MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BMPS: BOARD APPROVES RESULTS AS AT 31 DECEMBER 2015

- **Net profit for the year equal to EUR 388 million, including the effect of the restatement of the Alexandria transaction as a CDS derivative, at the requestof Consob, of about EUR 500 million**

- **Positive operating performance with pre provision profit up by 27% (excluding the impact from the classification of Alexandria as a CDS derivative)**

- **Improved asset quality with reduced stock of gross and net non-performing exposures in the fourt quarter 2015**

- **Solid capital position with Common Equity Tier 1 at 12%**

- **Strong liquidity position, at the highest level in 4 years, and adequate to absorb funding pressure related to recent market volatility**

Results as at 31 December 2015

- Net profit for the year at EUR 388 million, including the effect of the restatement as a CDS derivative of the Alexandria transaction, as requested by Consob, equal to EUR 500 million. Excluding this effect, net result would be negative by EUR 112 million also due to some extraordinary items (the costs of the unwinding of the so-called Alexandria transaction and the extraordinary contribution to the Single Resolution Fund).

- Pre provision profit at EUR 2,587 million, including the restatement as a CDS derivative of the so-called Alexandria transaction. If not accounting for this impact, pre provision profit (equal to EUR 1,873 million) is up by 27% compared to December 2014, supported by the positive performance of the core banking business.

- Common Equity Tier 1 ratio transitional at 12% (fully loaded at 11.7%) substantially stable vs. September 2015 and comfortably above the SREP requirement.

- Actions to manage non performing loans continue in line with the Business Plan guidelines; the gross and net stock of deteriorated loans reduced in the fourth quarter, benefitting from the slowdown in gross inflows, more effective recovery activity and the EUR 1 billion bad loans disposal completed in December 2015. Coverage ratio is at 48.5%, substantially stable vs. September 2015, confirming BMPS's best-in-class positioning in the Italian banking system.

- Strong liquidity position, with unencumbered counterbalancing capacity equal to c. EUR 24 billion at December 2015 (+EUR 8 billion vs. December 2014), highest level in the last four years and comfortably able to absorb pressure in direct funding related to recent market turmoil.

Siena, 5 February 2016 – The Board of Directors of Banca Monte dei Paschi di Siena Spa has reviewed and approved the results as at 31 December 2015.

Main consolidated Income Statement results:

- Net interest income at EUR 2,259 million, up 5.4% Y/Y[1], thanks to the lower average amount of New Financial Instruments (NFIs) and to the improvement in the average spread, partially offset by the decline in average interest-bearing assets and bonds portfolio returns. Fourth quarter contribution equal to EUR 541 million, afftected by both volume reduction and rates decline in relation to interest-bearing loans.
- Net fees and commissions at EUR 1,810 million, up 6.6% Y/Y, with growth primarily driven by the increase in wealth management commissions (+16.2%), supported by both placement (+17.5%) and continuing (+17.8%) activities. Fourth quarter contribution equal to EUR 452 million, +4.7% vs. previous quarter.
- Other revenues[2] at EUR 1,147 (EUR +836 million vs. December 2014), mainly impacted by the restatement as CDS derivative of the so-called Alexandria transaction (c. EUR 609 million) as well as the results related to the activity of optimisation of the AFS portfolio.
- Positive result in terms of improved operational efficiency with operating expenses at EUR 2,629 million, down 4.6% Y/Y; over the last 4 years, savings totalled c. EUR 800 million (an expense reduction of over 20% compared to December 2011). In the fourth quarter 2015, operating expenses were equal to EUR 662 million, slightly higher compared to the previous quarter due to the usual seasonality effect in the other administrative expenses.
- Net impairment losses on loans of EUR 1,991 million, down 74.5% Y/Y, with 2014 figures being impacted by extraordinary loan loss provisions on exposures which were part of the Credit File Review in the context of the Asset Quality Review. Fourth quarter impairment losses on loans amount to EUR 577 million, +34.3% vs. previous quarter, with the level of coverage of non-performing exposures stable vs. previous quarter despite the disposal of a highly provisioned portfolio of EUR 1 billion completed in December 2015. Cost of credit stands at 179bps vs. 654bps in 2014. In 2012-2015, net impaired losses on loans totalled EUR 15.2 billion.
- Net profit for the year at EUR 388 million, including the effect of the restatement as a CDS derivative of the so-called Alexandria transaction, as requested by Consob, equal to EUR 500 million. Fourth quarter contribution was negative by EUR 197 million, also affected by the contribution to the Single Resolution Fund (EUR 141 million gross of tax).

[1] Excluding the cost related to New Financial Instruments – (NFIs) price adjustment, EUR 147 million, which affected 2014 results, the change would have been -1.3% Y/Y.
[2] Net of result from trading-valuation-repurchase of financial assets/liabilities, Dividends, similar income and gains (losses) on investments, Net profit (loss) from hedging, Other operating income (expenses) .

Main consolidated Balance Sheet results:

- Loans to customers at EUR 111.4 billion, reduced vs. both December 2014 (EUR -8.3 billion of which ca. EUR 4 billions due to the so-called Alexandria transaction, -6.9% Y/Y) and September 2015 (-1.0%). New medium term lending amounted to EUR 7.7 billion, with an increase of over 90% Y/Y, driven by both households (+EUR 1 billion) and corporates (+EUR 2.7 billion).
- Direct funding at c. EUR 119.3 billion, -2.9% vs. December 2014, mainly affected by the decline in terms of repos with institutional counterparties (-EUR 7.2 billion; -40.6%) partially offset by the growth in commercial funding, both retail (+2.6% Y/Y) and corporate (+4.9% Y/Y). In particular, current accounts and time deposits, equal to EUR 68.9 billion, are up by 7.3% vs. December 2014. Fourth quarter trend (-2.8% vs. previous quarter) is affected by both the seasonality of the commercial component and the usual year-end tax deadlines.
- Indirect funding at EUR 106.2 billion, in line with December 2014, with funding mix progressively shifting towards wealth management (+7.8% Y/Y).
- Strong liquidity position, with unencumbered counterbalancing capacity at c. EUR 24 billion, stable vs. September 2015 and up by EUR 8 billion vs. December 2014.
- Gross non-performing exposures equal to EUR 46.9 billion, up 3.4% vs. December 2014, but down c. EUR 0.6 billion vs. September 2015, mainly driven by the slowdown in gross deteriorated loan inflows, the improvement in recoveries and the disposal of c. EUR 1 billion of bad loans in December 2015. Excluding this disposal, the quarterly change in the gross stock would be c. EUR 400 million (compared to c. EUR 1.2 billion in the third quarter), the lowest value in the last eight quarters. Net non-performing exposures reduced by c. EUR 200 million vs. September 2015.

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- The board of directors today decided to launch a project to optimise the recovery of bad loans through the formation of a new partnership with a specialised operator. This plan includes the creation of an independent platform coupled with a long term servicing agreement for the management of outstanding bad loans and of future inflows. The medium term objective, thanks to an accelerated recovery rate, is to reduce the stock of bad loans and mitigate the volatility of the results. At the same time the board decided to consider initiatives as to how to increase and accelerate the amount of bad loan disposals over and above the current 5.5 billion euro stated in the Group's 2018 Business Plan.

<u>2015 Group profit and loss results</u>

In 2015 Group's **Total Revenues** are c. **EUR 5,216 million** (+25.7% Y/Y), with a contribution in the fourth quarter of c. EUR 1,118 million, lower by 24% vs. the previous quarter due to the decline in the "Net result from trading-valuation-repurchase of financial assets/liabilities" (which was affected by the unwinding of the Alexandria transaction). In particular:

- **Net interest income** for 2015 is approx. **EUR 2,259 million**, +5.4% higher than the previous year which was impacted by c. EUR 147 million owing to the price adjustment of the New Financial Instruments (NFIs). Excluding this effect, the net interest income would be almost stable vs. previous year (-1.3%). The trend is positively driven by the lower average amount of NFIs (impact equal to c. EUR 203 million) and the improved average spread (significant decrease in the cost of funding which offset the decline in the lending rates), while is negatively driven by the lower average interest-bearing assets and the lower return of the bond portfolio due to recent optimisation actions.
  The fourth quarter contributed approx. EUR 541 million, down 2.8% Q/Q mainly as result of both volume reduction and rates decline in relation to interest-bearing loans.

- **Net fees and commissions**, totalling approx. **EUR 1,810 million**, grew by 6.6% vs. 2014 thanks to the higher revenues from wealth management supported by both placement and continuing activities. The result in the fourth quarter is approx. EUR 452 million (+4.7% Q/Q).

- **Net profit/loss from trading/valuation/repurchase of financial assets/liabilities** is **EUR 1,038 million** in 2015, c. EUR 838 million higher compared to the previous year, also affected by the restatement of the so-called Alexandria transaction for a total annual impact of c. EUR 609 million. Fourth quarter contribution is c. EUR 134 million, positively affected by the gains from the optimisation of the sovereign bond portfolio.

  A closer look at the result reveals that:

  - **Net profit from trading** shows a positive balance of around **EUR 762 million** (impacted by the unwinding of the so-called Alexandria transaction) with a negative result in the fourth quarter of c. EUR -8 million;
  - **Disposal/repurchase of loans and available-for-sale financial assets and liabilities** shows a positive balance of approx. **EUR 226 million** vs. c. EUR 159 million in 2014. Fourth quarter result is positive by EUR 85 million impacted by the gains from the optimisation of the AFS portfolio;
  - **Net profit (loss) on financial assets/liabilities designated at fair value** shows a positive balance **of EUR 50 million** (vs. EUR 1.8 million registered in 2014), with a contribution in the fourth quarter of c. EUR 56 million, mainly attributable to the reduction in the value of some liabilities designated at fair value.

- **Dividends, similar income and profit (loss) on investments**, amounts approx. **EUR 100 million** (approx. EUR 121 million in 2014), including the contribution from AXA-MPS (accounted with equity method).

- **Net income from hedging**: positive result of approx. **EUR 14 million** (negative balance of EUR 13 million in 2014) with a positive contribution of c. EUR 4 million in the fourth quarter of 2015.
- **Other operating expenses / income**: negative balance of c. **EUR -5 million** (vs. EUR 3.7 million in 2014), with a negative contribution in the fourth quarter of c. EUR -18 mln.

In 2015 Group's **Operating expenses** are c. **EUR 2,629 million** (-4.6% Y/Y), with fourth quarter higher than third quarter and accounting for approx. EUR 662 million (+0.8% Q/Q) also due to seasonality effects.

More specifically:

- **Administrative Expenses** amounts to c. **EUR 2,413 million** (-4% Y/Y), of which c. EUR 602 million referred to fourth quarter, stable vs. previous quarter (+0.1%). Looking at the components of the aggregate:
  - **Personnel expenses**, amounting to around **EUR 1,653 million**, are down by 3.3% Y/Y (-6.3% Q/Q) mainly thanks to headcount reduction realized in late 2014 and early 2015 which, coupled with the initiatives introduced in 2015 in relation to the rationalization and reduction of ancillary costs, have more than offset the increase in spending which resulted from the renewal of the National Collective Labour Agreement (Contratto Collettivo Nazionale del Lavoro - CCNL);
  - **Other administrative expenses**, amounting to c. **EUR 760 million**, are lower than previous year (-5.6%) thanks to cutbacks in spending which afftected, in particular, on rents / security and logistics / back office. Fourth quarter is impacted by c. EUR 206 million, resulting in a quarterly increase (+15%) mainly attributable to seasonality effects; however, the comparison with fourth quarter 2014 shows a significant reduction in the expenses by more than 9%, confirming the results of the structural cost cutting policies being implemented by the Group;
- **Net value adjustments to tangible and intangible assets** are c. **EUR 216 million** (-10.3% Y/Y). The fourth quarter, which accounted for c. EUR 59 million (+9.1% Q/Q), is affected by one-offs.

On the back of these factors, 2015 **pre-provision profit** shows a positive result of **EUR 2,587 million**, vs. c. EUR 1,396 million reported in the previous year. The contribution of fourth quarter was c. EUR 456 million (-43.9% Q/Q).

The cost/income ratio stood at 50.4% (vs. 66.4% as at December 2014).

In 2015 the Group reported **Net impairment losses on loans** of c. **EUR 1,991 million**, decreasing by 74.5% compared to 2014 which was affected by the extraordinary loan loss provisions on exposures which were part of the Credit File Review in the context of the Asset Quality Review. The amount related to fourth quarter 2015 was c. EUR 577 million (+34.3% Q/Q).

The ratio of loan loss provisions in 2015 over total customer loans reflects a **provisioning rate of 179bps**, as compared to 654bps at the end of 2014.

Net impairment losses (reversals) on financial assets shows a negative balance of **EUR 2.1 million** (of which EUR 1.8 million in fourth quarter 2015) as compared to a negative balance of c. EUR 204 million in 2014. The previous year's balance was also affected by the writeoff of the investments in *Istituto per il Credito Sportivo*, in *Fondo Immobiliare Socrate* and in *Prelios*.

As a consequence, the **Net operating result** shows a positive balance of **EUR 594 million** (vs. a negative balance of EUR -6,630 million in 2014, mainly affected by the extraordinary loan loss provisions in relation to the Asset Quality Review).

Net profit for the year is also affected by:

- **Net provisions for risks and charges** of c. **EUR -64 million** (vs. EUR -119 million in 2014), with a contribution of c. EUR -59 million in fourth quarter 2015;
- **Gains (losses) on investments** shows a net positive balance of c. **EUR 120 million** (vs. EUR 90 million in 2014) mainly attributable to the disposal of the stake in Anima Holding SpA to Poste Italiane. Fourth quarter contribution is negative at c. EUR 7 million;
- **Restructuring costs/One-off charges**, amounting to c. **EUR -17 million** (of which c. EUR -15 million booked in the fourth quarter) related to some resolutions of labor issues. The balance recorded in 2014 was related to the review of the incentives related to the early retirement of some workers given following the agreement of 19 December 2012 with the Trade Unions;
- **Risks and charges related to the SRF, DGS and similar schemes**, amounting to c. **EUR -196 million** being the contribution resulting from the transposition of the EU directive 2014/49 "Deposit Guarantee Schemes Directive – DGSD", which established the unique scheme for deposits guarantee, and of the directive 2014/59 "Bank Recovery and Resolution Directive – BRRD", which established the unique mechanism for the resolution in a banking crisis. The total contribution of the Group for 2015 (including both ordinary and extraordinary) amounts to c. EUR 255 million, of which c. EUR 58 million had already been booked in the previous year;
- **Gains (losses) on disposal of investments** shows a positive balance of **EUR 2.9 million** as compared to EUR 85 million booked in 2014 which included the reclassification of the Biverbanca earnout, the capital gain from the disposal of administrative and back office activities to Fruendo as well as the sale of real estate in London and New York. The contribution in the fourth quarter 2015, amounted to c. EUR 1 million, is at the same level as the previous quarter.

Due to the events mentioned above, in 2015 the **Profit before tax from continuing operations** amounts to approximately **EUR 439 million** as compared to a negative balance of c. EUR 7,008 million reported in the previous year.

Taxes on profit for the period from continuing operations amount to c. **EUR -11 million** (vs. a positive balance of c. EUR 2,330 million in 2014). The Group benefits from the proceeds from ACE (Italian Law "Help to Economic Growth" in art. 1 of the DL 201/2011) and the effect of partial tax reduction (95%) of the capital gain realized by the Holding Company due to the sale of stake in Anima Holding to Poste Italiane, under the PEX regime.

Considering the net effects of PPA (c. EUR -38 million) and including non-controlling interests (EUR -1.8 million), the **Group's net result for the year amount to c. EUR 388 million** as compared with a loss of about EUR -5,399 million reported in 2014. The contribution of the fourth quarter 2015 shows a negative balance of c. EUR 197 million, also affected by the contribution to the SRF and DGS schemes (vs. EUR 256 million profit in the third quarter 2015).

Group balance sheet aggregates for 2015

As at 31 December 2015, the Group's **total funding** amounts to approximately **EUR 225 billion** (-1.6% vs. 31 December 2014), characterised by a shift in volumes towards assets under management. Volumes decreased in the fourth quarter (-1.5%) as a result of the downward trend in direct funding.

More specifically:

Direct funding, amounting to approximately **EUR 119 billion**, is down by EUR 3.6 billion vs. 31 December 2014 (-2.9%), which is affected by the decline in repurchase agreements with institutional counterparties (-EUR 7.2 billion; -40.6%), partially offset by the growth of commercial direct funding (+EUR 2.6 billion). With respect to deposits, there is an increase in current accounts (+EUR 1.2 billion, +2.3%) and a positive development of time deposits (+EUR 3.5 billion, +32.8%). The reduction in direct funding volumes recorded in the fourth quarter is attributable to the dynamics in repurchase agreements (-EUR 2.4 billion) and to the seasonality of the commercial client business (-EUR 2 billion).

The Group's market share[3], which stood at 4.86% (as at October 2015), has increased since the beginning of the year (+37bps).

At the end of 2015, the Group's **indirect funding** amounts to approximately **EUR 106 billion**, in line both with 30 September 2015 and year end 2014. More specifically:

- **Wealth management** records in the fourth quarter volumes amounting to approximately **EUR 56 billion**, up both vs. 30 September 2015 (+1.5%) and year end 2014 (+7.8%). A breakdown of the aggregate shows that:
  - ✓ **Mutual investment funds and open-end collective schemes (Sicav)**, totalling **EUR 25 billion**, increase by 15.9 % vs. year end 2014 (+2.7 % in the fourth quarter) as a result of net inflows of approximately EUR 3.4 billion;
  - ✓ **Individual portfolio management**, at more than **EUR 6 billion**, is in line both vs. the end of September 2015 and year end 2014;
  - ✓ **Insurance component** increases by approximately EUR 0.4 billion and totalled approximately **EUR 24 billion** (+0.7% vs. 30 September 2015, +1.8% vs. 31 December 2014). Insurance premiums in the fourth quarter, particular supported by unit-linked products, amounts to approximately EUR 900 million

[3] Deposits and repurchase agreements (excluding repurchase agreements with central counterparties) with customers resident in Italy, and bonds net of repurchases placed with Italian customers as first borrower

- **Assets under custody**, which amounts to approximately **EUR 51 billion**, are down by approximately EUR 800 million vs. 30 September 2015 (-7.3% vs. 31 December 2014).

As at 31 December 2015 Group **customer loans** amounts to approximately **EUR 111 billion**, decreasing compared to both year end 2014 and 30 September 2015.

Compared to 31 December 2014, volumes are down by approximately EUR 8.3 billion (-6.9%), having also been affected by the unwinding of the so-called Alexandria transaction. A decrease in the year is also recorded for other loans (-21.6% Y/Y), current accounts (-12.5% Y/Y) and mortgages (-5.2% Y/Y).

In the fourth quarter, customers loans decrease by approximately EUR 1 billion (-1%) with a contraction in particular of mortgages (-EUR 1 billion) and other financing (-EUR 0.8 billion), while repurchase agreements increase by approximately EUR 1 billion. Note that, in the quarter there is also a reduction in net impaired loans by approximately EUR 0.2 billion.

The market share of the Group, calculated on ordinary resident customers loans, including impaired loans and net of repurchase agreemements with institutional counterparties, is 7.03% (last update available in October 2015), up by 15bps vs. December 2014

Customer loans are supported over the year by the production of new medium-term loans which increase by over 90% Y/Y (+EUR 3.7 billion), which concerned both loans to households (+EUR 1 billion) and corporates (+EUR 2.7 billion). This trend led to a slow down in the contraction in lending but is not enough to offset the effect related to loans going to maturity.

As at 31 December 2015, the Group's **net non-performing loans exposure** is approximately **EUR 24 billion**, up by 4.4% vs. 31 December 2014, but down by 1% vs. 30 September 2015. This includes a decrease by 24.5% in past due exposures while bad loans (sofferenze) and unlikely to pay increase by 2.7% and 1.5%, respectively.

In the early months of 2015, the Supervisory Authority conducted a review of the Group's credit exposures related to portfolios in Residential Real Estate, Institutional, Project Finance and Shipping, which were excluded from the previous review conducted in 2014. In this regard, statistical projections and collective provisions related to the Credit File Review have been communicated. In 2015, the provisions requested were all substantially booked.

As at 31 December 2015, **impaired loans coverage** stand at 48.5% with a reduction of 17bps vs. 30 September 2015 and 48bps vs. 31 December 2014. Within the aggregate, bad loans coverage falls to 63.4% (from 64% at the end of September and 65.3% as of a year earlier, due to the disposals made in 2015). With regard to unlikely to pay, the coverage at the end of December amounts to 29.2% (-165bps vs. 30 September 2015) while for past due exposures, coverage increases to 26.1% from 23.4% at the end of September and from 19.6% as at 31 December 2014.

As at 31 December 2015, the Group's **securities and derivatives portfolio** amounts to approximately **EUR 29 billion**, down by approximately EUR 3 billion vs. 30 September 2015 (-9.8%) but broadly in line with 31 December 2014 (+0.9%). The Held for Trading portfolio, which is broadly in line with the end of September 2015, records an annual increase (+EUR 2 billion) due to the activity of primary dealer conducted by the subsidiary MPS Capital Services. The AFS component decreases both over the year (-EUR 1.6 billion) and in the fourth quarter (-EUR 2.7 billion) as result of the optimization of the portfolio via the disposal of long-term positions and the partial repurchase of shorter duration bonds and the recovery in market values reflected in the improvement of the AFS reserve. The bond portfolio recognised under L&R is down as a result of partial divestments aimed at reducing the risk profile and Group RWA.

The Group's **net interbank position** as at 31 December 2015 stands at approximately EUR 9 billion in funding, which represents an improvement of EUR 10.7 billion vs. year end 2014 and EUR 2.1 billion vs. the third quarter.

The liquidity position as at 31 December 2015 shows an **unencumbered counterbalancing capacity of approximately EUR 24 billion**, in line with September 2015 (+EUR 8 billion vs. 31 December 2014).

The **Group's shareholders' equity and non-controlling interests** as at 31 December 2015 amounts to approximately **EUR 9.6 billion**, up by EUR 3.8 billion vs. 31 December 2014 as a result of the capital increase carried out by Banca Monte dei Paschi di Siena in June. In particular, the line item "Capital" decreases from EUR 12.5 billion at the end of 2014 to approximately EUR 9 billion at 31 December 2015 (-EUR 3.5 billion) as result of the opposite effect of the capital increase (+EUR 3 billion) and the allocation of the loss for the year 2014 originally charged in "Reserves".
Compared to 30 September 2015 the Group shareholders' equity is reduced by approximately EUR 133 million as result of the net result of the quarter and the improvement of valuation reserves.

On 25 November 2015, the ECB notified the Parent Company of the results of the Supervisory Review and Evaluation Process - SREP, under which the Group was required to achieve and maintain as from 31 December 2016, a minimum Common Equity Tier 1 Ratio transitional of 10.75%. Until that date, the minimum CET1 to be achieved will remain 10.2%, as communicated on 10 February 2015.

The Group's **capital ratios** at 31 December 2015 are up compared to 31 December 2014 restated with Common Equity Tier 1 transitional at 12%, above the minum requested by SREP of the Supervisory Authority.

CET1 stands at EUR 8,503 million and Tier 1 stands at EUR 9,101 million.
Compared to 31 December 2014 restated, the increase in CET1 (+EUR 2,052 million) and Tier 1 (+EUR 2,650 million) is due, as regard to positive items, mainly to:

- the capital increase carried out during the second quarter of 2015;
- a capital increase reserved for MEF in relation to the payment of the coupon 2014 related to New Financial Instruments;
- net profit generated in the period.

The main negative items impacting capital are the repayment of the last tranche of New Financial Instruments and the termination of the mechanism of the excess deductions of Additional Tier 1 elements in the 2014[4] figures.

Risk weighted assets, amounting to EUR 70,828 million, are down by approximately EUR 5,474 million vs December 2014 mainly due to the reduction of credit and counterparty risks, especially owing to the trend of the performing loans portfolio, the conversion in the second quarter of 2015 of DTA that can be transformed into tax credits and the reduction of deductions under CET1 which are then weighted at 250% in RWA.

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Pursuant to paragraph 2, article 154-bis of the Consolidated Finance Act, the Financial Reporting Officer, Mr. Arturo Betunio, declares that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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This press release will be available at www.mps.it

For further information:

External Relations
Tel. +39 0577 296634
ufficio.stampa@mps.it

Investor Relations
Tel: +39 0577 299350
investor.relations@mps.it

[4] With reference to the CRR (Article 36 (1) point (j)), in the event that the negative elements of the Additional T1 (AT1) are greater than the positive ones, the excess amount shall be deducted from CET1 , in the logic that T1 can not be less than the CET1 (in this way the CET1 and the T1 at most coincide). In 2014 the event was generated by the phase-in of the loss of the year.

Reclassified accounts

The following pages include the reclassified consolidated income statement and balance sheet. This information is based on accounting figures still being audited. The consolidated balance sheet financial statements for financial year 2015 will be approved by the board of directors on 25 February 2016.

Income statement and balance sheet reclassification principles

With a view to ensure an adequate disclosure regarding the criteria of representation of the economic and financial impact related to the Alexandria transaction, the figures published in the previous quarters and related to years 2014 and 2015 were restated. More details will be available in section "Adjustment of prior year amounts and changes in estimates in accordance with IAS 8 (Accounting Policies, Changes in accounting Estimates and Errors)" in the Notes to the consolidated financial statements.

This correction had an impact on the following reclassified items:

- Income Statement:
  - Net interest income;
  - Net income from trading-valuation-repurchase of financial assets/liabilities;
  - Net income from hedging activities;
  - Income tax from continuing operations;
  - Profit (loss) for the period
- Balance Sheet:
  - Marketable securities;
  - Other assets;
  - Due to customers and securities in issue;
  - Other liabilities;
  - Shareholders' equity (valuation reserves, reserves, profit (loss))

As of the first quarter of 2015, the structure of the reclassified consolidated Income Statement has been amended to introduce the concept of "Pre-provision Profit" in accordance with the practice already adopted by leading Italian banking groups and the European Supervisory Authorities. The differences between the new structure of the Reclassified Income Statement and the one used by the Group until 31 December 2014 are the following:

- the inclusion of "Other Operating Income/Expense" in "Total Revenues" (previously "Net Income from banking and insurance", which had been accounted for under "Net provisions to reserves for risks and charges and other operating income/expense" until 31 December 2014;
- reporting of "net value adjustments to loans and financial assets" under operating expenses, thereby introducing the item "Gross Operating Result" which is the difference between ordinary revenues and operating costs;
- "Net Operating Result" is, therefore, calculated as the difference between the Gross Operating Result and the Net impairment losses (reversals) on financial assets.

The economic impact deriving from the contribution to DGS / BRRD funds and other similar schemes, is reclassified in a new dedicated item **"Risks and charges related to the SRF, DGS and similar schemes"** diverting from the items originally impacted.

The comparative figures for the previous periods have been re-aggregated according to the new structure of the Income Statement reclassified on the basis of operating criteria.
In view of the above, provided below are the Income Statement and Balance Sheet accounts reclassified on the basis of operating criteria with a description of the reclassifications made as at 31 December 2015:

<u>Income Statement</u>

a) The item of the reclassified income statement **"Net profit (loss) from trading-valuation-repurchase of financial assets/liabilities"** includes Item 80 "Net profit (loss) from trading", Item 100 "Gains (losses) on disposal/repurchase of loans, financial assets available for sale or held to maturity and financial liabilities" and Item 110 "Net profit (loss) on financial assets and liabilities designated at fair value". This item incorporates dividends earned on securities held in the Group's securities portfolio (approximately EUR 10 million)

b) The item of the reclassified income statement "**Dividends, similar income and gains (losses) on investments**" incorporates item 70 "Dividends and similar income" and a portion of item 240 "Gains (losses) on investments" (approximately EUR 91 million, corresponding to the share of profit and loss for the period contributed by investments in the associate AXA, consolidated at equity). Dividends earned on securities held in the securities portfolio, as outlined under the item above, have also been eliminated from the aggregate.

c) The item of the income statement **"Other operating income (expense)"** excludes stamp duty and client expense recoveries, which have been reclassified to the item **"Other administrative expenses"**.

d) The item of the income statement **"Personnel expenses"** has been reduced by restructuring charges amounting to EUR 17 million, related to the termination of certain employment contracts. The amount was reclassified under "Restructuring costs/One-off charges".

e) In the item of the reclassified income statement "**Other administrative expenses**" was considered the amount of stamp duty and client expense recoveries (EUR 350 million) accounted in the balance sheet under the item 220 "Other operating expenses / income". The item was also reduced by the charges arising fromEU directives DGSD for deposit guarantee and BRRD for the resolution of banking crisis (about EUR 196 million), reclassified under "Risks and charges related to SRF, DGS and similar schemes ".

f) The item of the reclassified income statement "**Net impairment losses on financial assets and other operations**" includes the balance sheet items 130b "Financial assets available for sale", 130c "Financial assets held to maturity" and 130d "Other financial transactions"

g) The item of the income statement "**Restructuring costs / one-off**" includes *una tantum* charges, amounting to approximately EUR 17 million, separated from "Personnel expenses."

h) The item of the income statement "**Risks and charges related to the SRF, DGS and similar schemes**" includes charges (about EUR 196 million) separated from "Other administrative expenses" and "Net provisions for risks and charges", deriving from the transposition of the EU directives DGSD for deposit guarantee and BRRD for the resolution in a banking crisis

i) The item "**Profit (loss) from equity investments**" not includes the components reclassified in the item "Dividends and similar income and gains (losses) on investments."

j) The effects of Purchase Price Allocation (PPA) were reclassified to the specific item after separating it from the financial items concerned (in particular "**net interest income**" of approximately EUR 29 million and **depreciation/amortization** of approximately EUR 28 million, net of a theoretical tax burden of approximately -EUR 19 million which is included in the related item).

Balance sheet

k) The item "**Tradable Financial assets**" on the assets side of the reclassified balance-sheet includes item 20 "Financial assets held for trading", item 30 "Financial assets designated at fair value" and item 40 "Financial assets available for sale".

l) The item "**Other assets**" on the assets side of the reclassified balance-sheet incorporates item 80 "Hedging derivatives", item 90 "Change in value of macro-hedged financial assets", item 140 "Tax assets", item 150 "Non-current assets and groups of assets held for sale and discontinued operations" and item 160 "Other assets";

m) The item "**Due to customers and debt securities issued**" on the liabilities side of the reclassified balance-sheet includes item 20 "Deposits from customers", item 30 "Debt securities issued" and item 50 "Financial liabilities designated at fair value";

n) The item "**Other liabilities**" on the liabilities side of the reclassified balance sheet incorporates item 60 "Hedging derivatives", item 70 "Change in value of macro-hedged financial liabilities", item 80 "Tax liabilities", item 90 "Liabilities associated with non-current assets held for sale and discontinued operations" and item 100 "Other liabilities".

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/12/2015

INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MPS GROUP

INCOME STATEMENT FIGURES (EUR mln)	31/12/15	31/12/14	% chg
Income from banking activities	4.068,5	3.839,8	6,0%
Income from banking and insurance activities	5.215,5	4.150,7	25,7%
Net operating income	593,8	(6.629,7)	n.s.
Net profit (loss) for the period	388,1	(5.398,7)	n.s.
BALANCE SHEET FIGURES AND INDICATORS (EUR mln)	**31/12/15**	**31/12/14**	**% chg**
Direct funding	119.275	122.870	-2,9%
Indirect funding	106.172	106.140	0,0%
of which: assets under management	*55.516*	*51.519*	*7,8%*
of which: assets under custody	*50.656*	*54.622*	*-7,3%*
Loans to customers	111.366	119.676	-6,9%
Group net equity	9.596	5.769	66,3%
KEY CREDIT QUALITY RATIOS (%)	**31/12/15**	**31/12/14**	**Abs. chg**
Net doubtful loans/Loans to Customers	8,7	7,1	1,7
Net Unlikely to pay/Loans to Customers	11,1	9,7	1,3
Net NP past due and overdue exposures/Loans to Customers	1,9	2,6	-0,7
PROFITABILITY RATIOS (%)	**31/12/15**	**31/12/14**	**Abs. chg**
Cost/Income ratio	50,4	66,4	-16,0
Net loan loss provisions / End-of-period loans	1,79	6,54	-4,8
CAPITAL RATIOS (%)	**31/12/15**	**31/12/14**	**Abs. chg**
Total Capital ratio	16,0	12,8	3,1
Common Equity Tier 1 (CET1) ratio	12,0	8,5	3,6
Return on Assets (RoA) ratio	0,23	-3,00	3,23
INFORMATION ON BMPS STOCK	**31/12/15**	**31/12/14**	
Number of ordinary shares outstanding	2.932.079.864	5.116.513.875	-2.184.434.011
Price per ordinary share:	**From 31/12/14 to 31/12/15**	**From 31/12/13 to 31/12/14**	**% chg**
average	1,88	1,19	57,5%
low	1,15	0,46	148,7%
high	2,56	2,56	0,0%
OPERATING STRUCTURE	**31/12/15**	**31/12/14**	**Abs. chg**
Total head count - end of period	25.731	25.961	(230)
Number of branches in Italy	2.133	2.186	(53)
Number of specialised centres	263	279	(16)
Financial advisory branches	112	118	(6)
Number of branches & representative offices abroad	40	40	-

* Figures restated considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) as outlined in the chapter "Trend analysis of the key financial parameters."

Reclassified Income Statement (Euro mln)

Montepaschi Group	31/12/15	31/12/14 (*)	Change Abs.	Change %
Net interest income	2.258,6	2.142,0	116,5	5,4%
Net fee and commission income	1.809,9	1.697,7	112,2	6,6%
Income from banking activities	**4.068,5**	**3.839,8**	**228,7**	**6,0%**
Dividends, similar income and gains (losses) on investments	99,9	120,9	(21,0)	-17,4%
Net profit (loss) from trading	1.037,8	199,6	838,2	n.s.
Net profit (loss) from hedging	14,1	(13,2)	27,3	n.s.
Other operating income (expenses)	(4,7)	3,7	(8,3)	n.s.
Income from banking and insurance activities	**5.215,5**	**4.150,7**	**1.064,8**	**25,7%**
Administrative expenses:	(2.412,6)	(2.514,4)	101,8	-4,0%
a) personnel expenses	(1.652,8)	(1.709,9)	57,1	-3,3%
b) other administrative expenses	(759,9)	(804,5)	44,7	-5,6%
Net losses/reversal on impairment on property, plant and equipment / Net adjustm	(216,0)	(240,7)	24,8	-10,3%
Operating expenses	**(2.628,6)**	**(2.755,2)**	**126,6**	**-4,6%**
Pre Provision Profit	**2.587,0**	**1.395,6**	**1.191,4**	**85,4%**
Net impairment losses (reversals) on:	**(1.993,1)**	**(8.025,3)**	**6.032,1**	**-75,2%**
a) loans	(1.991,1)	(7.821,4)	5.830,4	-74,5%
b) financial assets	(2,1)	(203,8)	201,8	-99,0%
Net operating income	**593,8**	**(6.629,7)**	**7.223,5**	**n.s.**
Net provisions for risks and charges	(64,0)	(119,0)	54,9	-46,2%
Gains (losses) on investments	119,6	89,9	29,7	33,1%
Restructuring costs / One-off costs	(17,4)	(375,8)	358,4	n.s.
P&L figures for branches sold	(195,5)	(57,6)	(137,9)	n.s.
Gains (losses) on disposal of investments	2,9	84,7	(81,8)	-96,6%
Profit (loss) before tax from continuing operations	**439,3**	**(7.007,5)**	**7.446,8**	**n.s.**
Tax expense (recovery) on income from continuing operations	(11,4)	2.330,4	(2.341,8)	n.s.
Profit (loss) after tax from continuing operations	**427,9**	**(4.677,1)**	**5.104,9**	**n.s.**
Net profit (loss) for the period including non-controlling interests	**427,9**	**(4.677,1)**	**5.104,9**	**n.s.**
Net profit (loss) attributable to non-controlling interests	(1,8)	4,4	(6,1)	n.s.
Profit (loss) for the period before PPA , impairment on goodwill and intangibles	**426,1**	**(4.672,7)**	**5.098,8**	**n.s.**
PPA (Purchase Price Allocation)	(38,0)	(38,1)	0,1	-0,2%
Impairment on goodwill and intangibles	-	(687,9)	687,9	-100,0%
Net profit (loss) for the period	**388,1**	**(5.398,7)**	**5.786,8**	**n.s.**

* Figures restated considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) as outlined in the chapter "Trend analysis of the key financial parameters."

Quarterly trend in reclassified incomen statement (Euro mln)

Montepaschi Group	2015				2014			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net interest income	541,1	556,8	554,0	606,7	605,2	575,2	521,1	440,6
Net fee and commission income	451,6	431,2	484,2	443,0	405,2	421,5	425,8	445,2
Income from banking activities	**992,6**	**988,0**	**1.038,2**	**1.049,7**	**1.010,4**	**996,7**	**946,9**	**885,8**
Dividends, similar income and gains (losses) on investments	4,8	28,7	42,0	24,3	38,8	32,6	23,8	25,7
Net profit (loss) from trading	133,6	459,0	163,5	281,7	(33,6)	242,7	(186,6)	177,1
Net profit (loss) from hedging	4,3	(6,3)	0,2	15,9	(3,8)	3,3	(8,6)	(4,1)
Other operating income (expenses)	(17,8)	0,4	11,3	1,4	17,9	2,0	(17,7)	1,3
Income from banking and insurance activities	**1.117,6**	**1.469,7**	**1.255,2**	**1.373,0**	**1.029,8**	**1.277,3**	**757,9**	**1.085,8**
Administrative expenses:	(602,2)	(601,8)	(603,7)	(604,9)	(658,2)	(623,8)	(620,4)	(611,9)
a) personnel expenses	(396,2)	(422,7)	(414,4)	(419,4)	(430,7)	(427,9)	(421,9)	(429,3)
b) other administrative expenses	(205,9)	(179,1)	(189,2)	(185,5)	(227,5)	(195,9)	(198,5)	(182,6)
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(59,4)	(54,4)	(53,7)	(48,4)	(76,3)	(65,6)	(50,2)	(48,6)
Operating expenses	**(661,6)**	**(656,3)**	**(657,4)**	**(653,3)**	**(734,5)**	**(689,5)**	**(670,7)**	**(660,5)**
Pre Provision Profit	**456,0**	**813,4**	**597,8**	**719,7**	**295,3**	**587,8**	**87,2**	**425,3**
Net impairment losses (reversals) on:	**(575,4)**	**(435,3)**	**(528,1)**	**(454,2)**	**(5.502,2)**	**(1.296,1)**	**(735,2)**	**(491,7)**
a) loans	(577,2)	(429,8)	(515,8)	(468,2)	(5.357,0)	(1.256,5)	(731,4)	(476,6)
b) financial assets	1,8	(5,5)	(12,3)	14,0	(145,2)	(39,6)	(3,8)	(15,2)
Net operating income	**(119,4)**	**378,1**	**69,7**	**265,5**	**(5.206,9)**	**(708,3)**	**(648,0)**	**(66,4)**
Net provisions for risks and charges	(58,7)	43,2	(18,8)	(29,8)	0,4	(37,3)	(27,5)	(54,5)
Gains (losses) on investments	(7,1)	1,5	124,9	0,2	(72,0)	(13,4)	133,4	41,9
Restructuring costs / One-off costs	(14,6)	(2,2)	(0,3)	(0,2)	(53,8)	(318,2)	(2,7)	(1,1)
Risks and charges related to the SRF, DGS and similar schemes	(140,9)	(54,6)	-	-	(57,6)	-	-	-
Gains (losses) on disposal of investments	1,0	0,9	0,6	0,4	77,9	1,7	0,4	4,7
Profit (loss) before tax from continuing operations	**(339,8)**	**366,9**	**176,1**	**236,1**	**(5.312,1)**	**(1.075,5)**	**(544,4)**	**(75,4)**
Tax expense (recovery) on income from continuing operations	152,0	(102,5)	18,1	(79,1)	1.761,8	344,2	227,8	(3,4)
Profit (loss) after tax from continuing operations	**(187,7)**	**264,4**	**194,2**	**157,0**	**(3.550,4)**	**(731,2)**	**(316,7)**	**(78,8)**
Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Net profit (loss) for the period including non-controlling interests	**(187,7)**	**264,4**	**194,2**	**157,0**	**(3.550,4)**	**(731,2)**	**(316,7)**	**(78,8)**
Net profit (loss) attributable to non-controlling interests	(0,5)	(0,5)	(0,3)	(0,5)	0,6	4,9	(0,6)	(0,5)
Profit (loss) for the period before PPA , impairment on goodwill and intangibles	**(188,2)**	**263,9**	**193,9**	**156,5**	**(3.549,8)**	**(726,3)**	**(317,3)**	**(79,3)**
PPA (Purchase Price Allocation)	(8,4)	(8,2)	(8,7)	(12,8)	(10,1)	(9,2)	(9,4)	(9,4)
Impairment on goodwill and intangibles	-	-	-	-	(687,9)	-	-	-
Net profit (loss) for the period	**(196,6)**	**255,7**	**185,2**	**143,7**	**(4.247,8)**	**(735,5)**	**(326,7)**	**(88,6)**

* Figures restated considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) as outlined in the chapter "Trend analysis of the key financial parameters."

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Reclassified balance sheet (EUR mln)				
			Chg vs 31/12/14	
ASSETS	**31/12/15**	**31/12/14 (*)**	**abs.**	**%**
Cash and cash equivalents	1.189	1.007	182	18,1%
Receivables :				
a) Loans to customers	111.366	119.676	(8.310)	-6,9%
b) Loans to banks	8.242	7.723	519	6,7%
Financial assets held for trading	35.209	36.339	(1.131)	-3,1%
Financial assets held to maturity	-	-	-	
Equity investments	908	1.014	(106)	-10,4%
Property, plant and equipment / Intangible assets	3.142	3.229	(87)	-2,7%
of which:				
a) goodwill	*8*	*8*	-	
Other assets	8.956	10.930	(1.974)	-18,1%
Total assets	**169.012**	**179.918**	**(10.906)**	**-6,1%**

			Chg vs 31/12/14	
LIABILITIES	**31/12/15**	**31/12/14 (*)**	**abs.**	**%**
Payables				
a) Deposits from customers and securities issued	119.275	122.870	(3.596)	-2,9%
b) Deposits from banks	17.493	27.648	(10.155)	-36,7%
Financial liabilities held for trading	15.922	15.307	615	4,0%
Provisions for specific use				
a) Provisions for staff severance indemnities	246	271	(25)	-9,3%
b) Pensions and other post retirement benefit obligations	49	66	(17)	-25,1%
c) Other provisions	1.068	1.085	(18)	-1,6%
Other liabilities	5.337	6.878	(1.541)	-22,4%
Group net equity	9.596	5.769	3.828	66,3%
a) Valuation reserves	(22)	(262)	241	-91,7%
c) Equity instruments carried at equity	-	3	(3)	-100,0%
d) Reserves	222	(1.060)	1.282	-121,0%
e) Share premium	6	2	4	
f) Share capital	9.002	12.484	(3.482)	-27,9%
g) Treasury shares (-)	-	(0)	0	-100,0%
h) Net profit (loss) for the year	388	(5.399)	5.787	-107,2%
Non-controlling interests	26	24	3	11,1%
Total Liabilities and Shareholders' Equity	**169.012**	**179.918**	**(10.906)**	**-6,1%**

* Figures restated considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) as outlined in the chapter "Trend analysis of the key financial parameters."

Reclassified Balance Sheet - Quarterly Trend (EUR mln)

ASSETS	31/12/15	30/09/15 (*)	30/06/15 (*)	31/03/15 (*)	31/12/14 (*)	30/09/14 (*)	30/06/14 (*)	31/03/14 (*)
Cash and cash equivalents	1.189	812	822	682	1.007	878	860	823
Receivables :	-							
a) Loans to customers	111.366	112.513	117.436	123.139	119.676	126.307	132.770	132.677
b) Loans to banks	8.242	6.432	8.327	7.856	7.723	6.884	8.638	10.204
Financial assets held for trading	35.209	36.297	32.990	37.633	36.339	38.371	36.292	40.128
Financial assets held to maturity	-	-	-	-	-	-	-	-
Equity investments	908	960	908	947	1.014	1.001	952	960
Property, plant and equipment / Intangible assets	3.142	3.090	3.122	3.139	3.229	3.934	3.971	4.004
of which:	-							
a) goodwill	*8*	*8*	*8*	*8*	*8*	*670*	*670*	*670*
Other assets	8.956	10.022	10.596	10.453	10.930	9.727	9.392	8.707
Total assets	**169.012**	**170.126**	**174.201**	**183.850**	**179.918**	**187.101**	**192.875**	**197.503**

LIABILITIES	31/12/15	30/09/15	30/06/15	31/03/15	31/12/14	30/09/14	30/06/14	31/03/14
Payables								
a) Deposits from customers and securities issued	119.275	122.717	122.891	128.161	122.870	123.252	127.416	125.495
b) Deposits from banks	17.493	17.805	18.831	22.519	27.648	29.425	31.810	40.991
Financial liabilities held for trading	15.922	11.476	14.534	18.268	15.307	14.413	12.836	15.526
Provisions for specific use	- -							
a) Provisions for staff severance indemnities	246	245	246	268	271	295	285	273
b) Pensions and other post retirement benefit obligations	49	51	50	52	66	59	59	60
c) Other provisions	1.068	1.087	1.106	1.104	1.085	1.024	991	1.020
Other liabilities	5.337	6.990	7.285	7.291	6.878	8.494	8.680	7.998
Group net equity	- 9.596	9.730	9.234	6.162	5.769	10.116	10.769	6.107
a) Valuation reserves	(22)	(85)	(324)	(14)	(262)	(209)	(288)	(454)
c) Equity instruments carried at equity	-	-	-	3	3	3	3	3
d) Reserves	222	222	466	(6.458)	(1.060)	(1.014)	3.984	(838)
e) Share premium	6	6	4	2	2	2	-	-
f) Share capital	9.002	9.002	8.759	12.484	12.484	12.484	7.485	7.485
g) Treasury shares (-)	-	(0)	-	(0)	(0)	(0)	(0)	(0)
h) Net profit (loss) for the period	388	585	329	144	(5.399)	(1.151)	(415)	(89)
Non-controlling interests	- 26	26	24	24	24	24	29	34
Total Liabilities and Shareholders' Equity	**169.012**	**170.126**	**174.201**	**183.850**	**179.918**	**187.101**	**192.875**	**197.503**

* Figures restated considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) as outlined in the chapter "Trend analysis of the key financial parameters."

Pro-forma statements for the accounting treatment of “Alexandria” deal as long term repo

Foreword

The following statements summarise the balance sheet and profit and loss impacts that would result from a potential recognition of the “Alexandria” deal as long term repo. Note that the latter deal has been closed with a settlement agreement on 23 September 2015.

Reported in the pro-forma statements below are:

- in the first column (“31 12 2015” and “31 12 2014*”): balance sheet, income statement and statement of comprehensive income as at 31 December 2015 and 31 December 2014 after 2015 restatement;
- in the second column (“pro-forma adjustments of CDS classified as LTR”): pro-forma adjustments estimated to be made to the accounts, had the Parent Company classified “Alexandria” deal as a long term repo;
- in the third and final column (“31 12 2015 pro-forma” and “31 12 2014* pro-forma”): estimated pro-forma balance sheet, pro-forma income statement and statement of comprehensive income as at 31 December 2015 and 31 December 2014.

Pro-forma consolidated income statement

	Items	31 12 2015	Pro-forma adjustments of CDS classified as LTR	31 12 2015 pro-forma	31 12 2014*	Pro-forma adjustments of CDS classified as LTR	31 12 2014* pro-forma
10	Interest income and similar revenues	4.087.480	113.685	4.201.165	5.063.190	150.097	5.213.287
20	Interest expense and similar charges	(1.858.013)	(90.983)	(1.948.996)	(2.950.352)	(128.664)	(3.079.016)
30	Net interest income	2.229.467	22.702	2.252.169	2.112.838	21.433	2.134.271
40	Fee and commission income	2.153.837	-	2.153.837	2.087.059	-	2.087.059
50	Fee and commission expense	(343.940)	-	(343.940)	(389.328)	-	(389.328)
60	Net fee and commission income	1.809.897	-	1.809.897	1.697.731	-	1.697.731
70	Dividends and similar income	18.638	-	18.638	36.944	-	36.944
80	Net profit (loss) from trading	752.048	(608.602)	143.446	18.291	62.447	80.738
90	Net profit (loss) from hedging	14.099	4.116	18.215	(13.199)	(2.560)	(15.759)
100	Gains/losses on disposal/repurchase	225.834	(131.977)	93.857	159.001	-	159.001
110	Net profit (loss) from financial assets and liabilities designated at fair value	50.276	-	50.276	1.832	-	1.832
120	Net interest and other banking income	5.100.259	(713.761)	4.386.498	4.013.438	81.320	4.094.758
130	Net impairment losses (reversals)	(1.993.140)	-	(1.993.140)	(8.025.266)	-	(8.025.266)
140	Net income from banking activities	3.107.119	(713.761)	2.393.358	(4.011.828)	81.320	(3.930.508)
180	Administrative expenses	(2.975.333)	-	(2.975.333)	(3.220.412)	-	(3.220.412)
190	Net provisions for risks and charges	(64.038)	-	(64.038)	(176.551)	-	(176.551)
200	Net adjustments to (recoveries on) property, plant and equipment	(126.942)	-	(126.942)	(158.220)	-	(158.220)
210	Net adjustments to (recoveries on) intangible assets	(116.631)	-	(116.631)	(149.137)	-	(149.137)
220	Other operating expenses/income	345.121	-	345.121	333.845	-	333.845
230	Operating expenses	(2.937.823)	-	(2.937.823)	(3.370.475)	-	(3.370.475)
240	Gains (losses) on investments	210.440	-	210.440	194.328	-	194.328
260	Impairment on goodwill	-	-	-	(661.792)	-	(661.792)
270	Gains (losses) on disposal of investments	2.855	-	2.855	84.701	-	84.701
280	Profit (loss) before tax from continuing operations	382.591	(713.761)	(331.170)	(7.765.066)	81.320	(7.683.746)
290	Tax expense (recovery) on income from continuing operations	7.277	213.768	221.045	2.362.020	(25.541)	2.336.479
300	Profit (loss) after tax from continuing operations	389.868	(499.993)	(110.125)	(5.403.046)	55.779	(5.347.267)
310	Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-	-	-	-	-
320	Profit (loss)	389.868	(499.993)	(110.125)	(5.403.046)	55.779	(5.347.267)
330	Profit (loss) for the period attributable to non-controlling interests	1.772	-	1.772	(4.375)	-	(4.375)
340	Parent company's net profit (loss)	388.096	(499.993)	(111.897)	(5.398.671)	55.779	(5.342.892)

* With respect to published accounts, last year balances include changes deriving from the accounting treatment of the "Alexandria" on net basis. The pro-forma adjustments reconcile these balances to the published data.

Pro-forma consolidated statement of comprehensive income

	Items	31 12 2015	Pro-forma adjustments of CDS classified as LTR	31 12 2015 pro-forma	31 12 2014*	Pro-forma adjustments of CDS classified as LTR	31 12 2014* pro-forma
10	Profi (loss)	389.868	(499.993)	(110.125)	(5.403.046)	55.779	(5.347.267)
	Other comprehensive income after tax not recycled to profit and loss	16.758	-	16.758	(31.150)	-	(31.150)
40	Actuarial gains (losses) on defined benefit plans	16.681	-	16.681	(31.072)	-	(31.072)
60	Share of valuation reserves of equity-accounted investments	77	-	77	(78)	-	(78)
	Other comprehensive income after tax recycled to profit and loss	269.308	423.123	692.431	367.865	(12.006)	355.859
80	Exchange differences	5.649	-	5.649	5.553	-	5.553
90	Cash flow hedges	44.263	-	44.263	16.365	-	16.365
100	Financial assetes available for sale	202.511	423.123	625.634	342.519	(12.006)	330.513
110	Non-current assets held for sale	17.877	-	17.877	(27.021)	-	(27.021)
120	Share of valuation reserves of equity-accounted investments	(992)	-	(992)	30.449	-	30.449
130	Total other comprehensive icome after tax	286.066	423.123	709.189	336.715	(12.006)	324.709
140	Total comprehensive income (Item 10+130)	675.934	(76.870)	599.064	(5.066.331)	43.773	(5.022.558)
150	Consolidated comprehensive income attributable to non-controlling interests	1.767	-	1.767	(4.356)	-	(4.356)
160	Consolidated comprehensive income attributable to Parent Company	674.167	(76.870)	597.297	(5.061.975)	43.773	(5.018.202)

* With respect to published accounts, last year balances include changes deriving from the accounting treatment of the "Alexandria" on net basis. The pro-forma adjustments reconcile these balances to the published data.

Pro-forma consolidated balance sheet

Assets	31 12 2015	Pro-forma adjustments of CDS classified as LTR	31 12 2015 pro-forma	31 12 2014*	Pro-forma adjustments of CDS classified as LTR	31 12 2014* pro-forma
Cash and cash equivalents	1.188.761	-	1.188.761	1.006.586	-	1.006.586
Financial assets held for trading	18.017.359	-	18.017.359	17.563.088	(634.300)	16.928.788
Financial assets available for sale	17.191.196	-	17.191.196	18.776.038	4.071.544	22.847.582
Loans to banks	8.242.056	-	8.242.056	7.722.753	-	7.722.753
Loans to customers	111.366.383	-	111.366.383	119.676.132	-	119.676.132
Hedging deviratives	556.425	-	556.425	612.957	-	612.957
Change in value of macro-hedged financial assets (+/-)	139.582	-	139.582	178.613	-	178.613
Equity investments	908.365	-	908.365	1.013.899	-	1.013.899
Property, plant and equipment	2.741.723	-	2.741.723	2.787.083	-	2.787.083
Intangible assets	400.103	-	400.103	441.693	-	441.693
of wich: goodwill	7.900	-	7.900	7.900	-	7.900
Tax assets	5.542.518	76.162	5.618.680	7.473.368	89.051	7.562.419
Non-current assets and groups of assets held for sale and discontinued operations	29.267	-	29.267	21.805	-	21.805
Other assets	2.688.239	-	2.688.239	2.643.513	-	2.643.513
Total Assets	169.011.977	76.162	169.088.139	179.917.528	3.526.295	183.443.823

* With respect to published accounts, last year balances include changes deriving from the accounting treatment of the "Alexandria" on net basis. The pro-forma adjustments reconcile these balances to the published data.

	Liabilities and Shareholders' Equity	31 12 2015	Pro-forma adjustments of CDS classified as LTR	31 12 2014 pro-forma	31 12 2014*	Pro-forma adjustments of CDS classified as LTR	31 12 2014* pro-forma
10	Deposits from banks	17.493.110	-	17.493.110	27.647.671	-	27.647.671
20	Deposits from customers	87.806.329	-	87.806.329	89.791.380	3.353.601	93.144.981
30	Debt securities issued	29.394.436	-	29.394.436	30.455.439	-	30.455.439
40	Financial liabilities held for trading	15.921.727	-	15.921.727	15.306.788	(1.604.999)	13.701.789
50	Financial liabilities designated at fair value	2.073.915	-	2.073.915	2.623.620	-	2.623.620
60	Hedging derivatives	1.205.267	-	1.205.267	2.507.109	1.604.999	4.112.108
80	Tax liabilities	91.456	(43.079)	48.377	186.926	(23.416)	163.510
90	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
100	Other liabilities	4.039.948	-	4.039.948	4.183.569	-	4.183.569
110	Provision for employee severance pay	246.170	-	246.170	271.434	-	271.434
120	Provisions for risks and charges	1.116.913	-	1.116.913	1.151.049	-	1.151.049
140	Valuation reserves	(21.817)	-	(21.817)	(262.337)	(423.123)	(685.460)
160	Equity instruments carried at equity	-	-	-	3.002	-	3.002
170	Reserves	222.086	619.234	841.320	(1.059.574)	563.454	(496.120)
180	Share premium	6.325	-	6.325	2.291	-	2.291
190	Share Capital	9.001.757	-	9.001.757	12.484.207	-	12.484.207
200	Treasury shares (-)	-	-	-	-	-	-
210	Non-controlling interests (+/-)	26.259	-	26.259	23.625	-	23.625
220	Profit (loss) (+/-)	388.096	(499.993)	(111.897)	(5.398.671)	55.779	(5.342.892)
	Total liabilities and Shareholders' Equity	169.011.977	76.162	169.088.139	179.917.528	3.526.295	183.443.823

* With respect to published accounts, last year balances include changes deriving from the accounting treatment of the “Alexandria” on net basis. The pro-forma adjustments reconcile these balances to the published data.