECLASSIFIED ACCORDING TO OPERATING CRITERIA (in mi

MPS Group	2007		2006 (°)			
	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
Net interest income	**710.1**	**705.4**	**717.8**	**680.3**	**670.2**	**645.9**
Net commissions	381.7	389.4	379.7	358.1	364.4	388.4
Income from banking activities	**1,091.8**	**1,094.8**	**1,097.4**	**1,038.5**	**1,034.6**	**1,034.3**
Dividends, similar income and profits (losses) from equity investments	7.9	30.3	0.0	13.5	24.3	6.0
Net result from realisation/valuation of financial assets	124.4	88.2	277.8	24.4	52.1	176.3
Net gain (loss) from hedging	2.2	-0.5	-5.4	0.0	-2.1	0.3
Financial and insurance income (loss)	**1,226.3**	**1,212.7**	**1,369.9**	**1,076.4**	**1,108.9**	**1,216.9**
Net adjustments for impairment of:						
a) loans	-118.3	-107.2	-149.6	-101.8	-107.8	-101.8
b) financial assets	7.2	-4.4	-117.6	-0.6	-8.6	1.4
Net financial and insurance income (loss)	**1,115.2**	**1,101.2**	**1,102.7**	**974.0**	**992.5**	**1,116.5**
Administrative expenses:	-682.3	-654.2	-796.4	-669.9	-651.4	-654.3
a) personnel expenses	-438.0	-430.8	-538.1	-448.8	-439.5	-435.3
b) other administrative expenses	-244.3	-223.3	-258.3	-221.1	-212.0	-219.1
Net adjustments to the value of tangible and intangible fixed assets	-25.2	-29.5	-36.4	-34.2	-32.9	-31.3
Operating expenses	**-707.5**	**-683.7**	**-832.8**	**-704.1**	**-684.3**	**-685.6**
Net operating income	**407.7**	**417.5**	**269.9**	**269.9**	**308.3**	**430.9**
Net provisions for risks and liabilities and Other operating income/costs	-18.5	-13.7	-4.3	9.3	10.2	-11.1
Goodwill impairment	-0.3	0.0	-0.3	0.0	-0.3	0.0
Gains (losses) from disposal of investments	0.0	0.06	2.73	0.01	0.16	0.01
Gain (loss) from current operations before taxes	**389.0**	**403.9**	**268.1**	**279.2**	**318.4**	**419.8**
Taxes on income for the year from current operations	-150.0	-176.6	-72.4	-118.3	-132.0	-178.2
Utile (Perdita) della operatività corrente al netto delle imposte	**239.0**	**227.2**	**195.7**	**160.9**	**186.4**	**241.6**
Gain (loss) on fixed assets due for disposal, net of taxes	27.3	29.7	35.4	49.2	21.6	39.2
Minority interests in profit (loss) for the year	-6.2	-3.4	-10.2	-2.7	-3.8	-3.2
Net profit (loss) for the year	**260.2**	**253.6**	**220.9**	**207.4**	**204.3**	**277.5**

(°) Reclassified pursuant to IAS 8 after a subsidiary recalculated the mathematical reserve of the severance indemnity provision.

MPS GROUP

■ **RECLASSIFIED BALANCE SHEET** (in millions of euros)

ASSETS	**06/30/2007**	**06/30/2006** (°)	**% chg**
Cash and cash equivalents	454	436	4.0
Receivables :			
a) Customer loans	98,829	86,124	14.8
b) Due from banks	17,461	11,358	53.7
Financial assets held for trading	31,179	40,505	-23.0
Financial assets held to maturity	0	4,214	n.s.
Equity investments	361	717	-49.7
Underwriting reserves/reinsurers	0	11	0.0
Tangible and intangible fixed assets	3,282	3,406	-3.6
of which:			
a) goodwill	*641*	*740*	*-13.4*
Other assets	19,581	6,748	n.s.
Total assets	**171,147**	**153,520**	**11.5**

LIABILITIES	**06/30/2007**	**06/30/2006** (°)	**% chg**
Payables			
a) Due to customers and securities	99,199	89,832	10.4
b) Due to banks	21,039	16,476	27.7
Financial liabilities from trading	19,384	13,144	47.5
Provisions for specific use			
a) Provisions for employee leaving indemnities	366	398	-7.9
b) Reserve for retirement benefits	407	330	23.3
c) Other reserves	569	566	0.5
Other liabilities	22,342	25,306	-11.7
Underwriting reserves	0	0	0.0
Group portion of shareholders' equity	7,794	7,430	4.9
a) Valuation reserves	767	579	32.6
b) Reimbursable shares	0	0	0.0
c) Capital instruments	71	46	55.1
d) Reserves	3,985	3,765	5.9
e) Share premium account	561	545	2.8
f) Share capital	2,030	2,026	0.2
g) Treasury shares (-)	-134	-10	n.s.
h) Net profit (loss) for the year	514	480	7.0
Minority interests in shareholders' equity	47	37	26.0
Total liabilities and shareholders' equity	**171,147**	**153,520**	**11.5**

(°) *Other liabilities* figure at 06/30/2003 were restated according to IFRS 5

Balance Sheet

(in euro)

	Assets	06 30 2007	12 31 2006
10	Cash and cash on deposit	453,897,308	611,979,063
20	Financial assets held for trading	26,908,090,665	26,430,327,508
30	Financial assets at fair value	-	-
40	Financial assets available for sale	4,271,124,208	4,147,809,464
50	Financial assets held to maturity	2,932	2,932
60	Due from banks	17,461,021,204	11,991,033,451
70	Loans to costumers	98,829,244,051	91,941,018,880
80	Hedging derivatives	51,250,375	17,229,111
90	Value adjustment on financial assets with generic coverage (+/-)	15,616,414	32,620,933
100	Equity investment	360,904,582	744,118,419
110	Technical reserves reassured with third parties	-	-
120	Fixed Assets	2,514,761,181	2,564,184,239
130	Intangible assets	767,401,014	754,720,891
	of which: goodwill	640,977,464	641,277,464
140	Tax assets	1,102,727,939	1,108,459,898
	a) current	504,120,569	462,391,776
	b) anticipated	598,607,370	646,068,122
150	Non current assets (or disposal groups) held for sale and discontinued operations	14,911,684,789	15,410,976,247
160	Other	3,499,645,223	2,801,185,378
	Total	**171,147,371,885**	**158,555,666,414**

(in euro)

	Total liabilities and Shareholders'equity	06 30 2007	12 31 2006
10	Due to banks	21,038,925,523	15,877,618,333
20	Due to costumers	53,846,551,870	54,086,618,528
30	Securities	35,275,605,432	29,243,771,906
40	Financial liabilities held for trading	19,384,432,635	16,714,577,238
50	Financial liabilities at fair value	10,076,827,161	10,645,899,057
60	Hedging derivatives	43,350,678	94,328,491
70	Value adjustment on financial liabilities (+/-)	-	-
80	Tax Liabilities	253,096,466	324,346,534
	a) Current	163,416,065	253,723,121
	b) postponed	89,680,401	70,623,413
90	Liabilities in disposal groups held for sale ans discontinued operations	18,137,832,617	18,429,282,283
100	Other	3,907,851,660	3,930,145,680
110	Staff severance indemnity reserve	366,333,966	386,150,815
120	Reserve for risks and other charges	975,558,319	1,010,150,877
	a) pension fund and similar obligations	407,046,202	426,672,926
	b) other provisions	568,512,117	583,477,951
130	Techical reserves	-	-
140	Revaluation reserves	767,423,001	650,254,345
150	Refundable shares	-	-
160	Capital instruments	71,487,643	71,487,643
170	Reserves	3,985,019,986	3,597,754,535
180	Paid-in Capital	560,835,003	560,788,041
190	Share capital	2,029,771,034	2,029,771,034
200	Own shares (-)	(134,115,287)	(45,123,155)
210	Minority interests (+/-)	46,805,952	37,752,028
220	Profit (loss) for the year	513,778,226	910,092,201
	Total liabilities and Shareholders'equity	**171,147,371,885**	**158,555,666,414**

P&L

(in euro)

	Voci	06 30 2007	06 30 2006
10	Interest and similar income	3,481,294,859	2,718,219,567
20	Interest and similar expense	(2,034,456,800)	(1,372,566,383)
30	**Net Interest Income**	**1,446,838,059**	**1,345,653,184**
40	Commissions earned	809,493,457	798,210,251
50	Commission expense	(84,998,803)	(89,381,350)
60	**Net Commissions**	**724,494,654**	**708,828,901**
70	Dividends and other income	452,513,605	305,689,806
80	Net Profit from trading	(227,720,288)	(94,924,666)
90	Net Profit from hedging	1,704,012	(1,794,347)
100	Profit / Loss	5,589,185	51,329,918
	a) loans	1,147,147	73,985
	b) available for sale financial assets	7,142,558	88,892,935
	c) held to maturirty investment	-	-
	d) other financial assets	(2,700,520)	(37,637,002)
110	Fair Value financial assets and liabilities	11,585,285	1,878,708
120	**Total Income**	**2,415,004,512**	**2,316,661,504**
130	Net value adjustments on:	(245,812,360)	(239,855,478)
	a) loans	(248,684,792)	(225,960,713)
	b) available for sale financial assets	(1,702,336)	(12,361,898)
	c) held to maturirty investment	-	-
	d) other financial assets	4,574,768	(1,532,867)
140	**Net Income from financial operation**	**2,169,192,152**	**2,076,806,026**
150	Net Premiums	-	-
160	Net Income loss from insurance operations	-	-
170	**Net Income from financial and insurance operations**	**2,169,192,152**	**2,076,806,026**
180	Administrative expenses	(1,430,565,849)	(1,402,058,912)
	a) personnel	(868,815,803)	(875,227,308)
	b) other administrative expenses	(561,750,046)	(526,831,604)
190	Provisions for risks and charges	(46,028,055)	(12,291,476)
200	Valuation adjustments to fixed assets	(33,870,105)	(32,781,897)
210	Valuation adjustments to intangible assets	(20,840,549)	(31,325,864)
220	Other operating income/expenses	131,098,681	129,152,728
230	**Operating costs**	**(1,400,205,877)**	**(1,349,305,421)**
240	Income (loss) from investments	34,289,222	6,241,524
250	Net value adjustments on tangible and intangible assets designated at fair value	-	-
260	Value adjustments of goodwill	(300,000)	(292,103)
270	Income (loss) from disposal of investments	102,597	170,329
280	**Income (loss) before taxes from continuing operations**	**803,078,094**	**733,620,355**
290	Income taxes	(330,501,868)	(299,534,354)
300	**Income (loss) after taxes from continuing operations**	**472,576,226**	**434,086,001**
310	Income (loss) from disposal of non continuing operations net of taxes	50,759,072	54,674,011
320	**Profit (loss) for the period prior to minority interests**	**523,335,298**	**488,760,012**
330	Profit (loss) prior to minority interests	9,557,072	6,996,768
340	**Profit (loss) for the period**	**513,778,226**	**481,763,244**