MPS Group 2006 results are unprecedented in our history

Record net profit of € 910.1 million

Also dividend per share (0.17€) the highest ever payed

- **Significant structural growth in the main revenue components**
  - Net interest income +5.2%
  - Net interest and other banking income: +3,4% (+ 6% in Q4 with respect to the 2006 quarterly average)
  - Net banking and insurance income up by +10.4%

- **Tangible increase in operating volumes**
  - Loans: +10.1%
  - Direct deposits +7.2%
  - Consum.it loans: +25.7%
  - MPS Banca per l'Impresa placements: +17.8%

- **Good growth in the initiatives of the Business Plan against restructuring personnel and bolstering the sales network with a consequent and consistent anticipation in the fourth quarter of the year of investments planned in the three years of the Plan**
  - 930 senior staff members left (490 in Q4 alone) for a total cost of € 95 million (€ 50 million in Q4)
  - Hiring 820 new young staff (200 in Q4)
  - Completed the razionalization of distribution network
  - Opening/reallocation of 50 retail points, 27 SME Centers and 9 Private Centers.
  - Recruiting of 143 financial advisers.
  - Bolstered sales force (back office/front office ratio of the network to 32% from 42% at end 2005)

- **Reduced cost/income ratio: 60.9% (59.2% excluding charges related to early retirement incentives) from 64.8% at year end. In 4Q more than € 120 million of non recurring costs/stock granting**

- **Write down of € 104 million of the Hopa equity interest**

- **Tangible decrease (-13.6% since beginning of year) of total net deteriorated loans and continuing improvements in hedging them**

- **Tier 1 at 6.53% and Total Capital at 9.48%**

- **Increase in the pay out (55% vs 50% in 2005) and dividends per share of € 0.17 (against € 0.13 in 2005)**

- **The sale of 50% of MPS Life to AXA was finalized for € 1,150 million (Embedded Value at 06/30/2006 around € 900 million) and leads to a capital gain of € 753 million and reinforcement of around 80 bps on Tier I Ratio in 2007**

Siena, 23 March 2007. The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. has approved the MPS Group's results at 31 December 2006.

Main consolidated results[1]

In FY 2006, the **MPS Group** continued to implement policies of development and functional support in order to pursue the economic, capital and structural objectives set for the year**.**

From the operating and income standpoint, results featured growth as regards both (a) development of **asset and commercial performance**, with improvement of positioning in the most attractive businesses, and (b) progress of the main income components, as demonstrated by the progress of **revenues (+10.4% vs. 2005**), of **net operating profit** – which rose to **€ 1,279 million** (+**40.1% vs. 2005**), and of **net profit (€ 910.1 million, +20.8% vs. 2005)**.

Specifically, consolidated **banking and insurance income showed**:

- **net interest income of € 2,714.2 million** (+5.2% vs. 2005 and +5.5% compared to the third quarter) thanks in particular to the good growth (+8.3% vs. 2005) of the commercial segment only partly counterbalanced by the narrowing of the interest- rate spread. In the fourth quarter also there is a decrease of the contribution related to junior notes/banking book (€ 18 million in 4Q06 vs € 25 million in 4Q05).

- **net commissions** reported rises (+0.3% with respect to 31 December 2005) to € **1,490.6 million**, influenced by the lower incidence of performance fees and the lack of "account closure" fees, while reflecting the growth in "on-going" fees (+6% year-on-year) and the good performance in the fourth quarter (+6% on the third quarter). Additional declines in income from the sale of products charged "up-front" (-5.6% vs. 2005) as a result of the relationship between "up-front" commissions and total commissions, which fell to 5.9% from 6.3% in 2005.

- the **net result from realization/valuation of financial assets of € 530.6 million** (€ 175.2 million in 2005) was boosted by profits from the disposal of the group's investments in BNL (€ 54.1 million), Fiat (€ 22 million), and Assicurazioni Generali (€ 223 million);

Among the other items forming total banking and insurance income, there were also **dividends, similar income and profits/losses of equity investments, totalling € 43.8 million (vs. € 92.1 million in 2005),** of which € 27,5 million related to dividends and € 15,5 million related to profit of equity investments decreasing vis-à-vis 2005 due to the losses of some equity holdings.

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[1] *The Income statement in 2005 was reclassified pursuant to IAS 8 after a subsidiary recalculated the mathematical reserve of the severance indemnity provision since it was not possible to split it among prior individual financial years; profits in 2005 amounted to € 753.4 million vs. the € 790.2 million previously published. For more information, see page 11.*

Overall, **consolidated banking and insurance income thus amounted to €4,772.1 million** (+10.4% vs. 2005); in this respect, Q4 showed a "top quality" component (net interest income and customer fees) in progress of 5.7% compared to the previous quarter.

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

- “**net impairment losses due to loan deterioration**" **of € 461 million,** which includes a provisioning rate of 50 b.p.

- “**net impairment losses due to deterioration of financial assets**" of € 125.4 million, which includes revision of the valuation of the investment in several subsidiaries (among which Hopa, which led to a write down of € 104 million).

Consequently, **net banking and insurance income amounted to € 4,185.7 million**, with growth of **11.2%** vs. the year 2005.

Operating expenses (€ 2,906.7 million vs. € 2,852.3 million in 2005) absorb mainly initiatives related to "anticipated" implementation of the 2006-2009 Business Plan, including payment of charges relating to leaving incentives (€ 95 million, € 50 million in Q4 alone, against the exit of 930 staff members, 490 in Q4), stock granting for € 53.8 million in the fourth quarter and reinforcement of the network (50 new retail points 27 SME Centers and 9 Private Centers with a concentration of openings in Q4). Note also that there were costs related to the Basle 2 project and consulting fees for implementing projects in the business plan for around € 20 million.

More specifically, **personnel costs** amounted to **€ 1,861.6 million** (+1.8% YoY) and other **expense items** to **€ 910.4 million** (+3.6%), whilst **depreciation & amortization totalled € 134.7 million** (down by -6.9% YoY).

The **cost/income ratio** inclusive of depreciation & amortization thus **decreased to 60.9%** (vs. 64.8% in December 2005) and to 59.2% after stripping out operating costs relating to demanning.

As a result of the above trends, **net operating profit amounted to € 1,279.0 million, improving by +40.1% vs. 2005.**

As regards the breakdown by **business area as outlined in the 2006-2009 Business Plan,** the highlight was the growing contribution of the **Commercial Business**. The latter benefited both from the **enhanced effectiveness of platforms specialized by customer segment and from a well-conceived relations policy**. More specifically:

Commercial Banking & Distribution Network:

- banking and insurance income +6.1% year on year

- net operating income: +5.1% year on year
- loans to customers: +10.0% year on year

Private Banking & Wealth Management:

- banking and insurance income +13.3% year on year
- net operating income: +43.4% year on year
- asset management +5.8% year on year

Corporate Banking & Capital Markets:

- banking and insurance income +3.2% year on year
- net operating income: +3.0% year on year
- loans to customers: +9.0% year on year

Transfer of the tax business (which took place on 1 October 2006) and the loss of control of the companies belonging to the insurance sector made it necessary to reclassify the contribution of these businesses into a single line ("**Profit (loss) after tax from discontinued operations**"), which was € 145.4 million (€ 165.4 million in 2005). This trend reflects the reduction of about 50% of the contribution of the tax business, which contributed to Group results for part of the year only, and the good performance of the insurance sector (up 26% vs. 2005).

Completing the income and profit picture there were total **taxes** amounting to a total of **€ 500.9 million** (vs. € 249.2 million in 2005) with a tax rate of approximately 38.9% which includes the recent rules regarding the inability to deduct write downs not deducted in previous years from IRAP and the inability to deduct value adjustments made on some subsidiaries.

Consolidated pre-tax profit of € 910.1 million reflects an increase of 20.8% with respect to the same period in 2005. The annualized ROE comes to 13.3%.

Balance sheet highlights

Commercial operations 2006 for the MPS Group, in terms of asset and loan management, translated into appreciable development of the main balance sheet items.

More specifically, **direct deposits** (of approximately € 94 billion) grew by +7.2% YoY while **indirect deposits remained stable at € 99 billion**.

These results stem from the sale of **€ 8.5 billion** in savings products, among which nearly **€ 3.8 billion** in insurance premiums and more than **€ 5.7 billion** in linear/structured bonds.

Customer loans and receivables came to € 91.9 billion, 10.1% higher than in 2005, with loans distributed by the networks and specialized credit companies at € 14.1 billion (up 4.5% with respect to December 2005). There were sizeable disbursements of **mortgage loans (€ 7.9 billion in new loans) with a stock that increased by 12.5% and consumer credit (Consum.it) (+25.7% YoY) for a market share growing further from 4.6% to 5.1% in December 2005**. The contribution made by the other product companies also featured a robust increase. MPS Banca per l'Impresa's product sales grew by 17.8%, whilst the flows of MPS Leasing & Factoring progressed by 3.7% YoY.

As regards credit quality, FY 2006 ended with a significant decrease in net deteriorated credit exposure compared to 2005 (-13.6%). This was mainly thanks to the reduction of watchlist loans and to past-due exposure (net of adjustments) which stands at 2.94% compared to 3.21% of the previous year. As regards coverage of loan risk, the incidence of write-downs on gross non-performing loans was 54.1% (up vs. 52.8% at end 2005) whilst on watchlist loans it was 25.1% (vs. 26% at year-end). The incidence of net non-performing loans on loans was 1.84% whilst on watchlist loans it was 1.1%. The positive flow of recoveries continued. Tier 1 stood at 6.53% and total capital at 9.48%.
The Board of Directors will ask the shareholders to approve a dividend **€ 0.17 per ordinary share,** an increase of 30% with respect to 2005. The pay out ratio is 55% (vs. 50.2% in 2005).

Main events subsequent to year-end

On 13th February 2007 Holmo and Banca Monte dei Paschi di Siena have concluded an agreement for sale by Banca MPS to Holmo of a packet of Finsoe shares accounting for 14.839% of total capital, for an amount of Euro 350.4 million. The sale will bring a benefit of 7 bps on Tier I Ratio and 30 bps on Total Capital Ratio in 2007.
On 22th March 2007 has been executed with AXA the sale of 50% of MPS Vita and MPS Danni for € 1,150 million. The sale that reflects an implicit valuation of MPS Vita and MPS Danni for € 2,300 million (Embedde Value at 06/30/2006 around Euro 900 million) will determine a capital gain for MPS of € 753 million and will bring benefits to the capital ratios: around 80 bps on Tier I Ratio and around 100 bps on the Total Capital Ratio.

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

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INCOME STATEMENT AND BALANCE SHEET RESTATED ACCORDING TO OPERATING CRITERIA – MPS GROUP

Below 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 the operating trend. As regards this, we highlight the following points:

a) The restated income statement item “Net result from realization/valuation of financial assets” comprises the reported items 80 (Net trading income/(loss)), 100 (Gain/(loss) on sale of loans & receivables, available-for-sale and held-to-maturity financial assets, and financial assets) and 110 (Net income/(loss) on fair-valued financial assets and liabilities), supplemented by those concerning dividends of some “complex” securities transactions insofar are these are strictly connected with the trading component (€429.5 million at 31/12/06) and adjusted for cost of funding (€ 21.6 million), separated out from the item “interest and similar expenses”;

b) The restated income statement item “Dividends, similar income and profit (losses) from equity investments” compreises the reported items 70 “dividends and similar income” and 240 “income (losses) from equity investments” and adjusted for those concerning dividend of some “complex” security transaction as described in point a above.

c) the reclassified income statement "Net impairment losses due to deterioration of financial assets" was determined by reclassifying charges for € 47.4 million (write downs of coupons for junior securities, financial plans) that are more correctly allocated with "Net provisions to the reserve for risks and charges and Other operating revenues/charges";

d) the restated income statement item “Other administrative expenses” has been supplemented by recovery of stamp duty and charge-backs of expenses to customers (€ 182.5 million as at 31/12/06) posted in accounts 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 difference between Items 220 – Other *operating income/costs* – and 190 – *Net provisions for risks & liabilities*" – further adjusted as described in point b.

In addition to the above-mentioned reclassifications, for the purpose of facilitating reading of the performance, pursuant to divestment (on 1 October 2006) of the tax business and the potential loss of control of the companies belonging to the insurance sector (for more details see the Explanatory notes), it was necessary to proceed with additional interventions to reclassify/standardize the previous quarters. In particular, with reference to transfer of the tax segment, the interventions exclusively involved standardization of the quarters 2006 and 2005. As regards the insurance segment, to give continuity to the trends published to date and provide a situation closer to the truth, as well as to make a similar standardization with reference to the quarters, management supplemented the revenue items involved in the spin off. In particular, at 31/12/06, net interest income was stripped of € 73.7 million, while commission income of € 71.4 million was incorporated.

With reference to redetermination of the 2005 figures relating to the cost of personnel, done in accordance with IAS 8 (recalculation of the mathematical reserve of the severance indemnity provision since it was not possible to split it among prior individual financial years – see the Explanatory notes), note that compared with 2005, the annual trend in personnel costs would be equal to 4.9% compared to net profit of 15.2%.

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

e) The restated balance sheet item "Negotiable financial assets" comprises balance sheet items 20 *(Financial assets held for trading),* 30 *(Fair-valued financial assets)* and 40 *(Available-for-sale financial assets)*;

f) The restated balance sheet asset item "*Other assets*" includes balance sheet items 80 (*Hedging derivatives*), 90 (*Change in fair value of financial assets protected by macro-hedges*), 140 (*Tax assets*), 150 (*Non-current assets and asset disposal groups*), 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 (*Fair-valued financial liabilities)*;

h) The restated balance sheet item "Other liabilities" comprises balance sheet items 60 (*Hedging derivatives*), 70 (Ch*ange in fair value of assets of financial liabilities covered by macrohedges*), 80 (*Tax liabilities*), 90 (*Liabilities associated with asset disposal groups),* and 100 *(Other liabilities*).

Finally, as regards 31/12/2005, only Trade payables and securities at 31/12/2005 related to asset disposal (€ 6,583 million) were added to the grouping "*Other liabilities*" to match the current methods of accounting.

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 12/31/2006

■ INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MPS GROUP	12/31/2006	12/31/2005 restated	% chg
• INCOME STATEMENT FIGURES (in millions of euros)			
Financial and insurance income (loss)	4,772.1	4,320.8	10.4
Net operating income	1,279.0	912.8	40.1
Net profit (loss) for the period (1)	910.1	753.4	20.8
• BALANCE SHEET FIGURES AND INDICATORS (in millions of euros)	**12/31/2006**	**12/31/2005**	**% chg**
Direct funding (1)	93,976	87,696	7.2
Indirect funding	99,079	108,855	-9.0
of which: assets under management	*47,966*	*48,439*	-1.0
of which: assets under custody	*51,113*	*60,417*	-15.4
Customer loans	91,941	83,526	10.1
Group net equity	7,775	7,232	7.5
• KEY LOAN QUALITY RATIOS (%)	**12/31/2006**	**12/31/2005**	
Net non-performing loans/Customer loans	1.8	1.9	
Net watchlist loans/Customer loans	1.1	1.2	
• PROFITABILITY RATIOS (%)	**12/31/2006**	previously published **12/31/2005**	
Cost/Income ratio	60.9	64.8	
Cost/Income ratio restated according to operating criteria (2)	59.2	63.3	
R.O.E. (on average equity)	12.1	11.6	
R.O.E. (on year-end equity)	13.3	12.9	
Net adjustments to loans / Year-end investments	0.50	0.51	
• CAPITAL RATIOS (%)	**12/31/2006** (a)	**12/31/2005** (a)	
Solvency ratio	9.48	9.16	
Tier 1 ratio	6.53	6.51	
(a) determined using the Bank of Italy's prudential filters.			
• INFORMATION ON BMPS STOCK	**12/31/2006**	**12/31/2005**	
Number of ordinary shares outstanding	2,454,137,107	2,448,491,901	
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	4.61	3.13	
low	3.72	2.43	
high	5.08	4.17	
• OPERATING STRUCTURE	**12/31/2006**	**12/31/2005**	**Abs. chg**
Total head count - year-end (3)	24,348	26,542	-2194
Number of branches in Italy	1,903	1,862	41
Financial advisor branches	139	138	1
Number of branches & rep. offices abroad	36	30	6

(1) The change versus 2005 net profit previously published was 15,2%

(2) The restated cost-income ratio has been calculated by deducting from operating expenses the cost of early retirements recorded at 31 December 2006 (€ 79.7 million) and 31 December 2005 (€ 70.5 million).

(3) The 2005 figure include 2,156 Tax Collection staff of which 72 employees have been transferred to the Parent Company in 2006, according with Unions.

MPS GROUP

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

ASSETS	**12/31/2006**	**12/31/2005 (°)**	**% chg**
Cash and cash equivalents	612	563	8.7
Receivables :			
a) Customer loans	91,941	83,526	10.1
b) Due from banks	11,991	9,994	20.0
Financial assets held for trading	30,578	45,819	-33.3
Financial assets held to maturity	0	4,302	n.s.
Equity investments	744	703	5.9
Underwriting reserves/reinsurers	0	12	0.0
Tangible and intangible fixed assets	3,417	3,517	-2.8
of which:			
a) goodwill	*740*	*740*	*-0.1*
Other assets	19,272	5,332	n.s.
Total assets	**158,556**	**153,767**	**3.1**

LIABILITIES	**12/31/2006**	**12/31/2005 (°)**	**% chg**
Payables			
a) Due to customers and securities	93,976	87,696	7.2
b) Due to banks	15,878	16,207	-2.0
Financial liabilities from trading	16,715	17,106	-2.3
Provisions for specific use			
a) Provisions for employee leaving indemnities	386	403	-4.3
b) Reserve for retirement benefits	427	599	-28.7
c) Other reserves	583	586	-0.4
Other liabilities	22,778	11,971	90.3
Underwriting reserves	0	11,922	0.0
Group portion of shareholders' equity	7,775	7,232	7.5
a) Valuation reserves	650	618	5.2
b) Reimbursable shares	0	0	0.0
c) Capital instruments	71	46	55.1
d) Reserves	3,598	3,346	7.5
e) Share premium account	561	539	4.0
f) Share capital	2,030	2,026	0.2
g) Treasury shares (-)	-45	-97	-53.7
h) Net profit (loss) for the year	910	753	20.8
Minority interests in shareholders' equity	38	46	-17.5
Total liabilities and shareholders' equity	**158,556**	**153,767**	**3.1**

(°) Only "Due to customers and securities" figure at 31 December 2005 was restated according to IFRS 5

■ INCOME STATEMENT RESTATED ACCORDING TO OPERATING CRITERIA

(in millions of euros)

MPS Group	12/31/2006	12/31/2005 restated	Change Abs.	Change %
Net interest income	**2,714.2**	**2,580.3**	**133.9**	**5.2%**
Net commissions	1,490.6	1,486.5	4.2	0.3%
Income from banking activities	**4,204.9**	**4,066.8**	**138.0**	**3.4%**
Dividends, similar income and profits (losses) from equity investments	43.8	92.1	-48.3	-52.4%
Net result from realisation/valuation of financial assets	530.6	175.2	355.4	n.s.
Net gain (loss) from hedging	-7.2	-13.4	6.2	-46.4%
Financial and insurance income (loss)	**4,772.1**	**4,320.8**	**451.3**	**10.4%**
Net adjustments for impairment of:				
a) loans	-461.0	-417.1	-43.9	10.5%
b) financial assets	-125.4	-138.5	13.2	-9.5%
Net financial and insurance income (loss)	**4,185.7**	**3,765.1**	**420.6**	**11.2%**
Administrative expenses:	-2,772.0	-2,707.5	-64.5	2.4%
a) personnel expenses	-1,861.6	-1,828.9	-32.7	1.8%
b) other administrative expenses	-910.4	-878.7	-31.8	3.6%
Net adjustments to the value of tangible and intangible fixed assets	-134.7	-144.8	10.1	-6.9%
Operating expenses	**-2,906.7**	**-2,852.3**	**-54.4**	**1.9%**
Net operating income	**1,279.0**	**912.8**	**366.2**	**40.1%**
Net provisions for risks and liabilities and Other operating income/costs	4.1	-23.7	27.8	-117.5%
Goodwill impairment	-0.6	-29.0	28.4	-97.9%
Gains (losses) from disposal of investments	2.91	0.5	2.4	n.s.
Gain (loss) from current operations before taxes	**1,285.4**	**860.7**	**424.8**	**49.4%**
Taxes on income for the year from current operations	-500.9	-249.2	-251.7	101.0%
Gain (loss) from current operations after taxes	**784.6**	**611.5**	**173.1**	**28.3%**
Gain (loss) on fixed assets due for disposal, net of taxes	145.4	165.4	-20.0	-12.1%
Minority interests in profit (loss) for the year	-19.8	-23.5	3.6	-15.5%
Net profit (loss) for the year (°)	**910.1**	**753.4**	**156.7**	**20.8%**
Net profit (loss) for the year previously published	*910.1*	*790.2*	*119.9*	*15.2%*

(°) Previously published 2005 Net profit (loss) was reclassified pursuant to IAS 8 after a subsidiary recalculated the mathematical reserve of the severance indemnity provision since it was not possible to split it among prior financial years.

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

MPS Group	2006 4th quarter	2006 3rd quarter	2006 2nd quarter	2006 1st quarter	2005 4th quarter	2005 3rd quarter	2005 2nd quarter	2005 1st quarter
Net interest income	**717.8**	**680.3**	**670.2**	**645.9**	**677.9**	**635.9**	**632.3**	**634.3**
Net commissions	379.7	358.1	364.4	388.4	375.1	369.9	380.1	361.3
Income from banking activities	**1,097.4**	**1,038.5**	**1,034.6**	**1,034.3**	**1,053.0**	**1,005.9**	**1,012.4**	**995.6**
Dividends, similar income and profits (losses) from equity investments		13.5	24.3	6.0	10.1	21.0	38.0	23.0
Net result from realisation/valuation of financial assets	277.8	24.4	52.1	176.3	11.9	47.0	51.7	64.7
Net gain (loss) from hedging	-5.4	0.0	-2.1	0.3	-1.1	-3.7	-4.3	-4.3
Financial and insurance income (loss)	**1,369.9**	**1,076.4**	**1,108.9**	**1,216.9**	**1,073.9**	**1,070.1**	**1,097.8**	**1,079.0**
Net adjustments for impairment of:								
a) loans	-149.6	-101.8	-107.8	-101.8	-116.4	-102.8	-108.9	-89.0
b) financial assets	-117.6	-0.6	-8.6	1.4	-137.0	-3.7	1.1	1.1
Net financial and insurance income (loss)	**1,102.7**	**974.0**	**992.5**	**1,116.5**	**820.4**	**963.6**	**990.0**	**991.2**
Administrative expenses:	-793.9	-669.9	-653.9	-654.3	-767.2	-656.2	-639.7	-644.4
a) personnel expenses	-535.6	-448.8	-441.9	-435.3	-535.9	-437.9	-419.9	-435.2
b) other administrative expenses	-258.3	-221.1	-212.0	-219.1	-231.3	-218.3	-219.8	-209.2
Net adjustments to the value of tangible and intangible fixed assets	-36.4	-34.2	-32.9	-31.3	-37.3	-37.6	-36.3	-33.6
Operating expenses	**-830.3**	**-704.1**	**-686.7**	**-685.6**	**-804.5**	**-693.8**	**-676.0**	**-678.1**
Net operating income	**272.4**	**269.9**	**305.8**	**430.9**	**15.9**	**269.8**	**314.0**	**313.1**
Net provisions for risks and liabilities and Other operating income/costs	-4.3	9.3	10.2	-11.1	19.9	-7.1	-19.2	-17.2
Goodwill impairment	-0.3	0.0	-0.3	0.0	0.0	0.0	-14.5	-14.5
Gains (losses) from disposal of investments	2.7	0.01	0.16	0.01	0.53	0.00	-0.02	-0.02
Gain (loss) from current operations before taxes	**270.5**	**279.2**	**315.9**	**419.8**	**36.3**	**262.8**	**280.2**	**281.4**
Taxes on income for the year from current operations	-73.2	-117.8	-131.6	-178.2	82.2	-94.6	-97.6	-139.2
Utile (Perdita) della operatività corrente al netto delle imposte	**197.3**	**161.4**	**184.3**	**241.6**	**118.5**	**168.2**	**182.6**	**142.2**
Gain (loss) on fixed assets due for disposal, net of taxes	35.4	48.7	22.1	39.2	70.6	38.1	31.1	25.7
Minority interests in profit (loss) for the year	-10.2	-2.7	-3.8	-3.2	-9.4	-4.5	-4.7	-4.7
Net profit (loss) for the year	**222.5**	**207.4**	**202.6**	**277.5**	**179.7**	**201.7**	**208.9**	**163.1**

Comparative Financial Statements

Balance Sheet

(in euro)

	Assets	31 12 2006	31 12 2005
10	Cash and cash on deposit	611,979,063	562,812,708
20	Financial assets held for trading	26,430,327,508	37,473,143,080
30	Financial assets at fair value	-	2,660,106,469
40	Financial assets available for sale	4,147,809,464	5,685,269,704
50	Financial assets held to maturity	2,932	4,301,728,699
60	Due from banks	11,991,033,451	9,993,556,196
70	Loans to costumers	91,941,018,880	83,526,120,669
80	Hedging derivatives	17,229,111	9,830,126
90	Value adjustment on financial assets with generic coverage (+/-)	32,620,933	64,774,083
100	Equity investment	744,118,419	702,846,774
110	Technical reserves reassured with third parties	-	11,896,939
120	Fixed Assets	2,564,184,239	2,639,537,844
130	Intangible assets	852,944,278	877,809,993
	of which: goodwill	*739,500,851*	*740,171,604*
140	Tax assets	1,108,459,898	1,326,389,200
	a) current	*462,391,776*	*436,842,099*
	b) anticipated	*646,068,122*	*889,547,101*
150	Non current assets (or disposal groups) held for sale and discontinued operations	15,312,752,860	6,231,061
160	Other	2,801,185,378	3,925,156,090
	Total	**158,555,666,414**	**153,767,209,635**

Balance Sheet

(in euro)

	Total liabilities and Shareholders'equity	31 12 2006	31 12 2005
10	Due to banks	15,877,618,333	16,207,174,683
20	Due to costumers	54,086,618,528	53,186,400,157
30	Securities	29,243,771,906	23,449,053,450
40	Financial liabilities held for trading	16,714,577,238	17,106,230,396
50	Financial liabilities at fair value	10,645,899,057	17,643,053,930
60	Hedging derivatives	94,328,491	64,922,237
70	Value adjustment on financial liabilities (+/-)	-	-
80	Tax Liabilities	324,346,534	387,107,337
	a) Current	253,723,121	*116,324,980*
	b) postponed	70,623,413	*270,782,357*
90	Liabilities in disposal groups held for sale ans discontinued operations	18,429,282,283	-
100	Other	3,930,145,680	4,936,050,545
110	Staff severance indemnity reserve	386,150,815	403,412,702
120	Reserve for risks and other charges	1,010,150,877	1,184,612,076
	a) pension fund and similar obligations	426,672,926	*598,520,768*
	b) other provisions	583,477,951	*586,091,308*
130	Techical reserves	-	11,921,798,715
140	Revaluation reserves	650,254,345	617,981,590
150	Refundable shares	-	-
160	Capital instruments	71,487,643	46,077,325
170	Reserves	3,597,754,535	3,346,183,133
180	Paid-in Capital	560,788,041	539,460,728
190	Share capital	2,029,771,034	2,025,988,746
200	Own shares (-)	(45,123,155)	(97,466,808)
210	Minority interests (+/-)	37,752,028	45,754,868
220	Profit (loss) for the year	910,092,201	753,413,825
	Total liabilities and Shareholders'equity	**158,555,666,414**	**153,767,209,635**

P&L

(in euro)

	Voci	31 12 2006	31 12 2005
10	Interest and similar income	5,877,237,837	4,802,901,067
20	Interest and similar expense	(3,110,937,360)	(2,216,567,797)
30	**Net Interest Income**	**2,766,300,477**	**2,586,333,270**
40	Commissions earned	1,597,945,753	1,578,763,616
50	Commission expense	(178,711,488)	(163,282,758)
60	**Net Commissions**	**1,419,234,265**	**1,415,480,858**
70	Dividends and other income	458,887,933	462,304,361
80	Net Profit from trading	(189,637,860)	(324,469,415)
90	Net Profit from hedging	(7,169,972)	(13,385,945)
100	Profit / Loss	323,448,749	91,001,701
	a) loans	*1,798,235*	-
	b) available for sale financial assets	*334,579,049*	-
	c) held to maturirty investment	-	-
	d) other financial assets	*(12,928,535)*	-
110	Fair Value financial assets and liabilities	(10,959,752)	33,537,338
120	**Total Income**	**4,760,103,840**	**4,250,802,168**
130	Net value adjustments on:	(633,878,246)	(599,541,642)
	a) loans	*(508,436,506)*	-
	b) available for sale financial assets	*(129,794,891)*	-
	c) held to maturirty investment	-	-
	d) other financial assets	*4,353,151*	-
140	**Net Income from financial operation**	**4,126,225,594**	**3,651,260,526**
150	Net Premiums	-	-
160	Net Income loss from insurance operations	-	-
170	**Net Income from financial and insurance operations**	**4,126,225,594**	**3,651,260,526**
180	Administrative expenses	(2,954,475,091)	(2,886,643,830)
	a) personnel	*(1,861,573,041)*	*(1,828,855,766)*
	b) other administrative expenses	*(1,092,902,050)*	*(1,057,788,064)*
190	Provisions for risks and charges	(30,489,854)	(44,236,569)
200	Valuation adjustments to fixed assets	(68,270,734)	(67,517,002)
210	Valuation adjustments to intangible assets	(66,463,869)	(77,273,708)
220	Other operating income/expenses	264,465,983	243,584,669
230	**Operating costs**	**(2,855,233,565)**	**(2,832,086,440)**
240	Income (loss) from investments	15,332,385	33,126,025
250	Net value adjustments on tangible and intangible assets designated at fair value	-	-
260	Value adjustments of goodwill	(598,810)	(29,021,026)
270	Income (loss) from disposal of investments	2,912,953	502,880
280	**Income (loss) before taxes from continuing operations**	**1,288,638,557**	**823,781,965**
290	Income taxes	(501,441,279)	(245,881,626)
300	**Income (loss) after taxes from continuing operations**	**787,197,278**	**577,900,339**
310	Income (loss) from disposal of non continuing operations net of taxes	142,732,928	198,977,915
320	**Profit (loss) for the period prior to minority interests**	**929,930,206**	**776,878,254**
330	Profit (loss) prior to minority interests	19,838,005	23,464,429
340	**Profit (loss) for the period**	**910,092,201**	**753,413,825**