PRESS RELEASE

Montepaschi Group Q1 2008 Results Approved

Commercial flows and market shares up strongly, increase of basic income (+5.6%), ongoing cost containment (-0.3%)

- **First quarter 2008 net income, which has been significantly affected by a EUR 62.9 mln writedown of the Hopa stake book value, stands at EUR 190 million (EUR 375.1 million inclusive of capital gains from the sale of Banca Depositaria[1,] which was completed the 14/05/08, although effective since 31/03/08).**

- **All main revenue streams posted a significant structural growth:**
  - **Net Interest income: + 14.9% (+11.2% if calculated on a comparable Group perimeter[2])**
  - **Basic income: +8.9% (+5.6% if calculated on a comparable Group perimeter)**

- **Cost control procedures provided further positive results (-0.3% on a comparable Group perimeter)**

- **Operating volumes and market shares picked up strongly:**
  - **Loans: +12.9% y/y**
  - **Direct Funding: +13.8% y/y**
  - **Bancassurance market share at 10% vs/. 7.3% at the end of 2007**
  - **Leasing market share at 4.8%, or +170bps since the end of 2007**
  - **Factoring market share at 6.8%, or +230bps since the end of 2007**
  - **Consumer credit market share at 4.9%, or +20bps since the end of 2007**

- **The customer base increased considerably: +32,200 new customers in the first three months of the year, inclusive of non-shared business relationships managed directly by Consum.it.**

- **Upper Tier II and Tier I (reserved to JP Morgan) issuances aimed at raising funds for the Antonveneta acquisition were completed.**

- **The Antonveneta network delivered first signs of improving business results: since the announcement of the deal (November 2007) direct funding + 11%, loans +5%.**

- **The IT integration of Antonveneta is expected to be completed by summer, thus ahead of schedule (original deadline: September 2008).**

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[1] The P&L account and balance sheet schedules include a column called "31/03/08 - Restated", which shows total results for the quarter inclusive of capital gains from the disposal of Banca Depositaria (EUR 186.2 mln). The sale agreement was executed on March 31st, 2008, but the closing was subject to a number of condition precedents and occurred on May 14th, 2008. However, on the quarterly report release date the deal was closed and the sale proceeds cashed in. For this reason, it was deemed necessary and appropriate to provide up-to-date information, in order to make the financial, economic and capital situation of the MPS Group at the quarterly report release date more truthful and complete.
Comparisons with data from the same period of the previous year were made using the column " 31/3/08 – Restated" as a reference, so as to make it easier for the reader to follow the Group performance, capital/financial situation and income-related results.

[2] i.e. by complementing the data at March 31, 2007 with the results of Biverbanca, which joined the Group P&L on January 1, 2008.

Siena, May 14th, 2008. Today the Board of Directors of Banca Monte dei Paschi di Siena approved MPS Group results at March 31st, 2008.

Highlights on consolidated results

In the first three months of 2008, the **Mps Group** posted a very good commercial performance. Customer relationships improved both quantitatively and qualitatively, and the Groups' positioning in the major business segments grew stronger.

Performance was satisfactory from an operating and financial point of view, as **balance sheet volumes and commercial flows** , with customer intermediated funds and market shares up significantly. The same applies to **revenues**, as is shown by increases **in basic income** (**+8.9%** vs/. Q1 2007, +5.6% if calculated on a comparable Group perimeter), **net operating income** (**EUR 262.2 million**) and **net income for the period restated (EUR 375.1 million, +47.9% vs/. Q1 2007, +44.6% if calculated on a comparable Group perimeter). These figures include the capital gain resulting from the disposal of the stake in Banca Depositaria, which was executed last March.**

More specifically, an analysis of **consolidated total revenues** highlights the following:

- **Net Interest income reached EUR 810.6 million** (+14.9% vs/. Q1 2007, +11.2% if calculated on a comparable Group perimeter). The quarterly performance was basically in line with Q4 2007. **The Division Offices (Direzioni Commerciali) increased their total contribution by approx. 9.7% y/y**, driven by a growth in volumes in excess of 11%, thereby offsetting a slight decrease in average interest rate spreads compared to the previous year.

The quarterly performance of direct funding (+13.8% y/y) once again showed an upward trend, both in the Retail segment (+5.5% since December 2007) and in the Corporate segment (+2.4% since December 2007). Loans grew by 12.9% y/y.

- **Net fees amounted to EUR 382.0 million (vs/. EUR 389.4 million in Q1 2007; EUR 400.8 million inclusive of Biverbanca).** Fees associated to asset management decreased, whereas fees from traditional services increased by 2.3%.

A contribution to the positive performance of Group basic income came from the strong expansion of the Group's customer base: +32,200 customers in the first three months of 2008, inclusive of non-shared business relationships managed directly by Consum.it.

- The **net income from trading/valuation of financial assets** was equal to **–EUR 29.6 million** (vs/. EUR 88.2 in Q1 2007) as a result of a general downturn in financial markets. However, in the period following the closing of the quarter, the Group recovered part of the losses posted in Q1.

Other items that contributed to total revenues include **dividends, similar income and profit/losses from equity investments,** which totalled **EUR 8.2 million** (vs/. EUR 60.0 million in Q1 2007, inclusive of capital gains of approx. EUR 26.4 million from a partial disposal of the stake in Finsoe).

Consequently, **consolidated total revenues** amounted to **EUR 1,167.3 million** (-6.1% vs/. Q1 2007, -8.8% if calculated on a comparable Group perimeter), which would have been in line with the previous year if trading losses and insurance portfolio write-downs were not taken into account. It is moreover worth mentioning the 8.9% growth (+5.6% on a comparable Group perimeter) of the core components (interest income and net fees) compared to last year.

With regards to cost of risk and adjustments to financial assets we highlight:

- **Net loan loss provisions amounted to EUR 127.0 million,** corresponding to a provisioning rate of approx. 47 bps, resulting in an improved (+40 bps vs/. the end of 2007) of non-performing loans coverage ratio.

- **Net loss provisions for financial assets** were **negative by EUR 69.4 million,** mainly as a result of a EUR 62.9 mln writedown of the Hopa stake, which brought the unit value of the shares held by the Group down to EUR 0.26**.**

The gross operating income totalled EUR 970.9 million (-14.1% vs/. Q1 2007, -16.6% on a comparable Group perimeter.

Operating charges (EUR 708.7 million, or +3,7% compared to EUR 683.7 million announced in Q1 2007) decreased by 0.3% if calculated on a comparable Group perimeter.

More specifically:

- **Personnel expenses** stood at **EUR 451.5 million,** down 0.1% from the previous year if calculated on a comparable Group perimeter. This aggregate also includes cost increases associated to the renewal of the collective labour agreement (the new wage schemes having become effective on Jan. 1st, 2008).

- **Other administrative expenses** stood at **EUR 228.1 million** (+2.1% compared to last year, but –0.5% on a comparable Group perimeter) and include charges associated to the development of the new Group Business Plan.

- **Net value adjustments to tangible and intangible assets** stood at **EUR 29.0 million** (-1.9% and –3.5% if calculated on a comparable Group perimeter).

As a result of the above, the **net operating income** stood at **EUR 262.2 million.**

With respect to the *Segment Reporting* obligations under IAS 14, the main highlights are the following:

Commercial Banking/Distribution Network:

- total revenues: +5.1% year on year
- net operating income: +13.3% year on year
- customer loans: + 15.9% year on year

Private Banking/Wealth Management:

- total revenues: -10.2% year on year
- net operating income: -26.2% year on year
- direct funding: + 17.5% year on year

Corporate Banking/Capital Markets:

- total revenues: +12.1% year on year
- net operating income: +24.6% year on year
- customer loans: +9.3% year on year

Other income statement items include profit from investments sold (EUR 7.7 million from the sale of real-estate properties by MP Banque) and **taxes** in the amount of **EUR 102.8 million** (vs/. EUR 176.6 million in Q1 2007), resulting in a "normalized tax rate" of 34.4%. Following the publication of a Ministerial Decree with all the necessary implementation instructions in the Italian Official Gazette on March 17th, 2008, the Parent Bank and the main Group members decided to write off deferred tax liabilities accumulated in previous periods, upon payment of a one-off tax (*imposta sostitutiva*). This resulted in a positive impact of approx. EUR 33 million in Q1 2008.

The profit (losses) from asset groups due for disposal after taxes stood at **–EUR 3.6 million**.

Inclusive of the profit from Banca Depositaria, net income for the period would stand at EUR 375.1 million (vs/. EUR 253.6 in Q1 2007). Annualized ROE on end-of-period equity is 12.6%.

In addition to the profit from the disposal of Banca Depositaria (EUR 186.2 million), net income for the quarter includes the following non-recurring components:

- Net results from realization/valuation of financial assets and Hedging: -EUR 34 million
- Net adjustments for impairment of financial assets: -EUR 69.4 million
- Profit (losses) from asset groups due for disposal: -EUR 3.6 million

With respect to the Group's individual business units, satisfactory results were posted by the Group subsidiaries, Banca Toscana and BAM:

Banca Toscana

- Net income: EUR 40 million (+26.3% y/y)

BAM

- Net income: EUR 32.1 million (+34.3% y/y)

Banca MPS

- Net income: EUR 412 million (+85.6% y/y)

Balance sheet volumes

During the first three months of 2008, the commercial operations of the Mps Group (lending and asset management) resulted in a significant increase of the main balance sheet volumes and market shares.

More specifically, **direct funding** exceeded EUR 109 billion, up 13.8% year on year. **Indirect funding stood at approx. EUR 96 billion.**

These results were driven by the placement of savings products for **EUR 3.4 billion** (vs/. EUR 3.5 billion in the same period of 2007), broken down as follows: insurance premiums **EUR 1.285 billion** (vs/. EUR 1.265 billion in Q1 2007); linear/structured bonds **EUR 3.015 billion** (+43.4% since 30/03/2007); mutual funds and Sicavs –EUR 380 million (compared to +EUR 410 million in Q1 2007). Insurance premiums benefited from a strong increase in index-linked and especially unit-linked policies (whose market share grew to 9.7% from 2% at 31/03/07), following the product range enhancement/upgrading started as part of the joint venture with the French Group AXA.

Customer loans stood at EUR 107.6 billion, up 12.9% from Q1 2007.

Significant contributions came from **mortgage loans** (approx. EUR 2 billion), **Consum.it's consumer credit** business **(+4.3% year on year),** Mps Capital Services Banca per le imprese (+47% y/y) and factoring turnover (+66.5%).

A traditionally conservative lending policy, combined with a rigorous doubtful loan classification criteria, enabled the Group to limit the net impaired loans/total loans ratio to 3.84% compared to 3.68% at December 31st, 2007, and to keep loan loss provisions basically stable at 39.2% (vs/. 39.4% at December 31st, 2007). The coverage of NPLs was increased by 40 bps compared to the end of last year.

This press release will be posted on the MPS Group Web site: www.mps.it

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Pursuant to paragraph 2, Article 154/2 of the Italian Consolidated Finance Act, the Financial Reporting Manager, Daniele Pirondini, declares that the accounting disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

MPS GROUP RESTATEMENT CRITERIA AT MARCH 31, 2008

The financial schedules below were restated according to operating criteria. More specifically, the main changes to the P&L account for the two periods were aggregations of items and restatements aimed at making the evolution of performance more easily understandable.
P&L highlights include the following:

a) The restated P&L item **“Net income from trading/valuation of financial assets”** includes items No. 80 (Net income/loss from trading), 100 (Income/loss from sale or purchase of loans & receivables, financial assets available for sale and held to maturity and financial liabilites) and 110 (Net income from financial assets/liabilities valued at fair value), plus dividends from a number of “complex” securities transactions closely related to trading (EUR 16.1 mln at 31/03/08).
b) The restated P&L item **“Dividends, similar income and income/loss from equity investments”** includes item No. 70 (Dividends and similar income) and a portion of item N. 240 (Income/Loss from equity investments). Furthermore, this aggregate was purged of the dividends from a number of complex transactions, as described above.
c) The restated P&L item **“Net loss provisions for impaired loans”** was determined by restating charges associated to financial schemes (EUR 2.9 mln), which were more accurately charged to “Net provisions for risks and charges and Other operating income/charges”.
d) The restated P&L item **“Other administrative expenses”** was supplemented with recovered stamp duties and charge-backs of expenses to customers (EUR 49.7 million), charged to item No. 220 (Other operating income/charges*)* of the financial statements.
e) The restated P&L item **“Net provisions for risks and charges and Other operating income/charges”** is the difference between items No. 220 (Other operating income/charges) and No. 190 (Net provisions for risks and charges), further purged as described in c) and d) above.

Consolidated **balance sheet** restatement highlights include the following:

f) The restated balance sheet item **“Negotiable financial assets”** includes items No. 20 (Financial Assets held for trading), 30 (Financial assets valued at fair value) and 40 (Financial assets available for sale).
g) The restated balance sheet item **“Other assets”** includes items No. 80 (Hedging derivatives), 90 (Value adjustments to financial assets protected by macroheding), 140 (Tax assets), 150 (Non-current assets and asset groups due for dismissal) and 160 (Other assets);
h) The restated balance sheet item **“Payables to customers and securities”** includes items No. 20 (Payables to customers), 30 (Outstanding securities) and 50 (Financial liabilities valued at fair value);
i) The restated balance sheet item **“Other liabilities”** includes items No. 60 (Hedging derivatives), 70 (Value adjustments to assets of financial liabilities protected by macrohedging), 80 (Tax liabilities), 90 (Liabilities from asset groups due for dismissal) and 100 (Other liabilities).

RESTATEMENT CRITERIA FOR MPS GROUP FINANCIAL SCHEDULES AT MARCH 31, 2008

The P&L account and balance sheet schedules include a column called "31/03/08 - Restated", which shows total results for the quarter inclusive of the capital gains from the disposal of Banca Depositaria (EUR 186.2 mln). Banca Depositaria was legally sold on March 31st, 2008, but a number of suspensive clauses caused it to be actually dismissed on May 13th, 2008. However, on the quarterly report release date the deal was finalized and the sale price cashed in. For this reason, it was deemed necessary and appropriate to provide up-to-date information, in order to make the financial, economic and capital situation of the MPS Group at the quarterly report release date more truthful and complete.
Comparisons with data from the same period of the previous year were made using the column " 31/3/08 – Restated" as a reference, so as to make it easier for the reader to follow the Group performance, capital/financial situation and income-related results.
In the consolidated P&L account, the capital gains from the disposal of Banca Depositaria (EUR 186.2 million) were posted to "Profit (losses) from equity investments".
Comparisons with last year will lead to inconsistencies, since 2007 data – unlike 2008 figures -do not include Biver Banca results.

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/03/2008

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MPS GROUP	03/31/2008		
• INCOME STATEMENT FIGURES (in millions of euros)	**Restated***	**03/31/2007**	**% chg**
Income from banking activities	1,192.6	1,094.8	8.9
Financial and insurance income (loss)	1,167.3	1,242.5	-6.1
Net operating income	262.2	447.2	-41.4
Net profit (loss) for the period	375.1	253.6	47.9
• BALANCE SHEET FIGURES AND INDICATORS (in millions of euros)	**03/31/2008**	**03/31/2007**	**% chg**
Direct funding	109,040	95,827	13.8
Indirect funding	96,228	107,353	-10.4
of which: assets under management	*46,170*	*48,398*	-4.6
of which: assets under custody	*50,058*	*58,955*	-15.1
Customer loans	107,569	95,253	12.9
Group net equity	8,830	7,971	10.8
• KEY LOAN QUALITY RATIOS (%)	**03/31/2008**	**12/31/2007**	
Net non-performing loans/Customer loans	1.92	1.88	
Net watchlist loans/Customer loans	1.16	1.13	
• PROFITABILITY RATIOS (%)	**03/31/2008**	**12/31/2007**	
Cost/Income ratio	60.7	58.4	
R.O.E. (on average equity)	11.6	17.5	
R.O.E. (on year-end equity)	12.6	19.8	
Net adjustments to loans / Year-end investments	0.47	0.52	
• CAPITAL RATIOS (%)	Estimate BIS I **03/31/2008**	**12/31/2007**(a)	
Solvency ratio	8.7	8.9	
Tier 1 ratio	6.2	6.1	
(a) determined using the Bank of Italy's prudential filters.			
• INFORMATION ON BMPS STOCK	**03/31/2008**	**12/31/2007**	
Number of ordinary shares outstanding	2,457,264,636	2,457,264,636	
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	3.09	4.65	
low	2.67	3.61	
high	3.64	5.34	
• OPERATING STRUCTURE	**03/31/2008**	**12/31/2007**	**Abs. chg**
Total head count - year-end	24,895	24,863	32
Number of branches in Italy	2,102	2,094	8
Financial advisor branches	139	139	0
Number of branches & rep. offices abroad	36	35	1

(*)Figures in the "Restated" column at 3/31/08 are inclusive of the disposal of Banca Depositaria for 186.2 mln.€

MPS GROUP

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

ASSETS	**03/31/2008** Restated *	03/31/2008	**03/31/2007** (°)	**% chg** vs Restated
Cash and cash equivalents	536	536	430	24.5
Receivables :				
a) Customer loans	107,569	107,749	95,253	12.9
b) Due from banks	13,940	11,708	14,060	-0.9
Financial assets held for trading	30,725	30,726	36,074	-14.8
Financial assets held to maturity	0	0	0	n.s.
Equity investments	817	817	424	92.9
Underwriting reserves/reinsurers				
Tangible and intangible fixed assets	3,127	3,127	3,304	-5.3
of which:				
a) goodwill	*961*	*961*	*641*	*49.9*
Other assets	7,774	7,799	20,235	-61.6
Total assets	**164,488**	**162,463**	**169,779**	**-3.1**

LIABILITIES	**03/31/2008** Restated*	03/31/2008	**03/31/2007** (°)	**% chg** vs Restated
Payables				
a) Due to customers and securities	109,040	110,447	95,827	13.8
b) Due to banks	19,036	15,613	20,627	-7.7
Financial liabilities from trading	18,487	18,506	20,680	-10.6
Provisions for specific use				
a) Provisions for employee leaving indemnities	366	366	385	-4.9
b) Reserve for retirement benefits	417	417	415	0.6
c) Other reserves	488	488	573	-14.8
Other liabilities	7,566	7,723	23,260	-67.5
Underwriting reserves				
Group portion of shareholders' equity	8,830	8,644	7,971	10.8
a) Valuation reserves	433	433	659	-34.3
b) Reimbursable shares				
c) Capital instruments	70	70	71	-1.5
d) Reserves	5,434	5,433	4,509	20.5
e) Share premium account	547	547	561	-2.4
f) Share capital	2,032	2,032	2,030	0.1
g) Treasury shares (-)	-61	-61	-112	-45.3
h) Net profit (loss) for the year	375	190	254	47.9
Minority interests in shareholders' equity	259	259	41	n.s.
Total liabilities and shareholders' equity	**164,488**	**162,463**	**169,779**	**-3.1**

(*)Figures in the "Restated" column at 3/31/08 are inclusive of the disposal of Banca Depositaria for 186 mln.€

(°) "Other assets" and "Other liabilities" figures include insurance amounts pursuant IFRS 5

Note: Comparisons with last year will lead to inconsistencies, since 2007 data – unlike 2008 figures – do not include Biver Banca results.

■ **INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA** (in mln €)

MPS Group	03/31/2008 Restated*	03/31/2008	03/31/2007	Change vs Restated Abs	Change vs Restated %
Net interest income	**810.6**	**810.6**	**705.4**	**105.2**	**14.9%**
Net commissions	382.0	382.0	389.4	-7.4	-1.9%
Income from banking activities	**1,192.6**	**1,192.6**	**1,094.8**	**97.7**	**8.9%**
Dividends, similar income and profits (losses) from equity investments	**8.2**	**8.2**	**60.0**	**-51.8**	-86.3%
Net result from realisation/valuation of financial assets	-29.6	-29.6	88.2	-117.8	-133.6%
Net gain (loss) from hedging	-3.8	-3.8	-0.5	-3.3	n.s.
Financial and insurance income (loss)	**1,167.3**	**1,167.3**	**1,242.5**	**-75.2**	**-6.1%**
Net adjustments for impairment of:					
a) loans	-127.0	-127.0	-107.2	19.8	18.4%
b) financial assets	-69.4	-69.4	-4.4	65.1	n.s.
Net financial and insurance income (loss)	**970.9**	**970.9**	**1,130.9**	**-160.0**	**-14.1%**
Administrative expenses:	-679.7	-679.7	-654.2	25.5	3.9%
a) personnel expenses	-451.5	-451.5	-430.8	20.7	4.8%
b) other administrative expenses	-228.1	-228.1	-223.3	4.8	2.1%
Net adjustments to the value of tangible and intangible fixed assets	-29.0	-29.0	-29.5	-0.6	-1.9%
Operating expenses	**-708.7**	**-708.7**	**-683.7**	**25.0**	**3.7%**
Net operating income	**262.2**	**262.2**	**447.2**	**-185.0**	**-41.4%**
Net provisions for risks and liabilities and Other operating income/costs	29.3	29.3	-13.7	43.0	n.s.
Income on equity investments	186.2				
Gains (losses) from disposal of investments	7.67	7.67	0.1	7.6	n.s.
Gain (loss) from current operations before taxes	**485.3**	**299.2**	**433.6**	**51.7**	**11.9%**
Taxes on income for the year from current operations	-102.8	-101.6	-176.6	-73.9	-41.8%
Gain (loss) from current operations after taxes	**382.6**	**197.6**	**257.0**	**125.6**	**48.9%**
Gain (loss) on fixed assets due for disposal, net of taxes	-3.6	-3.6		-3.6	n.s.
Minority interests in profit (loss) for the year	-3.9	-3.9	-3.4	0.5	15.5%
Net profit (loss) for the year	**375.1**	**190.1**	**253.6**	**121.5**	**47.9%**

(*)Figures in the “Restated” column at 31/3/08 are inclusive of the disposal of Banca Depositaria.

(°) To make a comparison with 2007; following the disposal of 50% of the insurance business, the aggregate “Dividends, similar income and income/loss from equity investments” at 12/31/2006 was supplemented with the values previously included in the aggregate “ Gain (loss) on fixed assets due for disposal, net of taxes”.

Note: Comparisons with last year will lead to inconsistencies, since 2007 data – unlike 2008 figures – do not include Biver Banca results.

MPS GROUP

■ **RECLASSIFIED BALANCE SHEET - QUARTERLY TREND** (in millions of euros)

ASSETS	03/31/2008 Restated *	03/31/2008	12/31/2007	09/30/2007 (°)	06/30/2007 (°)	03/31/2007 (°)
Cash and cash equivalents	536	536	821	470	454	430
Receivables :						
a) Customer loans	107,569	107,749	106,322	100,375	98,829	95,253
b) Due from banks	13,940	11,708	14,858	15,089	17,461	14,060
Financial assets held for trading	30,725	30,726	31,052	24,956	31,179	36,074
Financial assets held to maturity	0	0	0	0	0	0
Equity investments	817	817	820	361	361	424
Underwriting reserves/reinsurers						
Tangible and intangible fixed assets	3,127	3,127	3,532	3,359	3,282	3,304
of which:						
a) goodwill	*961*	*961*	*941*	*641*	*641*	*641*
Other assets	7,774	7,799	4,578	18,547	19,581	20,235
Total assets	**164,488**	**162,463**	**161,984**	**163,158**	**171,147**	**169,779**

LIABILITIES	03/31/2008 Restated *	03/31/2008	12/31/2007	09/30/2007 (°)	06/30/2007 (°)	03/31/2007 (°)
Payables						
a) Due to customers and securities (°)	109,040	110,447	113,347	101,714	99,199	95,827
b) Due to banks	19,036	15,613	13,743	17,573	21,039	20,627
Financial liabilities from trading	18,487	18,506	19,355	12,111	19,384	20,680
Provisions for specific use						
a) Provisions for employee leaving indemnities	366	366	369	367	366	385
b) Reserve for retirement benefits	417	417	428	407	407	415
c) Other reserves	488	488	621	563	569	573
Other liabilities	7,566	7,723	5,226	22,476	22,342	23,260
Underwriting reserves						
Group portion of shareholders' equity	8,830	8,644	8,649	7,897	7,794	7,971
a) Valuation reserves	433	433	650	669	767	659
b) Reimbursable shares						
c) Capital instruments	70	70	70	71	71	71
d) Reserves	5,434	5,433	3,996	3,984	3,985	4,509
e) Share premium account	547	547	559	561	561	561
f) Share capital	2,032	2,032	2,032	2,030	2,030	2,030
g) Treasury shares (-)	-61	-61	-97	-137	-134	-112
h) Net profit (loss) for the year	375	190	1,438	718	514	254
Minority interests in shareholders' equity	259	259	247	51	47	41
Total liabilities and shareholders' equity	**164,488**	**162,463**	**161,984**	**163,158**	**171,147**	**169,779**

(*)Figures in the "Restated" column at 31/3/08 are inclusive of the disposal of Banca Depositaria.

(°) "Other assets" and "Other liabilities" figures include insurance amounts pursuant IFRS 5

Note: Comparisons with last year will lead to inconsistencies, since 2007 data – unlike 2008 figures – do not include Biver Banca results.

MPS Group	1st quarter Restated	1st quarter	2007 (°) 4th quarter	3rd quarter	2nd quarter	1st quarter	Quarterly Avg. 2007
Net interest income	**810.6**	**810.6**	**801.9**	**727.1**	**710.1**	**705.4**	**736.1**
Net commissions	382.0	382.0	379.2	365.0	381.7	389.4	378.8
Income from banking activities	**1,192.6**	**1,192.6**	**1,181.1**	**1,092.1**	**1,091.8**	**1,094.8**	**1,115.0**
Dividends, similar income and profits (losses) from equity investments	8.2	8.2	37.4	23.7	35.2	60.0	39.1
Net result from realisation/valuation of financial assets	-29.6	-29.6	120.4	21.8	124.4	88.2	88.7
Net gain (loss) from hedging	-3.8	-3.8	-0.8	-3.6	2.2	-0.5	-0.7
Financial and insurance income (loss)	**1,167.3**	**1,167.3**	**1,338.1**	**1,133.9**	**1,253.7**	**1,242.5**	**1,242.0**
Net adjustments for impairment of:							
a) loans	-127.0	-127.0	-214.0	-112.4	-118.3	-107.2	-138.0
b) financial assets	-69.4	-69.4	-35.3	-5.3	7.2	-4.4	-9.4
Net financial and insurance income (loss)	**970.9**	**970.9**	**1,088.8**	**1,016.2**	**1,142.6**	**1,130.9**	**1,094.6**
Administrative expenses:	-679.7	-679.7	-778.3	-671.0	-682.3	-654.2	-696.5
a) personnel expenses	-451.5	-451.5	-544.0	-436.1	-438.0	-430.8	-462.2
b) other administrative expenses	-228.1	-228.1	-234.3	-234.9	-244.3	-223.3	-234.2
Net adjustments to the value of tangible and intangible fixed assets	-29.0	-29.0	-31.4	-28.9	-25.2	-29.5	-28.8
Operating expenses	**-708.7**	**-708.7**	**-809.7**	**-699.9**	**-707.5**	**-683.7**	**-725.2**
Net operating income	**262.2**	**262.2**	**279.1**	**316.3**	**435.1**	**447.2**	**369.4**
Net provisions for risks and liabilities and Other operating income/costs	29.3	29.3	-174.2	-1.2	-18.5	-13.7	-51.9
Income on equity investments	186.2						
Goodwill impairment			-0.4		-0.3		-0.2
Gains (losses) from disposal of investments	7.67	7.67	0.08	0.01	0.03	0.06	0.0
Gain (loss) from current operations before taxes	**485.3**	**299.2**	**104.6**	**315.1**	**416.3**	**433.6**	**317.4**
Taxes on income for the year from current operations	-102.8	-101.6	-118.2	-106.8	-150.0	-176.6	-137.9
Utile (Perdita) della operatività corrente al netto delle imposte	**382.6**	**197.6**	**-13.7**	**208.3**	**266.4**	**257.0**	**179.5**
Gain (loss) on fixed assets due for disposal, net of taxes	-3.6	-3.6	735.2				183.8
Minority interests in profit (loss) for the year	-3.9	-3.9	-2.1	-4.0	-6.2	-3.4	-3.9
Net profit (loss) for the year	**375.1**	**190.1**	**719.4**	**204.4**	**260.2**	**253.6**	**359.4**

(*)Figures in the "Restated" column at 31/3/08 are inclusive of the disposal of Banca Depositaria for 186 mln.€.

(°) To make a comparison with 2007; following the disposal of 50% of the insurance business, the aggregate "Dividends, similar income and income/loss from equity investments" at 12/31/2006 was supplemented with the values previously included in the aggregate " Gain (loss) on fixed assets due for disposal, net of taxes".

Note: Comparisons with last year will lead to inconsistencies, since 2007 data – unlike 2008 figures – do not include Biver Banca results.

Balance Sheet

(in euro)

	Assets	03/31/2008	12/31/2007
10	Cash and cash on deposit	535,814,552	821,089,517
20	Financial assets held for trading	26,113,388,302	26,246,463,503
30	Financial assets at fair value	-	-
40	Financial assets available for sale	4,612,770,327	4,805,215,609
50	Financial assets held to maturity	3,066	3,019
60	Due from banks	11,708,305,611	14,858,265,765
70	Loans to costumers	107,749,484,164	106,322,374,337
80	Hedging derivatives	10,984,384	42,306,654
90	Value adjustment on financial assets with generic coverage (+/-)	21,877,769	16,853,585
100	Equity investment	817,175,932	820,080,233
110	Technical reserves reassured with third parties	-	-
120	Fixed Assets	1,998,450,379	2,428,018,467
130	Intangible assets	1,128,166,441	1,104,121,373
	of which: goodwill	*961,239,412*	940,766,633
140	Tax assets	1,122,816,763	1,102,980,122
	a) current	*527,594,437*	581,433,678
	b) anticipated	*595,222,326*	521,546,444
150	Non current assets (or disposal groups) held for sale and discontinued operations	3,349,994,342	310,605,335
160	Other	3,293,433,213	3,105,203,621
	Total	**162,462,665,245**	**161,983,581,140**

(in euro)

	Total liabilities and Shareholders'equity	03/31/2008	12/31/2007
10	Due to banks	15,612,858,883	13,742,750,063
20	Due to costumers	59,054,053,007	60,436,581,201
30	Securities	38,409,047,803	39,816,535,931
40	Financial liabilities held for trading	18,506,016,853	19,355,217,544
50	Financial liabilities at fair value	12,983,819,950	13,093,848,021
60	Hedging derivatives	75,038,199	51,659,243
70	Value adjustment on financial liabilities (+/-)	-	-
80	Tax Liabilities	264,364,443	192,434,719
	a) Current	*175,980,788*	*94,698,154*
	b) postponed	*88,383,655*	*97,736,565*
90	Liabilities in disposal groups held for sale ans discontinued operations	2,927,684,205	2,863,322
100	Other	4,455,501,592	4,978,924,467
110	Staff severance indemnity reserve	366,254,264	368,638,635
120	Reserve for risks and other charges	904,871,067	1,048,336,614
	a) pension fund and similar obligations	*417,059,382*	427,748,723
	b) other provisions	*487,811,685*	620,587,891
130	Techical reserves	-	-
140	Revaluation reserves	432,717,679	650,359,070
150	Refundable shares	-	-
160	Capital instruments	70,411,547	70,411,547
170	Reserves	5,432,673,791	3,996,475,026
180	Paid-in Capital	547,400,829	559,171,863
190	Share capital	2,031,866,478	2,031,866,478
200	Own shares (-)	(61,386,159)	(96,625,258)
210	Minority interests (+/-)	259,332,480	246,574,236
220	Profit (loss) for the year	190,138,334	1,437,558,418
	Total liabilities and Shareholders'equity	**162,462,665,245**	**161,983,581,140**

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(in euro)

		03/31/2008	03/31/2007
10	Interest and similar income	2,005,838,316	1,646,170,184
20	Interest and similar expense	(1,195,273,790)	(929,372,629)
30	**Net Interest Income**	**810,564,526**	**716,797,555**
40	Commissions earned	432,172,218	403,385,238
50	Commission expense	(50,183,537)	(38,545,521)
60	**Net Commissions**	**381,988,681**	**364,839,717**
70	Dividends and other income	17,596,052	7,480,537
80	Net Profit from trading	(67,941,302)	88,944,712
90	Net Profit from hedging	(3,823,262)	(537,897)
100	Profit / Loss	1,738,940	3,508,940
	a) loans	*(2,549)*	*30,333*
	b) available for sale financial assets	*2,161,971*	*5,213,656*
	c) held to maturirty investment	-	-
	d) other financial assets	*(420,482)*	*(1,735,049)*
110	Fair Value financial assets and liabilities	20,423,454	5,513,371
120	**Total Income**	**1,160,547,089**	**1,186,546,935**
130	Net value adjustments on:	(199,267,627)	(115,670,073)
	a) loans	*(129,836,065)*	*(111,310,304)*
	b) available for sale financial assets	*(67,369,585)*	*(3,452,822)*
	c) held to maturirty investment	-	-
	d) other financial assets	*(2,061,977)*	*(906,947)*
140	**Net Income from financial operation**	**961,279,462**	**1,070,876,862**
150	Net Premiums	-	-
160	Net Income loss from insurance operations	-	-
170	**Net Income from financial and insurance operations**	**961,279,462**	**1,070,876,862**
180	Administrative expenses	(729,403,248)	(715,939,525)
	a) personnel	*(451,542,047)*	*(430,819,488)*
	b) other administrative expenses	*(277,861,201)*	*(285,120,037)*
190	Provisions for risks and charges	24,937,469	(13,465,957)
200	Valuation adjustments to fixed assets	(17,694,824)	(16,689,527)
210	Valuation adjustments to intangible assets	(11,277,888)	(10,237,619)
220	Other operating income/expenses	56,924,337	63,058,083
230	**Operating costs**	**(676,514,154)**	**(693,274,545)**
240	Income (loss) from investments	6,755,132	29,022,079
250	Net value adjustments on tangible and intangible assets designated at fair value	-	-
260	Value adjustments of goodwill	-	-
270	Income (loss) from disposal of investments	7,674,241	56,186
280	**Income (loss) before taxes from continuing operations**	**299,194,681**	**406,680,582**
290	Income taxes	(101,557,919)	(177,656,449)
300	**Income (loss) after taxes from continuing operations**	**197,636,762**	**229,024,133**
310	Income (loss) from disposal of non continuing operations net of taxes	(3,602,469)	27,960,530
320	**Profit (loss) for the period prior to minority interests**	**194,034,293**	**256,984,663**
330	Profit (loss) prior to minority interests	3,895,959	3,374,023
340	**Profit (loss) for the period**	**190,138,334**	**253,610,640**