

## **MPS Group: results for the first half of 2004**

### **Net profit at 230 million euros (up 18.4%)**

**Operating costs down 5.3%  
Core Tier 1 ratio improved, now at 6.5%**

- **Net operating income at 769 million euros, up 2.3% against the first half of 2003**
- **Direct funding up 7.2%**
- **Basic income stable**
- **Operating costs cut by 5.3% compared to June 2003 and cost/income down by 1.7 percentage points compared to December 2003**
- **Core Tier 1 at 6.5%, an improvement on the 6.3% of December 2003**
- **Consolidated net profit at 230 million euros, up 18.4% on the same aggregate for 2003**

\* \* \*

*Siena, 9 September 2004.* Today the Board of Directors of the Banca Monte dei Paschi di Siena SpA, chaired by Professor Pier Luigi Fabrizi, approved the results of the Bank and MPS Group as at 30 June 2004.

Despite the continued complexity of operating conditions, **the MPS Group achieved significant results owing to the growth of operating volumes and profit margins of commercial activities, by pursuing the structural process of cutting operating costs and strengthening capital ratios.**

With regard to **balance sheet aggregates, direct funding** is up 7.2% on the first half of 2003. **Indirect funding** is up 2.5% (on homogeneous basis) on the first six months of last year, thanks also to an increase in products placed for a total of nearly 3 billion euros, of which approximately 2 billion euros originate from the collection of premiums, confirming **the market share of 9.7% on the flows of the “bancassurance + poste” system**. Within indirect funding, **funds under management** stand at 43.5 billion euros (up 6.2% on the first half of 2003) with the Technical Reserves of the insurance branch up 17% on the previous year and 7% from the start of the year.

**Customer loans and advances are up 1.8%** against 2003, bringing the share of the Group within the sector to 6.25%, despite the reflective trend all through the system expressed by the short-term component; development of the medium/long-term component (which absorbs the effects of the performing securitization effected at the end of 2003), on the other hand, continues at a satisfactory pace (up 8% on the previous year), induced, in particular, by **retail and corporate mortgages of more than 3.2 billion euros (up 16.5% on June 2003)**.

The **net non-performing loans/customer loans ratio stands at 2% in line with the estimated averages for the sector**. The NPL's coverage stands at 60%, while coverage for *in bonis* loans equals 0.85%, which is one of the highest in the banking sector.

The solvency ratios have also improved: the **total capital ratio stands at 10.3%** (9.9% as at December 2003), the **Core Tier 1 ratio** 6.5% (from 6.3%) and the **Tier 1** 6.7% (from 6.5%).

From a **profit standpoint**, the positive dynamic of commercial income, combined with the further cut in operating costs, has enabled us to absorb the lower contribution from trading activities on the financial markets.

With regard to the **total banking income**, the “primary quality” component (interest margin + net commissions) is stable compared to June 2003, owing to a contained dip in the **interest margin** (1,231 million euros, down 1.8%) offset by a rise in **net commissions** (672 million euros; up 4.2%), thanks to the growing contribution of commissions linked to

traditional banking services, income from funds under management as well as tax collection activities.

The other items contributing to forming the total banking income include, on the positive side, the **contribution from companies valued with the net equity method**, up 34 million euros on June 2003, with particular reference to the results achieved by the MPVita Group, with a net result of more than 30 million euros, and **other operating income** (up 13 million euros on the previous year). However, there were also negative contributions due both to **dividends** (down 45 million euros on June 2003) and **profits/losses from financial operations** (down 73 million euros on the first half of 2003) which absorb the lower income from trading activities.

This latter item in particular means that the **consolidated banking income** (2,304 million euros) shows a dip of 2.9% against the first half of 2003; net of this item, the balance would actually be slightly positive (up 0.3%).

As far as **operating costs** are concerned, the structural initiatives to reduce expenditure, consolidated during 2003 and continuing into the first half of the current year, led to a reduction of the aggregate equal to 5.3%: **administrative expenses** are down approximately 60 million euros on the same period of 2003 (down 4.1%), owing to a dip in current **operating expenses** (down 7.5%) and lower **personnel costs** (down 3.3%). **Valuation adjustments for intangible and tangible assets**, down 25 million euros (15% lower than in June 2003), complete the breakdown of the aggregate.

The **cost/income** ratio drops **1.7 percentage points** compared to December 2003, at **66.6%** (65.1% considering banking activities only).

The activity described so far gives a **Net operating income of 769 million euros**, up 2.3% on that recorded in the first half of 2003.

In addition, **adjustments and provisions to loans** contribute 302 million euros to the result (256 million euros as at June 2003), characterised as usual by particularly prudent criteria. They account for 7.5 million euros of further provisions to cover the Parmalat exposure; added to these is the share for the period of approximately **17 million euros**

relating to non-performing securitizations effected in previous accounting periods, under the terms of L.130/99.

Finally, it is necessary to consider **net provisions for risks and charges** of approximately 8 million euros (more than 55 million euros in the first half of 2003) which include both writebacks on risks and further provisions connected to claims in the financial plans and on structured products. **Writedowns to non-current financial assets and other assets** of approximately 6 million euros (53.4 million euros as at June 2003). The **balance of extraordinary management**, which shows a negative value of 46 million euros (up 1.7 million as at June 2003), is essentially due (39.1 million euros) to the outflow plan promoted and the activation of the Solidarity Fund; finally, **taxes** have been posted for 123 million euros, with an incidence on gross profit of 34.2%, significantly higher than in previous years.

**Therefore, the consolidated net profit for the first half of the year stands at 230 million euros, up 18.4% on the same aggregate for 2003.** Net of adjustments on goodwill, the net profit is 278 million euros. ROE stands at 7.5% gross of adjustments on goodwill and at 9.1% net of these.

## MPS GROUP: KEY DATA AND RATIO ANALYSIS

million euro

	6/30/04	6/30/03	Chg.%
<b>Profit and loss aggregates</b>			
Total banking income	2,304.2	2,371.8	-2.9
Net operating income	769.3	751.8	2.3
Net income	230.1	194.4	18.4
Net income adjusted for goodwill	277.8	246.0	12.9
<b>Balance sheet aggregates</b>			
	<b>6/30/04</b>	<b>6/30/03</b>	<b>Chg.%</b>
Direct funding - including subordinated debt	83,372	77,748	7.2
Indirect funding	104,921	103,850	1.0
<i>including: Funds under management</i>	<i>43,454</i>	<i>40,927</i>	<i>6.2</i>
<i>including: Funds under administration</i>	<i>61,468</i>	<i>62,922</i>	<i>-2.3</i>
<b>Customer loans and advances</b>	<b>71,912</b>	<b>70,616</b>	<b>1.8</b>
<b>Consolidated shareholders' equity</b>	<b>6,216</b>	<b>6,236</b>	<b>-0.3</b>
<b>Credit quality indicators (%)</b>			
	<b>6/30/04</b>	<b>12/31/03</b>	
Net non-performing loans / Customer loans and advances (%)	2.01	1.84	
Watchlist credits / customer loans and advances (%)	1.79	1.68	
<b>Profitability ratios (%)</b>			
	<b>6/30/04</b>	<b>12/31/03</b>	
Non interest income/Total banking income	46.6	46.8	
Cost/Income ratio % (excluding depreciations and amortization)	60.4	61.2	
Cost/Income ratio % (including depreciations and amortization)	66.6	68.3	
Cost/Income ratio % (including depreciations and amortization) (°)	65.1	66.2	
R.O.E. (net equity as of end of period)	7.7	8.3	
R.O.E.(*)	7.5	7.7	
Adjusted ROE (%) (*)	9.1	9.5	
(*) excl. Tax Collection area			
(*) average net equity			
<b>Solvency ratios (%)</b>			
	<b>6/30/04</b>	<b>12/31/03</b>	
Total capital ratio %	10.3	9.9	
Tier 1 Ratio %	6.7	6.5	
<b>Share data</b>			
	<b>6/30/04</b>	<b>12/31/03</b>	
Number of shares outstanding	2,448,491,901	2,448,491,901	
Number of preferred shares outstanding	565,939,729	565,939,729	
Number of savings shares outstanding	9,432,170	9,432,170	
Ordinary share price during the year:			
- average	2.55	2.42	
- low	2.30	1.93	
- high	2.74	2.85	
<b>Operating structure</b>			
	<b>6/30/04</b>	<b>6/30/03</b>	<b>Abs. Chg.</b>
Number of banking employees (end of period)	24,292	24,798	-506
Number of total employees (end of period)	26,764	27,381	-617
Number of branches in Italy (*)	1,840	1,834	6
Number of foreign branches and foreign representative offices	38	38	

(\*) data include facilities of specialized units MPS Merchant and MPS Banca Verde

**MPS Group**  
**Reclassified Consolidated Balance Sheet (in EUR mn)**

ASSETS	6/30/04	6/30/03	Changes		31/12/2003
			Abs	%	
Cash on hand and deposits with central bank and post office	534	493	41	8.3	671
Loans:					
a) Customer loans and advances	71,912	70,616	1,295	1.8	70,405
b) Amounts due from banks	10,184	11,421	-1,237	-10.8	8,551
Trading Account Securities	13,648	14,787	-1,140	-7.7	14,342
Non-current assets					
a) Investment securities	3,866	4,065	-199	-4.9	3,964
b) Equity investments	2,606	2,575	30	1.2	2,621
c) Fixed assets and intangible assets	2,370	2,562	-191	-7.5	2,512
Positive consolidation differences & positive net equity differences	865	972	-107	-11.0	913
Own shares or quotas	8	5	3	63.9	16
Other assets	16,850	20,747	-3,897	-18.8	18,995
<b>Total Assets</b>	<b>122,843</b>	<b>128,245</b>	<b>-5,402</b>	<b>-4.2</b>	<b>122,989</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6/30/04</b>	<b>6/30/03</b>	<b>Changes</b>		<b>31/12/2003</b>
			<b>Abs</b>	<b>%</b>	
Liabilities					
a) Customer deposits and borrowed funds backed by negotiable instruments	78,614	74,481	4,133	5.5	77,863
b) Due to banks	13,796	21,302	-7,506	-35.2	15,058
Reserves for specific use					
a) Pension funds	443	457	-14	-3.0	427
b) Staff severance indemnity reserve	458	402	57	14.1	430
c) Other reserves for risks and charges	753	679	74	10.9	784
d) Reserve for taxes	344	425	-81	-19.1	647
Other liabilities	17,107	20,610	-3,502	-17.0	16,805
Reserve for loan losses	318	363	-45	-12.3	311
Subordinated debt	4,758	3,267	1,491	45.6	4,475
Minority interests	34	23	11	49.9	35
Shareholder's equity:					
a) Share capital	1,935	1,935	0	0.0	1,935
b) Paid-in capital	523	523	0	0.0	523
c) Reserve for general banking risks	61	361	-300	-83.1	61
d) Negative consolidation and net equity differences	6	23	-16	-71.9	6
e) Reserves	3,461	3,200	261	8.1	3,186
f) Profit (loss) for the year	230	194	36	18.4	443
<b>Total Liabilities and Shareholders' Equity</b>	<b>122,843</b>	<b>128,245</b>	<b>-5,402</b>	<b>-4.2</b>	<b>122,989</b>

**MPS Group****Reclassified Consolidated Balance Sheet (in EUR mn)**

<b>ASSETS</b>	<b>30/06/2004</b>	<b>31/03/2004</b>	<b>31/12/2003</b>	<b>30/09/2003</b>	<b>30/06/2003</b>
Loans:					
a) Customer loans and advances	71,912	69,357	70,405	69,802	70,616
b) Amounts due from banks	10,184	8,180	8,551	9,321	11,421
Trading Account Securities	13,648	14,795	14,342	13,749	14,787
Non-current assets					
a) Investment securities	3,866	3,916	3,964	3,978	4,065
b) Equity investments	2,606	2,618	2,621	2,702	2,575
c) Fixed assets and intangible assets	2,370	2,493	2,512	2,524	2,562
Positive consolidation differences & positive net equity differences	865	888	913	954	972
Other assets	17,393	20,508	19,682	20,294	21,246
<b>Total Assets</b>	<b>122,843</b>	<b>122,756</b>	<b>122,989</b>	<b>123,323</b>	<b>128,245</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>30/06/2004</b>	<b>31/03/2004</b>	<b>31/12/2003</b>	<b>30/09/2003</b>	<b>30/06/2003</b>
Liabilities					
a) Customer deposits and borrowed funds					
backed by negotiable instruments	78,614	75,312	77,863	74,282	74,481
b) Due to banks	13,796	15,814	15,058	18,649	21,302
Reserves for specific use	1,998	2,384	2,288	1,986	1,962
Other liabilities	17,107	18,033	16,805	18,012	20,610
Reserve for loan losses	318	314	311	368	363
Subordinated debt	4,758	4,578	4,475	3,676	3,267
Minority interests	34	28	35	25	23
Shareholder's equity:	6,216	6,293	6,154	6,324	6,236
<b>Total Liabilities and Shareholders' Equity</b>	<b>122,843</b>	<b>122,756</b>	<b>122,989</b>	<b>123,323</b>	<b>128,245</b>

**MPS Group**  
**Reclassified profit and loss statement - (in EUR mn)**

	6/30/04	6/30/03 restated	Changes		Quarterly Avg 2003	31/12/2003
			Abs	%		
<b>Net Interest Income</b>	<b>1,231.1</b>	<b>1,253.8</b>	<b>-22.7</b>	<b>-1.8</b>	<b>1,244.8</b>	<b>2,489.6</b>
Net commissions	672.2	645.0	27.2	4.2	657.8	1,315.6
<b>Basic Income</b>	<b>1,903.4</b>	<b>1,898.8</b>	<b>4.6</b>	<b>0.2</b>	<b>1,902.6</b>	<b>3,805.1</b>
Dividends	49.7	95.2	-45.5	-47.8	55.8	111.5
Earnings of companies valued with net equity method	52.7	18.8	33.9	179.7	15.9	31.8
Profit (loss) from financial transactions	75.6	148.8	-73.2	-49.2	115.9	231.7
Other operating income	222.8	210.2	12.6	6.0	250.5	501.0
<b>Non Interest Income</b>	<b>1,073.1</b>	<b>1,118.0</b>	<b>-44.9</b>	<b>-4.0</b>	<b>1,095.8</b>	<b>2,191.7</b>
<b>Total Banking Income</b>	<b>2,304.2</b>	<b>2,371.8</b>	<b>-67.6</b>	<b>-2.9</b>	<b>2,340.6</b>	<b>4,681.3</b>
Administrative expenses						
- personnel expenses	-868.2	-898.2	30.0	-3.3	-897.3	-1,794.7
- other administrative expenses	-523.6	-553.5	29.8	-5.4	-534.0	-1,068.1
<i>o/w indirect taxes</i>	82.1	79.9	2.2	2.7	86.0	171.9
<b>Total administrative expenses</b>	<b>-1,391.9</b>	<b>-1,451.6</b>	<b>59.8</b>	<b>-4.1</b>	<b>-1,431.4</b>	<b>-2,862.7</b>
<b>Gross Operating Profit</b>	<b>912.4</b>	<b>920.2</b>	<b>-7.8</b>	<b>-0.8</b>	<b>909.3</b>	<b>1,818.5</b>
Valuation adjustments to fixed and intangible assets	-143.1	-168.3	25.3	-15.0	-167.4	-334.9
<b>Net Operating Profit</b>	<b>769.3</b>	<b>751.8</b>	<b>17.5</b>	<b>2.3</b>	<b>741.8</b>	<b>1,483.6</b>
Goodwill amortization	-47.6	-51.5	3.9	-7.6	-51.4	-102.9
Provisions for risks and charges	-7.6	-55.5	47.9	ns.	-85.9	-171.8
Valuation adjustments to loans net of recoveries	-279.8	-244.7	-35.1	14.4	-341.2	-682.3
Provision to loan loss reserve	-22.0	-11.1	-10.9	98.4	-24.0	-48.0
Writedowns to non-current financial assets	-6.0	-53.4	47.4	ns.	-48.4	-96.7
<b>Profit (losses) from ordinary operations</b>	<b>406.2</b>	<b>335.5</b>	<b>70.6</b>	<b>21.0</b>	<b>191.0</b>	<b>381.9</b>
Extraordinary income (charges)	-46.1	1.7	-47.8	ns.	7.0	13.9
Change in reserve for general banking risks	-0.1	0.0	-0.1	ns.	150.0	300.0
Income taxes	-123.0	-140.3	17.3	-12.4	-122.6	-245.2
<b>Profit for the period before minority interests</b>	<b>236.9</b>	<b>196.9</b>	<b>40.1</b>	<b>20.4</b>	<b>225.3</b>	<b>450.6</b>
Minority interests	-6.8	-2.4	-4.4	179.5	-4.0	-8.1
<b>Net profit for the period</b>	<b>230.1</b>	<b>194.4</b>	<b>35.7</b>	<b>18.4</b>	<b>221.3</b>	<b>442.5</b>



**MPS Group**  
**Quarterly profit and loss statement**  
(in EUR mn)

	Year 2004		Year 2003 restated			
	2Q04	1Q04	4Q03	3Q03	2Q03	1Q03
<b>Net Interest Income</b>	<b>600.3</b>	<b>630.8</b>	<b>609.8</b>	<b>626.0</b>	<b>625.1</b>	<b>628.7</b>
Net commissions	326.7	345.6	352.3	318.2	359.2	285.8
<b>Basic Income</b>	<b>927.0</b>	<b>976.4</b>	<b>962.1</b>	<b>944.3</b>	<b>984.4</b>	<b>914.4</b>
Dividends	39.1	10.7	12.5	3.8	94.8	0.5
Earnings of companies valued with net equity method	32.7	20.0	-5.4	18.4	6.3	12.6
Profit (loss) from financial transactions	-0.4	76.0	-13.4	96.4	43.2	105.6
Other operating income	116.4	106.5	186.3	104.6	98.6	111.6
<b>Non Interest Income</b>	<b>514.4</b>	<b>558.7</b>	<b>532.3</b>	<b>541.4</b>	<b>602.0</b>	<b>516.0</b>
<b>Total Banking Income</b>	<b>1,114.8</b>	<b>1,189.5</b>	<b>1,142.0</b>	<b>1,167.4</b>	<b>1,227.1</b>	<b>1,144.7</b>
Administrative expenses						
- personnel expenses	-429.2	-439.1	-458.7	-437.8	-444.1	-454.1
- other administrative expenses	-256.2	-267.4	-235.2	-279.4	-276.7	-276.8
<b>Total administrative expenses</b>	<b>-685.4</b>	<b>-706.5</b>	<b>-693.9</b>	<b>-717.2</b>	<b>-720.7</b>	<b>-730.9</b>
<b>Gross Operating Profit</b>	<b>429.4</b>	<b>483.0</b>	<b>448.1</b>	<b>450.2</b>	<b>506.4</b>	<b>413.8</b>
Valuation adjustments to fixed and intangible assets	-72.2	-70.9	-83.3	-83.3	-91.6	-76.8
<b>Net Operating Profit</b>	<b>357.2</b>	<b>412.1</b>	<b>364.8</b>	<b>367.0</b>	<b>414.8</b>	<b>337.0</b>
Goodwill amortization	-23.8	-23.8	-25.6	-25.8	-29.3	-22.2
Provisions for risks and charges	14.7	-22.4	-95.4	-20.9	-38.9	-16.6
Valuation adjustments to loans net of recoveries	-158.5	-121.3	-330.4	-107.2	-146.4	-98.3
Provision to loan loss reserve	-13.1	-9.0	-26.8	-10.1	-2.8	-8.3
Writedowns to non-current financial assets	-4.7	-1.3	-39.9	-3.4	-52.5	-1.0
<b>Profit (losses) from ordinary operations</b>	<b>171.9</b>	<b>234.3</b>	<b>-153.2</b>	<b>199.6</b>	<b>144.9</b>	<b>190.6</b>
Extraordinary income (charges)	-54.3	8.2	26.3	-14.1	-23.9	25.6
Change in reserve for general banking risks	-0.1	0.0	300.0	0.0	0.0	0.0
Income taxes	-20.1	-102.9	2.4	-107.3	-56.9	-83.4
<b>Profit for the period before minority interests</b>	<b>97.4</b>	<b>139.5</b>	<b>175.5</b>	<b>78.2</b>	<b>64.0</b>	<b>132.8</b>
Minority interests	-5.5	-1.3	-4.8	-0.8	-1.2	-1.3
<b>Net profit for the period</b>	<b>91.9</b>	<b>138.3</b>	<b>170.7</b>	<b>77.4</b>	<b>62.9</b>	<b>131.6</b>

## Reclassified Consolidated Balance Sheet

(thousand euro)

Assets		30 06 2004	31 12 2003	30 06 2003
10	Cash and cash on deposit with central banks and post offices	534,291	670,899	493,486
20	Italian gov. securities and similar eligible for refinancing with central banks	169,290	163,339	347,024
30	Amounts due from banks	10,183,875	8,551,100	11,420,952
	a) sight	1,351,104	442,556	526,573
	b) other	8,832,771	8,108,544	10,894,379
40	Customer loans and advances	71,911,763	70,404,992	70,616,369
	including			
	loans with third-party funds under administration	12,885	15,224	16,450
50	Bonds and other fixed income securities	15,754,573	17,014,240	15,752,294
	a) of public issuers	6,029,879	7,297,000	6,011,495
	b) of banks	4,363,228	4,226,318	3,946,908
	including: own securities	1,558,874	1,154,290	1,052,449
	c) of financial institutions	2,108,439	2,111,475	2,150,669
	including: own securities	-	-	-
	d) of other issuers	3,253,027	3,379,447	3,643,222
60	Shares, quotas and other equity securities	1,590,159	1,127,598	2,753,142
70	Equity investments	2,146,607	2,157,090	2,062,923
	a) valued with net equity method	428,819	439,337	328,135
	b) other	1,717,788	1,717,753	1,734,788
80	Equity investments in Group companies	458,958	464,278	512,486
	a) valued with net equity method	458,082	464,278	464,516
	b) other	876	-	47,970
90	Positive consolidation differences	636,152	668,688	719,916
100	Positive net equity differences	228,475	244,241	252,044
110	Intangible assets	332,394	373,117	398,414
	including:			
	start-up costs	3,835	4,566	9,584
	goodwill	2,397	3,732	3,774
120	Fixed assets	2,037,884	2,138,911	2,163,241
	including: Assets under financial lease	430,102	481,611	-
130	Unpaid subscribed capital	-	-	-
	including: called-up capital			
140	Own shares	8,187	15,909	4,996
	(nominal values 4,035,657)			
150	Other assets	15,467,433	17,754,713	19,257,001
160	Accrued income and prepayments	1,382,950	1,240,001	1,490,433
	a) accrued income	1,127,416	991,172	1,285,055
	b) prepayments	255,534	248,829	205,378
	including: issuing discounts	85,012	74,988	72,311
	<b>Total Assets</b>	<b>122,842,991</b>	<b>122,989,116</b>	<b>128,244,721</b>

## Reclassified Consolidated Balance Sheet

(thousand euro)

Liabilities and shareholders'equity		30 06 2004	31 12 2003	30 06 2003
10	Due to banks	<b>13,796,158</b>	<b>15,057,974</b>	<b>21,302,091</b>
	a) sight	863,155	2,254,814	5,591,627
	b) time or requiring advance notice of	12,933,003	12,803,160	15,710,464
20	Due to customers	<b>46,917,737</b>	<b>47,011,348</b>	<b>46,119,320</b>
	a) sight	39,044,748	38,771,431	38,243,602
	b) time or requiring advance notice of	7,872,989	8,239,917	7,875,718
30	Other borrowed funds backed by negotiable	<b>31,696,705</b>	<b>30,851,712</b>	<b>28,361,675</b>
	a) bonds	24,828,231	23,999,964	21,808,474
	b) certificates of deposits	6,331,014	6,021,286	5,948,348
	c) other instruments	537,460	830,462	604,853
	c) other instruments			
40	Third-party funds under administrations	<b>28,322</b>	<b>30,742</b>	<b>35,585</b>
50	Other liabilities	<b>15,666,486</b>	<b>15,425,291</b>	<b>19,069,285</b>
60	Accrued liabilities and deferred income	<b>1,412,572</b>	<b>1,349,426</b>	<b>1,504,944</b>
	a) accrued liabilities	1,075,681	978,047	1,179,367
	b) deferred income	336,891	371,379	325,577
70	Staff severance indemnity reserve	<b>443,265</b>	<b>426,504</b>	<b>456,934</b>
80	Reserve for risks and other charges	<b>1,554,866</b>	<b>1,861,473</b>	<b>1,505,504</b>
	a) pension fund and other charges	458,325	430,381	401,725
	b) reserve for taxes	343,511	647,248	424,766
	c) consolidation reserve for risks and future charges	-	-	-
	d) other reserves	753,030	783,844	679,013
90	Reserve for loan losses	<b>318,346</b>	<b>311,105</b>	<b>362,852</b>
100	Reserve for general banking risks	<b>60,822</b>	<b>60,744</b>	<b>360,621</b>
110	Subordinated debts	<b>4,757,918</b>	<b>4,474,993</b>	<b>3,267,395</b>
120	Negative consolidation differences	<b>4,867</b>	<b>4,888</b>	<b>21,343</b>
130	Negative net equity differences	<b>1,570</b>	<b>1,570</b>	<b>1,570</b>
140	Minority interests	<b>34,205</b>	<b>34,765</b>	<b>22,818</b>
150	Share capital	<b>1,935,273</b>	<b>1,935,273</b>	<b>1,935,273</b>
160	Paid-in capital	<b>522,925</b>	<b>522,925</b>	<b>522,925</b>
170	Reserves	<b>3,417,019</b>	<b>3,141,895</b>	<b>3,186,774</b>
	a) legal reserve	357,137	335,005	335,005
	b) reserve for own shares quotas	8,187	15,909	4,996
	c) statutory reserves	1,095,312	1,065,813	1,065,812
	d) other reserves	1,956,383	1,725,168	1,780,961
180	Revaluation reserves	<b>43,784</b>	<b>43,843</b>	<b>13,253</b>
190	Retained earnings	<b>6</b>	<b>124</b>	<b>124</b>
200	Profit (loss) for the year	<b>230,145</b>	<b>442,521</b>	<b>194,435</b>
	Total liabilities and shareholders'equity	<b>122,842,991</b>	<b>122,989,116</b>	<b>128,244,721</b>

<b>Voci</b>		<b>30 06 2004</b>	<b>31 12 2003</b>	<b>30 06 2003</b>
<b>10</b>	<b>Guarantees released</b>	<b>6,122,936</b>	<b>6,063,770</b>	<b>6,315,094</b>
	<i>including:</i>			
	<i>acceptances</i>	150,327	121,900	120,194
	<i>other guarantees</i>	5,972,609	5,941,870	6,194,900
<b>20</b>	<b>Commitments</b>	<b>22,532,099</b>	<b>25,326,831</b>	<b>23,470,912</b>
	<i>including:</i>			
	<i>commitments to sell with the obligation to repurchase</i>	-	184,409	-
<b>30</b>	<b>Commitments to credit derivatives</b>	<b>2,946,591</b>	<b>2,545,399</b>	<b>4,340,674</b>

## Reclassified profit and loss statement

(thousand euro)

		30 06 2004	31 12 2003	30 06 2003
<b>10</b>	Interest and similar income	<b>2,145,756</b>	<b>4,680,942</b>	<b>2,430,096</b>
	<i>including:</i>			
	- on customer loans	1,747,444	3,748,313	1,930,451
	- on debt securities	281,901	599,197	311,458
<b>20</b>	Interest and similar expense	<b>916,538</b>	<b>2,237,751</b>	<b>1,176,311</b>
	<i>including:</i>			
	- on customer deposits	223,407	615,717	354,401
	- on debt securities issued	451,515	923,307	425,515
<b>30</b>	Dividends and other income	<b>95,934</b>	<b>390,483</b>	<b>332,110</b>
	a) on shares, quotas and other equity securities	76,857	358,754	302,042
	b) on long-term investments	19,077	31,729	30,068
	c) on investments in group companies	-	-	-
<b>40</b>	Commissions earned	<b>792,516</b>	<b>1,525,391</b>	<b>736,808</b>
<b>50</b>	Commission expense	<b>120,275</b>	<b>209,829</b>	<b>91,791</b>
<b>60</b>	Profits (losses) from financial transactions	<b>31,300</b>	<b>21,787</b>	<b>(73,212)</b>
<b>65</b>	Profits from retirement funds	<b>10,164</b>	<b>21,215</b>	<b>10,603</b>
<b>70</b>	Other operating income	<b>249,130</b>	<b>536,103</b>	<b>229,831</b>
<b>80</b>	Administrative expenses	<b>1,391,852</b>	<b>2,862,736</b>	<b>1,451,648</b>
	a) personnel	868,213	1,794,655	898,191
	<i>including:</i>			
	- salaries and wages	612,873	1,263,365	631,617
	- social welfare charges	169,938	344,926	181,689
	- provisions for severance indemnities	43,832	92,265	44,240
	- pensions and similar obligations	13,271	34,255	11,602
	b) other administrative expenses	523,639	1,068,081	553,457
<b>85</b>	Charges on profits from retirement funds	<b>10,164</b>	<b>21,215</b>	<b>10,603</b>
<b>90</b>	Adjustments to the value of tangible and intangible fixed assets	<b>190,682</b>	<b>437,749</b>	<b>219,884</b>
<b>100</b>	Provisions for risks and charges	<b>7,647</b>	<b>171,830</b>	<b>55,549</b>
<b>110</b>	Other operating expenses	<b>26,306</b>	<b>35,071</b>	<b>19,655</b>
<b>120</b>	Adjustments to the value of loans and provisions for guarantees and commitments	<b>474,123</b>	<b>892,239</b>	<b>380,439</b>
<b>130</b>	Recoveries on the value of loans and accruals for guarantees and commitments	<b>177,855</b>	<b>195,631</b>	<b>121,454</b>
<b>140</b>	Provisions to loan loss reserves	<b>22,049</b>	<b>48,028</b>	<b>11,112</b>
<b>150</b>	Adjustments to the value of financial fixed assets	<b>7,200</b>	<b>89,393</b>	<b>40,395</b>
<b>160</b>	Recoveries on the value of financial fixed assets	<b>1,193</b>	<b>6,983</b>	<b>1,292</b>
<b>170</b>	Profit (loss) on investments valued with the net equity method	<b>52,697</b>	<b>31,810</b>	<b>18,844</b>
<b>180</b>	Profit (loss) from ordinary operations	<b>389,709</b>	<b>404,504</b>	<b>350,439</b>
<b>190</b>	Extraordinary income	<b>61,805</b>	<b>467,905</b>	<b>344,292</b>
<b>200</b>	Extraordinary charges	<b>91,498</b>	<b>453,997</b>	<b>342,627</b>
<b>210</b>	Profit (loss) on extraordinary items	<b>(29,693)</b>	<b>13,908</b>	<b>1,665</b>
<b>220</b>	Use of consolidation reserve for risks and future charges	-	-	-
<b>230</b>	Change in reserve for general banking risks	<b>(82)</b>	<b>300,000</b>	-
<b>240</b>	Income taxes	<b>(122,994)</b>	<b>(267,841)</b>	<b>(155,238)</b>
<b>250</b>	Profit (loss) prior to minority interests	<b>6,795</b>	<b>8,050</b>	<b>2,431</b>
<b>260</b>	Profit (loss) for the period	<b>230,145</b>	<b>442,521</b>	<b>194,435</b>