

CONSOLIDATED REPORT ON OPERATIONS

Highlights at 30/06/2015

INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS
MPS GROUP

| INCOME STATEMENT FIGURES (EUR mln) | 30/06/2015 | 30/06/2014 | % chg |
|--|------------------------------|------------------------------|----------------|
| Income from banking activities | 2,098.9 | 1,843.0 | 13.9% |
| Income from banking and insurance activities | 2,426.8 | 1,936.5 | 25.3% |
| Net operating income | 133.6 | (621.6) | -121.5% |
| Net profit (loss) for the period | 193.6 | (353.0) | n.s. |
| BALANCE SHEET FIGURES AND INDICATORS (EUR mln) | 30/06/2015 | 31/12/2014 | % chg |
| Direct funding | 126,238 | 126,224 | 0.0% |
| Indirect funding | 108,286 | 106,140 | 2.0% |
| <i>of which: assets under management</i> | 54,969 | 51,519 | 6.7% |
| <i>of which: assets under custody</i> | 53,317 | 54,622 | -2.4% |
| Loans to customers | 117,436 | 119,676 | -1.9% |
| Group net equity | 9,373 | 5,965 | 57.1% |
| KEY CREDIT QUALITY RATIOS (%) | 30/06/2015 | 31/12/2014 | Abs. chg |
| Net doubtful loans/Loans to Customers | 7.7 | 7.1 | 0.6 |
| Net Unlikely to pay/Loans to Customers | 10.2 | 9.7 | 0.5 |
| Net NP past due and overdue exposures/Loans to Customers | 2.2 | 2.6 | -0.3 |
| PROFITABILITY RATIOS (%) | 30/06/2015 | 31/12/2014 | Abs. chg |
| Cost/Income ratio | 54.0 | 65.1 | -11.1 |
| Net loan loss provisions / End-of-period loans | 1.68 | 6.54 | -4.9 |
| CAPITAL RATIOS (%) | 30/06/2015 | 31/12/2014 | Abs. chg |
| Total Capital ratio | 15.4 | 13.0 | 2.4 |
| Common Equity Tier 1 (CET1) ratio | 11.0 | 8.7 | 2.3 |
| Return on Assets (RoA) ratio | 0.04 | -2.91 | 2.95 |
| INFORMATION ON BMPS STOCK | 30/06/2015 | 31/12/2014 | |
| Number of ordinary shares outstanding | 2,814,082,624 | 5,116,513,875 | -2,302,431,251 |
| Price per ordinary share: | From 31/12/14 to 30/06/15 | From 31/12/13 to 31/12/14 | % chg |
| average | 2.13 | 1.19 | 78.3% |
| low | 1.63 | 0.46 | 250.8% |
| high | 2.56 | 2.56 | 0.0% |
| OPERATING STRUCTURE | 30/06/2015 | 31/12/2014 | Abs. chg |
| Total head count - end of period | 25,742 | 25,961 | (219) |
| Number of branches in Italy | 2,183 | 2,186 | (3) |
| Number of specialised centres | 273 | 279 | (6) |
| Financial advisory branches | 115 | 118 | (3) |
| Number of branches & representative offices abroad | 40 | 40 | - |

MPS GROUP

Reclassified Consolidated Income Statement

| Montepaschi Group | 30/06/2015 | 30/06/2014 | Change | |
|---|------------------|------------------|--------------|----------------|
| | € | - | Abs. | % |
| Net interest income | 1,171.7 | 972.0 | 199.8 | 20.6% |
| Net fee and commission income | 927.1 | 871.0 | 56.1 | 6.4% |
| Income from banking activities | 2,098.9 | 1,843.0 | 255.9 | 13.9% |
| Dividends, similar income and gains (losses) on investments | 66.3 | 49.5 | 16.9 | 34.1% |
| Net profit (loss) from trading | 230.8 | 73.7 | 157.1 | n.s. |
| Net profit (loss) from hedging | 18.0 | (13.3) | 31.3 | n.s. |
| Other operating income (expenses) | 12.7 | (16.3) | 29.0 | n.s. |
| Income from banking and insurance activities | 2,426.8 | 1,936.5 | 490.2 | 25.3% |
| Administrative expenses: | (1,208.6) | (1,232.4) | 23.8 | -1.9% |
| a) personnel expenses | (833.8) | (851.3) | 17.4 | -2.0% |
| b) other administrative expenses | (374.8) | (381.1) | 6.3 | -1.7% |
| Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets | (102.1) | (98.8) | (3.3) | 3.3% |
| Operating expenses | (1,310.7) | (1,331.2) | 20.5 | -1.5% |
| Pre Provision Profit | 1,116.0 | 605.3 | 510.7 | 84.4% |
| Net impairment losses (reversals) on: | (982.4) | (1,226.9) | 244.5 | -19.9% |
| a) loans | (984.0) | (1,208.0) | 223.9 | -18.5% |
| b) financial assets | 1.7 | (19.0) | 20.6 | -108.8% |
| Net operating income | 133.6 | (621.6) | 755.2 | -121.5% |
| Net provisions for risks and charges | (48.6) | (82.0) | 33.4 | -40.8% |
| Gains (losses) on investments | 125.1 | 175.3 | (50.2) | -28.6% |
| Restructuring costs / One-off costs | (0.6) | (3.8) | 3.3 | n.s. |
| Gains (losses) on disposal of investments | 1.0 | 5.1 | (4.1) | -80.0% |
| Profit (loss) before tax from continuing operations | 210.6 | (527.0) | 737.6 | -140.0% |
| Tax expense (recovery) on income from continuing operations | 5.2 | 193.9 | (188.7) | -97.3% |
| Profit (loss) after tax from continuing operations | 215.8 | (333.1) | 549.0 | n.s. |
| Net profit (loss) for the period including non-controlling interests | 215.8 | (333.1) | 549.0 | n.s. |
| Net profit (loss) attributable to non-controlling interests | (0.8) | (1.1) | 0.3 | -29.4% |
| Profit (loss) for the period before PPA , impairment on goodwill and intangibles | 215.0 | (334.2) | 549.3 | n.s. |
| PPA (Purchase Price Allocation) | (21.4) | (18.8) | (2.6) | 14.0% |
| Impairment on goodwill and intangibles | - | - | - | n.m. |
| Net profit (loss) for the period | 193.6 | (353.0) | 546.6 | n.s. |

MPS GROUP
Reclassified Consolidated Income Statement - quarterly trend

| | 2014 | | | | | |
|---|----------------|----------------|------------------|------------------|----------------|----------------|
| | 2nd quarter | 1st quarter | 4th quarter | 3rd quarter | 2nd quarter | 1st quarter |
| <i>(in EUR mln)</i> | | | | | | |
| Net interest income | 559.9 | 611.9 | 610.9 | 580.6 | 526.2 | 445.8 |
| Net fee and commission income | 484.2 | 443.0 | 405.2 | 421.5 | 425.8 | 445.2 |
| Income from banking activities | 1,044.0 | 1,054.9 | 1,016.2 | 1,002.1 | 952.0 | 891.0 |
| Dividends, similar income and gains (losses) on investments | 42.0 | 24.3 | 38.8 | 32.6 | 23.8 | 25.7 |
| Net profit (loss) from trading | 59.1 | 171.8 | 41.1 | 147.3 | 28.6 | 45.1 |
| Net profit (loss) from hedging | 3.2 | 14.8 | (4.7) | 2.2 | (8.7) | (4.6) |
| Other operating income (expenses) | 11.3 | 1.4 | 17.9 | 2.0 | (17.7) | 1.3 |
| Income from banking and insurance activities | 1,159.6 | 1,267.2 | 1,109.4 | 1,186.1 | 978.0 | 958.6 |
| Administrative expenses: | (603.7) | (604.9) | (658.2) | (623.8) | (620.4) | (611.9) |
| a) personnel expenses | (414.4) | (419.4) | (430.7) | (427.9) | (421.9) | (429.3) |
| b) other administrative expenses | (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 | (53.7) | (48.4) | (76.3) | (65.6) | (50.2) | (48.6) |
| Operating expenses | (657.4) | (653.3) | (734.5) | (689.5) | (670.7) | (660.5) |
| Pre Provision Profit | 502.2 | 613.8 | 374.9 | 496.7 | 307.3 | 298.0 |
| Net impairment losses (reversals) on: | (528.1) | (454.2) | (5,502.2) | (1,296.1) | (735.2) | (491.7) |
| a) loans | (515.8) | (468.2) | (5,357.0) | (1,256.5) | (731.4) | (476.6) |
| b) financial assets | (12.3) | 14.0 | (145.2) | (39.6) | (3.8) | (15.2) |
| Net operating income | (26.0) | 159.6 | (5,127.3) | (799.4) | (427.9) | (193.7) |
| Net provisions for risks and charges | (18.8) | (29.8) | (57.2) | (37.3) | (27.5) | (54.5) |
| Gains (losses) on investments | 124.9 | 0.2 | (72.0) | (13.4) | 133.4 | 41.9 |
| Restructuring costs / One-off costs | (0.3) | (0.2) | (53.8) | (318.2) | (2.7) | (1.1) |
| Gains (losses) on disposal of investments | 0.6 | 0.4 | 77.9 | 1.7 | 0.4 | 4.7 |
| Profit (loss) before tax from continuing operations | 80.5 | 130.2 | (5,232.5) | (1,166.6) | (324.3) | (202.7) |
| Tax expense (recovery) on income from continuing operations | 49.5 | (44.3) | 1,736.8 | 374.2 | 155.4 | 38.4 |
| Profit (loss) after tax from continuing operations | 130.0 | 85.9 | (3,495.7) | (792.4) | (168.9) | (164.3) |
| Net profit (loss) for the period including non-controlling interests | 130.0 | 85.9 | (3,495.7) | (792.4) | (168.9) | (164.3) |
| Net profit (loss) attributable to non-controlling interests | (0.3) | (0.5) | 0.6 | 4.9 | (0.6) | (0.5) |
| Profit (loss) for the period before PPA, impairment on goodwill and intangibles | 129.6 | 85.4 | (3,495.2) | (787.5) | (169.5) | (164.7) |
| PPA (Purchase Price Allocation) | (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 | 121.0 | 72.6 | (4,193.2) | (796.7) | (178.9) | (174.1) |

MPS GROUP

Reclassified Consolidated Balance Sheet

| | 30/06/2015 | 31/12/2014 | Chg vs 31/12/14 | |
|---|----------------|----------------|-----------------|--------------|
| | | | abs. | % |
| ASSETS | | | | |
| Cash and cash equivalents | 822 | 1,007 | (185) | -18.3% |
| Receivables : | | | | |
| a) Loans to customers | 117,436 | 119,676 | (2,240) | -1.9% |
| b) Loans to banks | 8,327 | 7,723 | 604 | 7.8% |
| Financial assets held for trading | 36,335 | 39,776 | (3,441) | -8.7% |
| Financial assets held to maturity | - | - | - | |
| Equity investments | 908 | 1,014 | (106) | -10.5% |
| Property, plant and equipment / Intangible assets | 3,122 | 3,229 | (106) | -3.3% |
| <i>of which:</i> | | | | |
| a) goodwill | 8 | 8 | - | |
| Other assets | 10,754 | 11,019 | (265) | -2.4% |
| Total assets | 177,705 | 183,444 | (5,739) | -3.1% |
| LIABILITIES | | | | |
| Payables | | | | |
| a) Deposits from customers and securities issued | 126,238 | 126,224 | 14 | 0.0% |
| b) Deposits from banks | 18,831 | 27,648 | (8,817) | -31.9% |
| Financial liabilities held for trading | 13,415 | 13,702 | (287) | -2.1% |
| Provisions for specific use | | | | |
| a) Provisions for staff severance indemnities | 246 | 271 | (25) | -9.2% |
| b) Pensions and other post retirement benefit obligations | 50 | 66 | (16) | -23.8% |
| c) Other provisions | 1,106 | 1,085 | 21 | 1.9% |
| Other liabilities | 8,421 | 8,459 | (38) | -0.4% |
| Group net equity | 9,373 | 5,965 | 3,408 | 57.1% |
| a) Valuation reserves | (668) | (685) | 17 | -2.5% |
| c) Equity instruments carried at equity | - | 3 | (3) | -100.0% |
| d) Reserves | 1,085 | (496) | 1,581 | n.s. |
| e) Share premium | 4 | 2 | 2 | |
| f) Share capital | 8,759 | 12,484 | (3,726) | -29.8% |
| g) Treasury shares (-) | - | (0) | 0 | -100.0% |
| h) Net profit (loss) for the period | 194 | (5,343) | 5,537 | -103.6% |
| Non-controlling interests | 24 | 24 | 1 | 2.9% |
| Total Liabilities and Shareholders' Equity | 177,705 | 183,444 | (5,739) | -3.1% |

MPS GROUP

Reclassified Consolidated Balance Sheet - quarterly trend

| | 30/06/2015 | 31/03/2015 | 31/12/2014 | 30/09/2014 | 30/06/2014 | 31/03/2014 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS (in EUR mln) | | | | | | |
| Cash and cash equivalents | 822 | 682 | 1,007 | 878 | 860 | 823 |
| Receivables : | | | | | | |
| a) Loans to customers | 117,436 | 123,139 | 119,676 | 126,307 | 132,770 | 132,677 |
| b) Loans to banks | 8,327 | 7,856 | 7,723 | 6,884 | 8,638 | 10,204 |
| Financial assets held for trading | 36,335 | 41,236 | 39,776 | 41,856 | 39,863 | 43,500 |
| Financial assets held to maturity | - | - | - | - | - | - |
| Equity investments | 908 | 947 | 1,014 | 1,001 | 952 | 960 |
| Property, plant and equipment / Intangible assets | 3,122 | 3,139 | 3,229 | 3,934 | 3,971 | 4,004 |
| <i>of which:</i> | | | | | | |
| a) goodwill | 8 | 8 | 8 | 670 | 670 | 670 |
| Other assets | 10,754 | 10,526 | 11,019 | 9,837 | 9,474 | 8,855 |
| Total assets | 177,705 | 187,525 | 183,444 | 190,697 | 196,528 | 201,022 |
| LIABILITIES (in EUR mln) | | | | | | |
| Payables | | | | | | |
| a) Deposits from customers and securities issued | 126,238 | 131,511 | 126,224 | 126,610 | 130,777 | 128,859 |
| b) Deposits from banks | 18,831 | 22,519 | 27,648 | 29,425 | 31,810 | 40,991 |
| Financial liabilities held for trading | 13,415 | 16,381 | 13,702 | 13,144 | 11,718 | 14,630 |
| Provisions for specific use | | | | | | |
| a) Provisions for staff severance indemnities | 246 | 268 | 271 | 295 | 285 | 273 |
| b) Pensions and other post retirement benefit obligations | 50 | 52 | 66 | 59 | 59 | 60 |
| c) Other provisions | 1,106 | 1,104 | 1,085 | 1,024 | 991 | 1,020 |
| Other liabilities | 8,421 | 9,195 | 8,459 | 9,777 | 9,811 | 8,905 |
| Group net equity | 9,373 | 6,471 | 5,965 | 10,340 | 11,048 | 6,251 |
| a) Valuation reserves | (668) | (253) | (685) | (549) | (634) | (788) |
| c) Equity instruments carried at equity | - | 3 | 3 | 3 | 3 | 3 |
| d) Reserves | 1,085 | (5,838) | (496) | (451) | 4,548 | (274) |
| e) Share premium | 4 | 2 | 2 | 2 | - | - |
| f) Share capital | 8,759 | 12,484 | 12,484 | 12,484 | 7,485 | 7,485 |
| g) Treasury shares (-) | - | (0) | (0) | (0) | (0) | (0) |
| h) Net profit (loss) for the period | 194 | 73 | (5,343) | (1,150) | (353) | (174) |
| Non-controlling interests | 24 | 24 | 24 | 24 | 29 | 34 |
| Total Liabilities and Shareholders' Equity | 177,705 | 187,525 | 183,444 | 190,697 | 196,528 | 201,022 |