PRESS RELEASE

Approval of 9-month results as at 30 September 2007

MPS GROUP: NET PROFIT OF € 718.1 MILLION

Marked acceleration of commercial business combined with strengthening of Group's capital profile

- **Major increase in operating volume and market share**
  - **Loans: +13% (market share = 6.43%, +16 bps vs. 2006 year-end)**
  - **Leasing: +26.4% (market share = 3.3%, +90 bps vs. 2006 year-end)**
  - **Mortgages: +30%**
  - **Savings & investment products: +7.6%**
- **Significant structural growth of main revenue components:**
  - **Net interest income: +7.3%**
  - **Income from banking activities: +5.5%**
- **Further improvement of Group liquidity position:**
  - **Direct funding: +17.7% (market share = 6.61% vs. 6.48% at 2006 year-end)**
  - **Wholesale position: € -2.6 billion vs. € -3.6 billion in June 2007 (€ -9.7 billion in September 2006)**
  - **Loan/funding ratio: <1, further improvement vs. June 2007**
- **Net operating income: +11% (+16.4% net of proceeds from sale of equity investments)**
- **Strong increase of customer base: +127,000 in first 9 months with a tangible increase in retention rate**
- **Decrease in the percentage of deteriorated loans (-27 bps vs. 2006 year-end) and strengthening of their coverage (+180 bps vs. 2006 year-end)**
- **Net profit of € 718.1 million: +4.2% (around +10% net of proceeds from sale of equity investments**
- **Between end of November 2007 and by end of first quarter 2008 a short list of partners for reorganisation of AM and credit recovery areas**

Siena, 8 November 2007. Today, the Board of Directors of Banca Monte dei Paschi di Siena SpA approved the MPS Group's 9-month interim results as at 30 September 2007.

Key consolidated results

In the nine months of 2007 (9M07), the **MPS Group** achieved very significant commercial results. These confirm the growing commercial effectiveness of the platforms specialised by customer segment and the growing benefits of the policies and strategies mapped out by 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 increases in volume intermediated with customers, also in terms of market shares, and (b) **profit performance**, as demonstrated by the progress of **income from banking activities** (+**5.5%** vs. the first 9 months of 2006 (9M06)), **net operating income** (which rose to **€ 1,120.1 million, +11.0% reported and +16.4% net of proceeds from disposal of equity investments)** and **net profit (€ 718.1 million, up by +4.2% vs. the 9M06 result and by around +10% net of proceeds from disposal of equity investments).**

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

- **Net interest income of € 2,142.5 million** (+7.3% vs. 9M06) which benefited from the good development of average volume intermediated (around +10% YoY). Direct funding grew by 17.7% YoY (market share = 6.61%, +13 bps vs. 2006 year-end), and loans by 13.0% (market share = 6.43%, +16 bps vs. 2006 year-end). Interest rate spread was in line with the September 2006 level.

As regards commercial areas' contribution, the commercial banking division made significant progress (+9.7% YoY), driven by a strong volume increase (+12.7% vs. 9M06). This was set against the impact of the finance area caused by the significant decrease in financial assets HFT (-22.6% vs. 30/09/2006).

As regards just quarterly progress, a point to note is good growth (+2.4%) vs. the second quarter.

- **Net commissions** showed growth (+2.3% vs. 9M06) to € **1,136.1 million**, thanks also to strong progress as regards the corporate area's contribution (+12.9% vs. 9M06). In addition, the breakdown of commission income by type featured a good increase in asset management revenue (+3.9% YoY, despite the elimination as of January 2007 of over-performance fees for the Ducato funds).

Another contributor to the positive trend of both primary revenue components was the strong acceleration of growth of the Group's customer base: +127,000 customers in 9M07. This was accompanied by major improvement in retention rate for the entire retail and corporate customer base.

- The positive **net result from realisation/valuation of financial assets** totalled **€ 234.4 million** (€ 252.8 million in 9M06, thanks also to approximately € 89 million from sale of some equity investments) which benefited from appreciable improvement in the contribution of trading activities performed by the Parent Company and MPS Capital Services in the first part of the year.

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 **€ 40.5 million (vs. € 43.8 million in 9M06)** of which € 26 million of profits on sale of part of the shareholding held in Finsoe, which was sold in the first quarter.

Overall, **consolidated financial and insurance income** thus amounted to **€ 3,551.6 million** (+4.4% vs. 9M06), with the "top-quality" component (net interest income and net commissions) increasing by **+5.5% YoY**.

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

- "**net adjustments for impairment of loans" amounted to € 338 million**, which express a provisioning rate of approximately 45 bps (50 bps at 2006 year-end) and lead to further strengthening (+1.8% vs. 2006 year-end) of coverage of deteriorated loans.

- "**net adjustments for impairment of financial assets"** with **a negative balance of € 2.4 million**

Financial and insurance income amounted to € 3,211.3 million (+4.2% vs. 9M06, + 5.6% net of gains from disposal of equity investments).

Operating expenses (€ 2,091.1 million) were up by 0.8% vs. € 2,074.0 million in 9M06 and in line with the planned year-end target decrease.

Specifically:

- "**Personnel expenses"** stood at **€ 1,304.9 million,** with a decrease of 1.4% YoY. This was mainly due to the staff reorganisation initiatives implemented thus far. The third quarter (3Q07) in particular featured the first part of the exits arising from implementation of demanning initiatives in central units (some 240 resources, whose cessation took legal/contractual effect on 1 October 2007). Further severances are envisaged in the last part of the year.

- "**Other administrative expenses" amounted to € 702.6 million** (+7.7% YoY) due to development of the network, the advertising campaign aired in the second quarter, and to consulting expenses relating to development of projects envisaged in the Business Plan.

- "**Net value adjustments on tangible and intangible assets" totalled € 83.6 million** (down by 14.9%).

The **cost/income ratio, including amortisation and depreciation** thus decreased to **58.9%** (vs. 60.9% as at December 2006).

As a result of the trends mentioned above, **net operating income** amounted to **€ 1,120.1 million (+11.0% but +16.4% net of income from sale of equity investments in 9M06).**

As regards the breakdown by **business area outlined in the 2006-2009 Business Plan**, we highlight the growing contribution made by the **Commercial business segment**. This segment benefited both from the **enhanced effectiveness of platforms specialised by customer segment and from a well-conceived customer relationship policy and communications and marketing campaigns for products.**

More specifically:

Commercial Banking/Distribution Network:

- Financial and insurance income: +8.5% YoY
- Net operating income: +25.5% YoY
- Customer loans: +12.7% YoY

Private Banking/Wealth Management:

- Financial and insurance income: -4.2% YoY[1]
- Net operating income: -4% YoY
- Direct funding: +16.8% YoY

Corporate Banking/Capital Markets:

- Financial and insurance income: +5.4% YoY
- Net operating income: +11.2% YoY
- Customer loans: +15.5% YoY

Completing the income picture there were **taxes** totalling **€ 433.3 million** (€ 428.5 million in 9M06), with a tax rate of approximately 39%.

Gains made by fixed assets due for disposal, net of taxes totalled **€ 78.4 million** and refers entirely insurance operations, which in 9M06 amounted to € 78.6 million. Last year, also featured the contribution of the tax-collection (which exited from the Group's scope of consolidation in October 2006), which had contributed € 31.4 million as up to 30 September 2006.

- [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.

Consolidated net profit for 9M07 amounted to € 718.1 million (€ 689.2 million in 9M06) with progress of 4.2% vs. 9M06 and of about 10% excluding the gains on sale of equity investments. Annualised ROE (on year-end equity) was 13.2%.

Regarding the end of the year we expect trends in line with the 2007 budget and Business Plan targets.

Lastly, as regards the Group's individual business units, we highlight satisfactory results also for the Banca Toscana and BAM subsidiaries:

Banca Toscana

- Revenues: € 604.8 million (+3.0% YoY)
- Net profit: € 101.9 million (+38.0% YoY)

BAM

- Revenues: € 390.3 million (+9.9% YoY)
- Net profit: € 68.3 million (+20.3% YoY)

Balance sheet highlights

For the MPS Group, commercial operations in 9M07, 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** (amounting to some € 102 billion) grew by 17.7% YoY **while AuM amounted to about € 48.5 billion** (+0.2% YoY)**.**

The results were the result of sales of **€ 7,914 billion** of savings & investment products (+7.6% vs. 9M06). These consisted of **€ 2,712 billion** in insurance premiums (€ 2,953 billion in 9M06), **€ 5,513 billion** in linear and structured bonds (+13.3% vs. 30/09/2006) and **€ 856 million** in mutual funds/ SICAV (-€ 386 million as up to September 2006).

Customer loans amounted to € 100.4 billion euro, **13.0%** more than at the end of September 2006, with loans issued by the networks and specialised lending companies rising to **€ 12.7 billion** (up 22.8%).

There was major growth of new business in **mortgages** (growth of over 30% vs. September 2006), **Consum.it consumer credit (+4% YoY)**, MPS Capital Services Banca per l'Impresa (+20.2%), leasing (+26.4%), and factoring (+15.7%).

As regards the quality of credit, 9M07 ended with net exposure to deteriorated loans slightly up vs. 2006 year-end in outright terms. Its level as a percentage of total loans was nevertheless moderate and down vs. 31 December 2006 (3.91% vs. 4.18% at year-end). As regards the approach to covering credit risk, the ratio of value adjustments to non-performing loans stood at 54.5% (up compared with 54.1% at the end of 2006). The incidence of net non-performing loans on total loans was 1.9% whilst that of watchlist loans was 1.1%.

Parent Company

Positive consolidated performance was also reflected at Parent Company level in the growth of income from banking activities (+6.6% YoY, confirming the robust growth already reported in June), thus demonstrating a structural core-business growth trend.

Significant events in 2007

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

13 February 2007: Holmo and Banca Monte dei Paschi di Siena concluded an agreement for sale by Banca MPS to Holmo of a shareholding in Finsoe accounting for 14.839% of total share capital, for the sum of € 350.4 million. The estimated beneficial impact on 2007 ratios is 7 bps for the Tier 1 capital ratio and 20 bps for the Total capital ratio.

22 March 2007: Sale was completed of 50% of MPS Vita and MPS Danni to AXA for € 1,150 million. The sale reflects an implicit valuation for MPS Vita and MPS Danni of € 2,300 million (embedded value as at 30 June 2006 was approximately € 900 million).

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), following application of a new valuation methodology. The rating assigned for short-term liabilities and deposits was P-1. Outlook remained stable.

20 April 2007: Spoleto Credito e Servizi, the co-operative company owning 51.03% of the ordinary share capital of Banca Popolare di Spoleto, and Banca Monte dei Paschi di Siena, which owns 19.98% directly and, indirectly, through Montepaschi Vita, a further 5.95% of the ordinary share capital of Banca Popolare di Spoleto, signed 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 (BMPS) signed the transaction agreement relating to the sale of 55% of Biverbanca to MPS.

26 July 2007: AXA S.A. ("AXA") and Banca Monte dei Paschi di Siena SpA ("BMPS") signed the transaction agreement relating to sale of 100% of the share capital of AXA SIM SpA ("AXA SIM") to BMPS.

30 August 2007: Following the request for information made by the CONSOB (Italian securities & exchange commission) pursuant to Article 114, paragraph 5 of Italian Legislative Decree no. 58/1998 – Public disclosure – (CONSOB letter dated 30 August 2007, ref. No. 7079556), we highlighted that the Group's exposure and commitments relating to so-called subprime mortgages or financial products linked to such mortgages was marginal.

10 September 2007: Merger of MPS Banca Impresa and MPS Finance to create a top-calibre specialised centre for long- and medium-term credit products, corporate finance business, and for capital market and structured finance products.

1 October 2007: Exchange offer for 100% of Borsa Italiana S.p.A. ordinary shares with London Stock Exchange Group plc newly issued shares with a gross capital gain equal to € 155 million, that will be accounted in the fourth quarter of 2007.

21 October 2007: AXA and BMPS finalised a long-term partnership agreement in life and P&C bancassurance and in the pension-planning business.

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, relating to the interim report for the first 9 months of 2007, matches documentary evidence, corporate books, and accounting records.

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

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FINANCIAL STATEMENTS RESTATED ACCORDING TO OPERATING CRITERA

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 09/30/2007

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MPS GROUP	09/30/2007	09/30/2006	% chg
• INCOME STATEMENT FIGURES (in millions of euros)		restated (°)	
Financial and insurance income (loss)	3,278.7	3,107.4	5.5
Financial and insurance income (loss)	3,551.6	3,402.2	4.4
Net operating income	1,120.1	1,009.1	11.0
Net profit (loss) for the period	718.1	689.2	4.2
• BALANCE SHEET FIGURES AND INDICATORS (in millions of euros)	**09/30/2007**	**09/30/2006**	**% chg**
Direct funding	101,714	86,398	17.7
Indirect funding	101,474	108,325	-6.3
of which: assets under management	*48,494*	*48,407*	0.2
of which: assets under custody	*52,980*	*59,918*	-11.6
Customer loans	100,375	88,791	13.0
Group net equity	7,897	7,688	2.7
• KEY LOAN QUALITY RATIOS (%)	**09/30/2007**	**12/31/2006**	
Net non-performing loans/Customer loans	1.9	1.8	
Net watchlist loans/Customer loans	1.1	1.1	
• PROFITABILITY RATIOS (%)	**09/30/2007**	**12/31/2006**	
Cost/Income ratio	58.9	60.9	
R.O.E. (on average equity)	12.2	12.1	
R.O.E. (on year-end equity)	13.2	13.3	
Net adjustments to loans / Year-end investments	0.45	0.50	
• CAPITAL RATIOS (%)	**09/30/2007**	**12/31/2006**	
Solvency ratio	8.9	9.48	
Tier 1 ratio	6.3	6.53	
(a) determined using the Bank of Italy's prudential filters.			
• INFORMATION ON BMPS STOCK	**09/30/2007**	**12/31/2006**	
Number of ordinary shares outstanding	2,457,264,636	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	4.85	4.61	
low	4.26	3.72	
high	5.34	5.08	
• OPERATING STRUCTURE	**09/30/2007**	**12/31/2006**	**Abs. chg**
Total head count - year-end (1)	24,387	24,348	39
Number of branches in Italy	1,920	1,903	17
Financial advisor branches	139	139	0
Number of branches & rep. offices abroad	37	36	1

(°) Reclassified pursuant to IAS 8
(1) The 30/09/07 figure exclude Tax Collection staff.

MPS GROUP

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

ASSETS	**09/30/2007**	**09/30/2006** (*)	**Var %**
Cash and cash equivalents	470	410	14.9
Receivables :			
a) Customer loans	100,375	88,791	13.0
b) Due from banks	15,089	13,434	12.3
Financial assets held for trading	24,956	41,252	-39.5
Financial assets held to maturity	0	4,247	n.s.
Equity investments	361	728	-50.4
Underwriting reserves/reinsurers	0	12	
Tangible and intangible fixed assets	3,359	3,411	-1.5
of which:			
a) goodwill	*641*	*740*	*-13.4*
Other assets	18,547	4,175	n.s.
Total assets	**163,158**	**156,458**	**4.3**

LIABILITIES	**09/30/2007**	**09/30/2006** (*)	**Var %**
Payables			
a) Due to customers and securities	101,714	86,398	17.7
b) Due to banks	17,573	23,145	-24.1
Financial liabilities from trading	12,111	14,729	-17.8
Provisions for specific use			
a) Provisions for employee leaving indemnities	367	399	-8.2
b) Reserve for retirement benefits	407	337	20.7
c) Other reserves	563	557	1.0
Other liabilities	22,476	23,166	-3.0
Underwriting reserves	0	0	
Group portion of shareholders' equity	7,897	7,688	2.7
a) Valuation reserves	669	637	5.0
b) Reimbursable shares	0	0	
c) Capital instruments	71	46	55.1
d) Reserves	3,984	3,768	5.7
e) Share premium account	561	545	2.8
f) Share capital	2,030	2,026	0.2
g) Treasury shares (-)	-137	-23	n.s.
h) Net profit (loss) for the year	718	688	4.4
Minority interests in shareholders' equity	51	39	30.5
Total liabilities and shareholders' equity	**163,158**	**156,458**	**4.3**

(°) *Other liabilities* figure at 30 September 2006 was restated according to IFRS 5

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

MPS Group	09/30/2007	09/30/2006 restated (°)	Change Abs.	Change %
Net interest income	**2,142.5**	**1,996.4**	**146.1**	**7.3%**
Net commissions	1,136.1	1,111.0	25.2	2.3%
Income from banking activities	**3,278.7**	**3,107.4**	**171.3**	**5.5%**
Dividends, similar income and profits (losses) from equity investments	40.5	43.8	-3.4	-7.7%
Net result from realisation/valuation of financial assets	234.4	252.8	-18.4	-7.3%
Net gain (loss) from hedging	-1.9	-1.8	-0.1	5.7%
Financial and insurance income (loss)	**3,551.6**	**3,402.2**	**149.4**	**4.4%**
Net adjustments for impairment of:				
a) loans	-338.0	-311.4	-26.5	8.5%
b) financial assets	-2.4	-7.8	5.3	n.s.
Net financial and insurance income (loss)	**3,211.3**	**3,083.1**	**128.2**	**4.2%**
Administrative expenses:	-2,007.5	-1,975.6	-31.8	1.6%
a) personnel expenses	-1,304.9	-1,323.5	18.6	-1.4%
b) other administrative expenses	-702.6	-652.2	-50.4	7.7%
Net adjustments to the value of tangible and intangible fixed assets	-83.6	-98.3	14.7	-14.9%
Operating expenses	**-2,091.1**	**-2,074.0**	**-17.2**	**0.8%**
Net operating income	**1,120.1**	**1,009.1**	**111.0**	**11.0%**
Net provisions for risks and liabilities and Other operating income/costs	-33.3	8.4	-41.7	n.s.
Goodwill impairment	-0.3	-0.3	0.0	2.7%
Gains (losses) from disposal of investments	0.10	0.2	-0.1	-45.2%
Gain (loss) from current operations before taxes	**1,086.6**	**1,017.4**	**69.2**	**6.8%**
Taxes on income for the year from current operations	-433.3	-428.5	-4.9	1.1%
Gain (loss) from current operations after taxes	**653.3**	**588.9**	**64.4**	**10.9%**
Gain (loss) on fixed assets due for disposal, net of taxes	78.4	110.0	-31.6	-28.7%
Minority interests in profit (loss) for the year	-13.5	-9.7	-3.9	40.1%
Net profit (loss) for the year	**718.1**	**689.2**	**28.9**	**4.2%**

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

QUARTERLY TREND IN INCOME STATEMENT FIGURES RECLASSIFIED ACCORDING TO OPERATING CRITERIA (in millions of euros)

				2006 (°)			
MPS Group	**3rd quarter**	**2nd quarter**	**1st quarter**	**4th quarter**	**3rd quarter**	**2nd quarter**	**1st quarter**
Net interest income	**727.1**	**710.1**	**705.4**	**717.8**	**680.3**	**670.2**	**645.9**
Net commissions	365.0	381.7	389.4	379.7	358.1	364.4	388.4
Income from banking activities	**1,092.1**	**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	2.3	7.9	30.3	0.0	13.5	24.3	6.0
Net result from realisation/valuation of financial assets	21.8	124.4	88.2	277.8	24.4	52.1	176.3
Net gain (loss) from hedging	-3.6	2.2	-0.5	-5.4	0.0	-2.1	0.3
Financial and insurance income (loss)	**1,112.6**	**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	-112.4	-118.3	-107.2	-149.6	-101.8	-107.8	-101.8
b) financial assets	-5.3	7.2	-4.4	-117.6	-0.6	-8.6	1.4
Net financial and insurance income (loss)	**994.8**	**1,115.2**	**1,101.2**	**1,102.7**	**974.0**	**992.5**	**1,116.5**
Administrative expenses:	-671.0	-682.3	-654.2	-796.4	-669.9	-651.4	-654.3
a) personnel expenses	-436.1	-438.0	-430.8	-538.1	-448.8	-439.5	-435.3
b) other administrative expenses	-234.9	-244.3	-223.3	-258.3	-221.1	-212.0	-219.1
Net adjustments to the value of tangible and intangible fixed assets	-28.9	-25.2	-29.5	-36.4	-34.2	-32.9	-31.3
Operating expenses	**-699.9**	**-707.5**	**-683.7**	**-832.8**	**-704.1**	**-684.3**	**-685.6**
Net operating income	**294.9**	**407.7**	**417.5**	**269.9**	**269.9**	**308.3**	**430.9**
Net provisions for risks and liabilities and Other operating income/costs	-1.2	-18.5	-13.7	-4.3	9.3	10.2	-11.1
Goodwill impairment	0.0	-0.3	0.0	-0.3	0.0	-0.3	0.0
Gains (losses) from disposal of investments	0.0	0.0	0.1	2.73	0.01	0.16	0.01
Gain (loss) from current operations before taxes	**293.7**	**389.0**	**403.9**	**268.1**	**279.2**	**318.4**	**419.8**
Taxes on income for the year from current operations	-106.8	-150.0	-176.6	-72.4	-118.3	-132.0	-178.2
Utile (Perdita) della operatività corrente al netto delle imposte	**187.0**	**239.0**	**227.2**	**195.7**	**160.9**	**186.4**	**241.6**
Gain (loss) on fixed assets due for disposal, net of taxes	21.4	27.3	29.7	35.4	49.2	21.6	39.2
Minority interests in profit (loss) for the year	-4.0	-6.2	-3.4	-10.2	-2.7	-3.8	-3.2
Net profit (loss) for the year	**204.4**	**260.2**	**253.6**	**220.9**	**207.4**	**204.3**	**277.5**

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