Banca Monte dei Paschi di Siena

Una storia italiana dal 1472

1Q2014 GMPS Results

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Siena, 12th May 2014

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

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Pursuant to para. 2, article 154-bis of the Consolidated Law on Finance, the Financial Reporting Officer, Mr. Arturo Betunio, declares that the accounting information contained in this document corresponds to the underlying documentary evidence and accounting records.

Contents

Core business gaining momentum

1. **Net interest income** (net of one-off components) continues to grow: +4.3% QoQ thanks to lower cost of funding and notwithstanding lower number of days

2. **Strong increase in fees and commissions** (+10% QoQ) mainly thanks to savings component

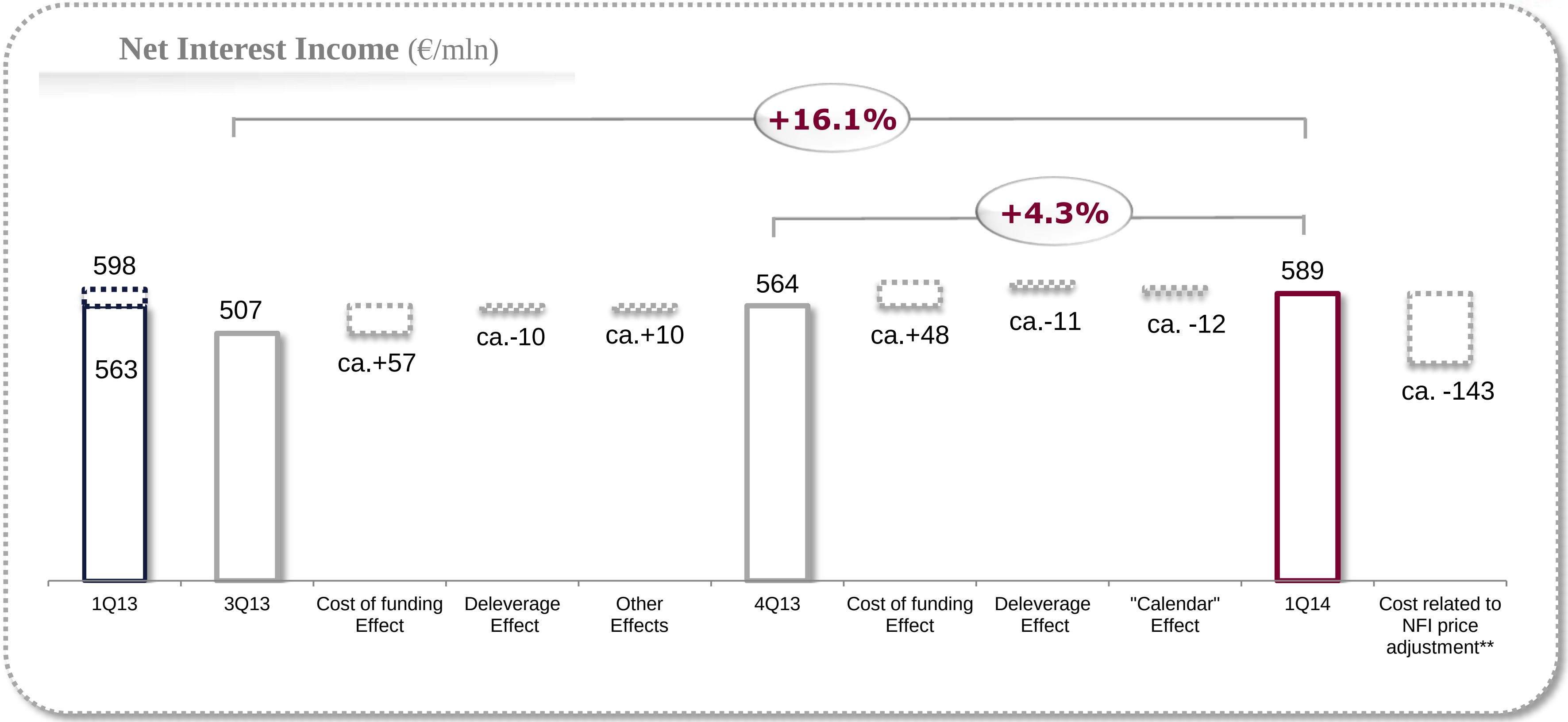
3. **Cost reduction continues** both QoQ (-3.8%) thanks to cost management actions implemented

4. **LTRO reimbursement plan underway and upward trend in total funding** QoQ (+0.4%) especially as a result of bancassurance and AM. Current accounts increase (approx. +EUR 1.8 bn vs. 4Q13, accounts flows +21,000 in 1Q14)

5. **Gross impaired loan inflows down 30% QoQ. Cost of credit** at 144bps (vs. 211bps Dec-13)

Result for the period (EUR -174 mln) still affected by **non-recurring items.** 1Q14 Pre-provision profit (net of cost related to NFI) at EUR 534 mln, increased 2.7x vs 4Q13

1 Core Net interest income* continues to grow

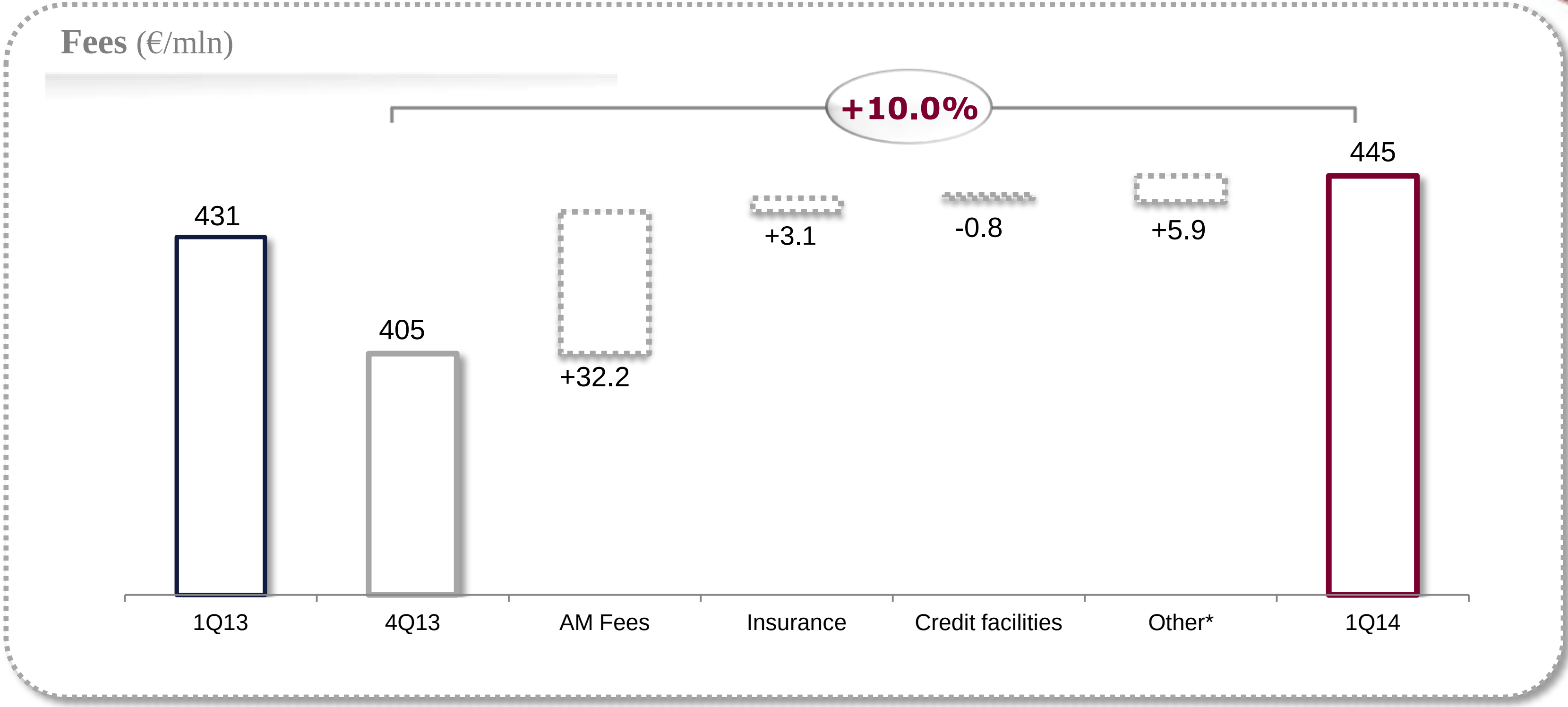


➢ **Net interest income** back to 1Q13 levels, despite:

- EUR 13.9 bn less assets (-6.5% YoY)
- Increased cost of EUR 35 mln for coupons on NFIs (which rose from EUR 1.9 bn to EUR 4.1 bn*** at the end of Feb-13)

* Net of one-off components
** Cost related to the repayment of State-subscribed securities (NFIs) adjusted to the contractual provisions governing the instruments, which bind the repayment amount to the consideration that the Monte dei Paschi di Siena Foundation communicated to have received for the sale of ordinary shares of Banca Monte dei Paschi
*** Of which EUR 171 mln relating to interest, due on 1 July 2013

2 Strong increase in fees and commissions

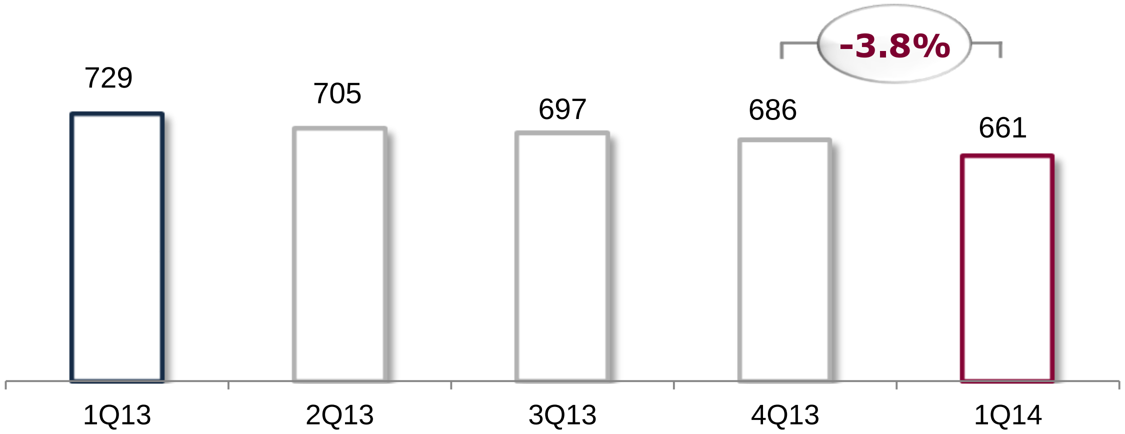


- Strong increase in **fees & commissions** thanks to:
  - business model redesign and a proactive sales approach (indirect funding +EUR 1.9bn vs Dec-13)
  - boost from payment services (approx. +13% YoY)
- Deleveraging led to a decline in credit services fees (-13.9% YoY) which was more than offset by the increase in other items

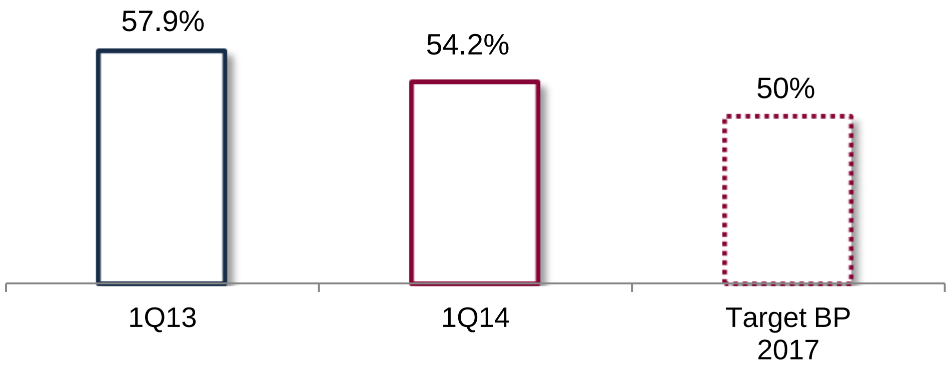
* Trade finance, payment services and banking fees charged to clients

3 Cost reduction continues

Operating Costs trend (€/mln)



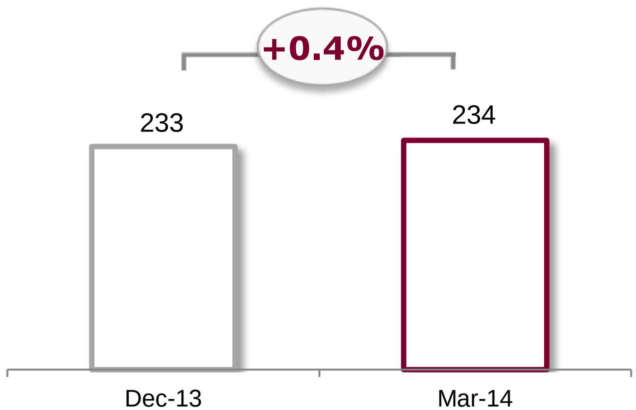
Cost/Income*



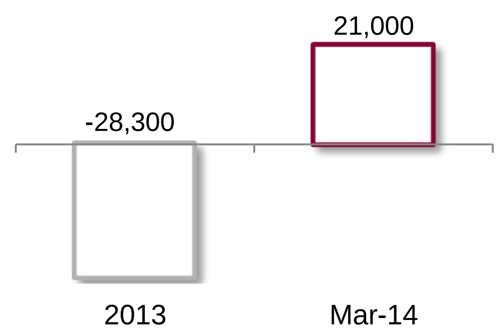
* Excluding cost related to NFIs (coupon and price adjustment) and cost of State guarantee on Monti bonds

4 LTRO reimbursement plan underway and upward trend in total funding

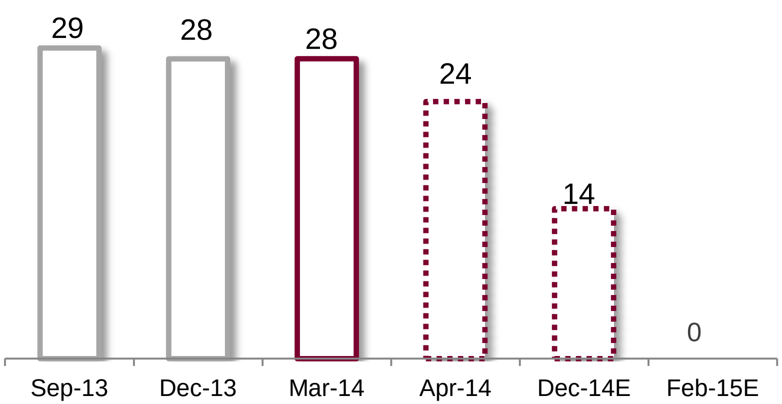
Total Funding *(€/bn)*



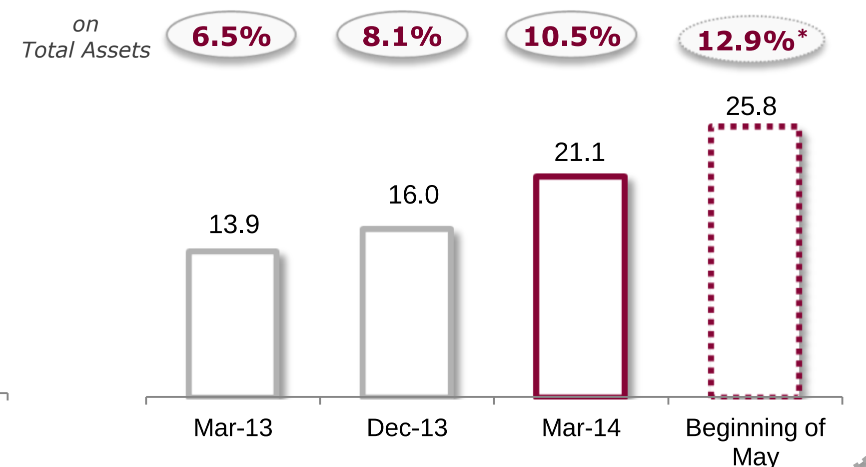
New current accounts *(#)*



LTRO evolution *(€/bn)*



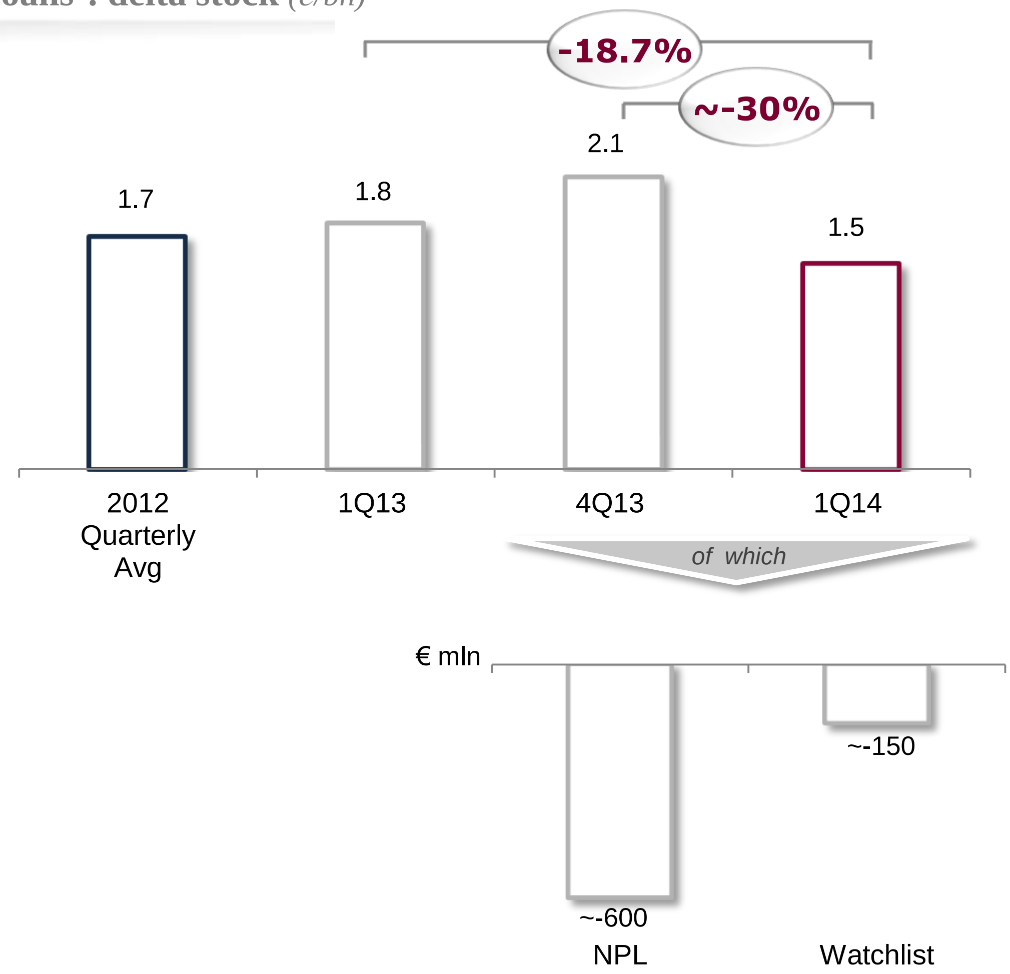
Unencumbered counterbalancing capacity *(€/bn)*



* On Mar-14 Total Asset

5 New impaired loans down 30% from 4Q13

Gross Impaired loans*: delta stock *(€/bn)*



* NPL, Watchlist, Restructured and Past due

Contents

Assets & Liabilities trend

Total Assets*

€/mln	Mar-13	Dec-13	Mar-14	QoQ%	YoY%
Customer loans	140,510	130,598	132,677	1.6%	-5.6%
Loans to banks	13,676	10,485	10,204	-2.7%	-25.4%
Financial assets	46,389	42,919	43,500	1.4%	-6.2%
PPE and intangible assets	2,496	4,046	4,004	-1.0%	60.4%
Other assets**	11,813	10,413	10,637	2.2%	-10.0%
Total Assets	**214,883**	**198,461**	**201,022**	**1.3%**	**-6.5%**

- Customer loans up QoQ due to increase in repos with institutional counterparties, on which temporary surpluses of liquidity (ahead of reimbursement of LTRO) have been allocated
- HFT financial assets grow as a result of MPS CS brokerage business (temporary purchase of Ordinary Treasury Bills)

Total Liabilities*

€/mln	Mar-13	Dec-13	Mar-14	QoQ%	YoY%
Deposits from customers and securities issued	135,311	129,836	128,859	-0.8%	-4.8%
Deposits from banks	42,753	37,279	40,991	10.0%	-4.1%
Other liabilities***	30,621	25,166	24,888	-1.1%	-18.7%
Group equity	6,195	6,147	6,251	1.7%	0.9%
Minority interests	3	33	34	1.3%	*n.m.*
Total Liabilities	**214,883**	**198,461**	**201,022**	**1.3%**	**-6.5%**

- Funding from customers largely stable
- Deposits from Banks increased as a result of "unsecured" funding (EUR 1bn) and mid-term repo transactions ahead of LTRO reimbursement
- Shareholders' equity largely stable with improvement in valuation reserves, partly offset by loss for the period

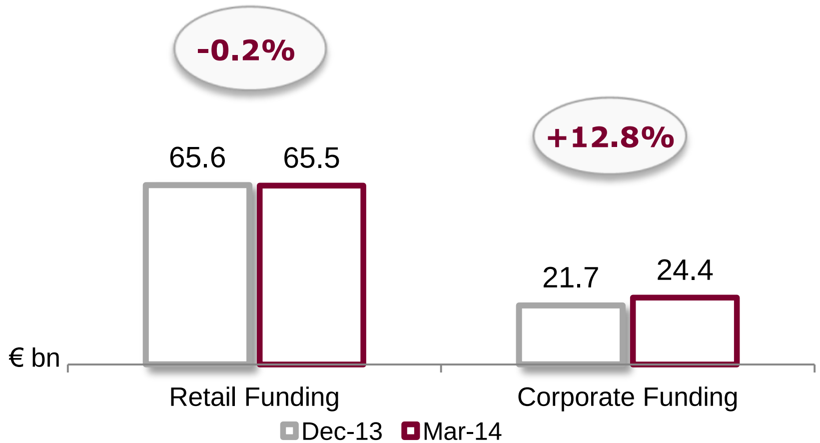
*2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 January 2014
**Cash and cash equivalents, equity investments, DTAs and other assets
*** Financial liabilities held for trading, provision for specific use, other liabilities

Direct funding optimization

Direct funding by Source

€/mln	Mar-13	Dec-13*	Mar-14	QoQ%	YoY%
Current accounts	52,892	55,076	56,912	3.3%	7.6%
Time deposits	8,324	8,003	8,709	8.8%	4.6%
Repos	16,482	16,096	13,749	-14.6%	-16.6%
Bonds	48,113	39,909	38,022	-4.7%	-21.0%
Other types of direct funding**	9,501	10,751	11,466	6.7%	20.7%
Total	**135,311**	**129,836**	**128,859**	**-0.8%**	**-4.8%**

Direct Funding by Segment***



- **Direct funding** substantially stable vs. Dec-13 (-0.8% QoQ) thanks to current accounts (+3.3% QoQ) and time deposits (+8.8% QoQ)
- **Bonds** decrease (-21% YoY), affected by Italian market trend and maturity profile of wholesale securities, as well as the suspension, for most of 2013, of retail issuances following several request of supplements to the base prospectuses and registration document as a result of highly-publicised events impacting the Bank
- **Corporate funding** increase vs. 4Q13 (+12.8% QoQ) thanks to sight deposits from institutions; **Retail funding** substantially stable

*2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 January 2014
**Includes NFIs amounting to EUR 4.1 bn
*** Customer accounts and securities - Distribution network

AuM/AuC: growing momentum

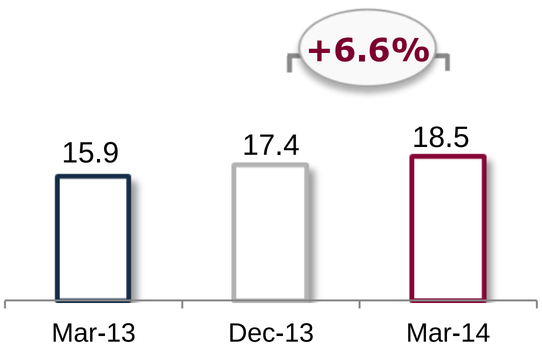
AuM/AuC

€/mln	Mar-13	Dec-13	Mar-14	QoQ%	YoY%
Assets under custody	66,695	58,292	58,617	0.6%	-12.1%
Assets under management	43,820	45,106	46,656	3.4%	6.5%
Total	**110,515**	**103,397**	**105,273**	**1.8%**	**-4.7%**

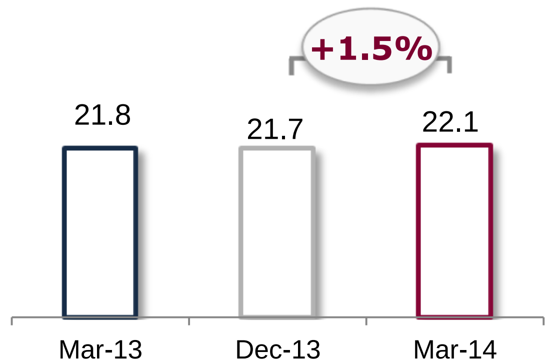
Breakdown AuM (€/bn)

- **Indirect funding** was up 1.8% vs 4Q13:
  - **Assets under management** increase 3.4% QoQ:
    - **Mutual fund** increases +6.6% QoQ, due to positive flows (also thanks to Anima placements) and positive market impact
    - **Life insurance** increases +1.5% QoQ, approx. EUR 1.6bn in gross placements as at Mar-14 (+28.5% YoY)
  - **Assets under custody**: decrease (-12.1% YoY) mainly due to the drop in shares under custody by the Group's key customers, but with minimal P&L impact. Slight recovery in the 1Q14 (+0.6% QoQ)

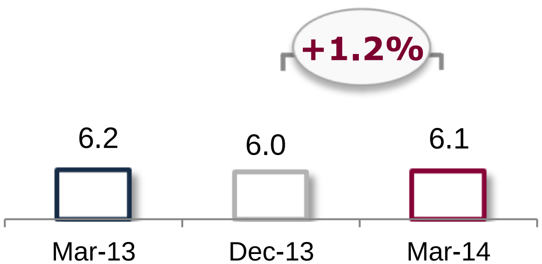
Mutual Funds/Sicav



Life insurance policies

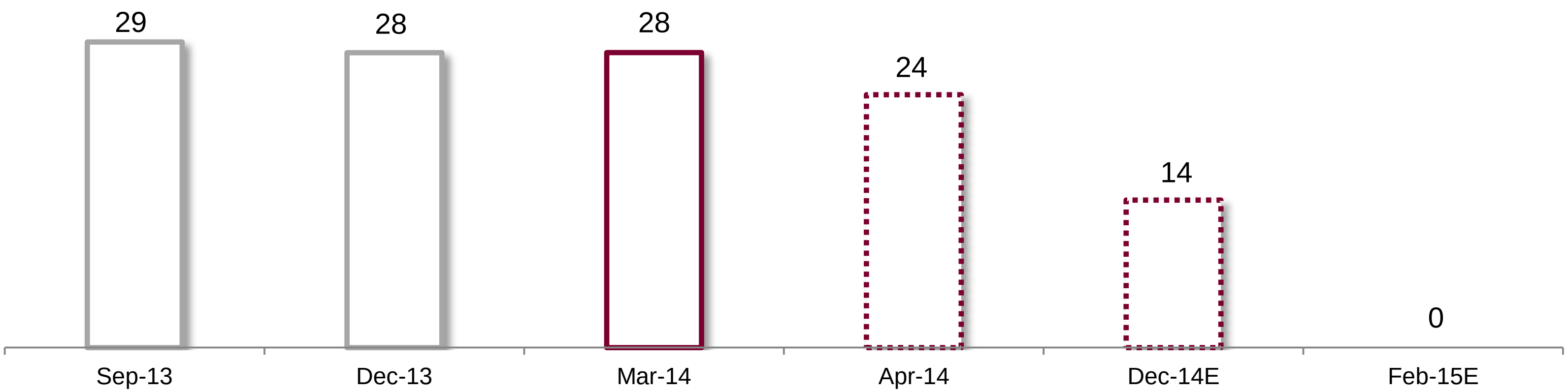


Individual portfolios under mgmt



LTRO reimbursement plan underway

LTROs *(€/bn)*



Repayment *€/bn*	1	4	4	6	14
	✓ Oct-13	✓ Apr-14	May/Jun-14	Jul/Dec-14	Jan/Feb-15

Sources:

- On the basis of prevailing market conditions and most convenient sources of funding for the Bank at that time:
  - Market financing of Italian Government Bonds (included in the total counterbalancing capacity over EUR 25 bn at the beginning of May) on the market
  - Bilateral secured funding
  - Additional public issuances (senior, covered …)

Figures from operational data management system (Finance Area)

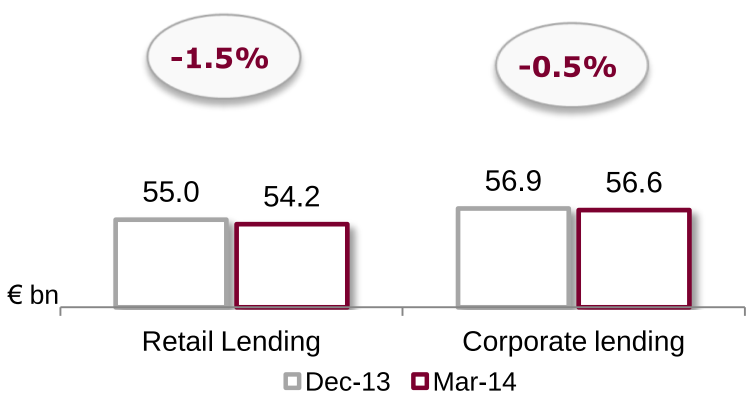
Lending: selected deleverage

Total Lending

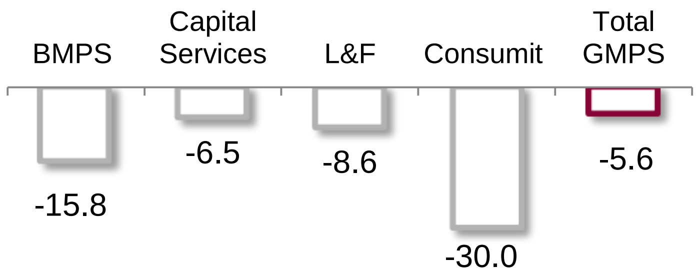
€/mln	Mar-13	Dec-13*	Mar-14	QoQ%	YoY%
Current accounts	12,626	10,953	11,404	4.1%	-9.7%
Mortgages	70,515	64,757	62,966	-2.8%	-10.7%
Other forms of lending	34,262	29,710	29,474	-0.8%	-14.0%
Reverse repurchase agreements	2,246	2,737	5,457	99.4%	143.0%
Loans represented by securities	2,182	1,449	1,453	0.2%	-33.4%
Impaired loans	18,681	20,992	21,925	4.4%	17.4%
Total	**140,510**	**130,598**	**132,677**	**1.6%**	**-5.6%**

- **Loans to customers** down 5.6% YoY due to the prolonged macroeconomic downturn and Group's more selective credit policies
- Customer loans up QoQ due to increase in repos with institutional counterparties, on which temporary surpluses of liquidity (ahead of reimbursement of LTRO) have been allocated
- Downward trend in retail & corporate lending loses momentum

Interest Bearing** Loans by segment



Loans breakdown by segment*** (% YoY)



* 2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 January 2014

**Loans excluding net NPLs. Distribution network

*** Figures from operational data management system (Planning Area)

Financial Assets and Equity investments

Securities and Derivatives Portfolio

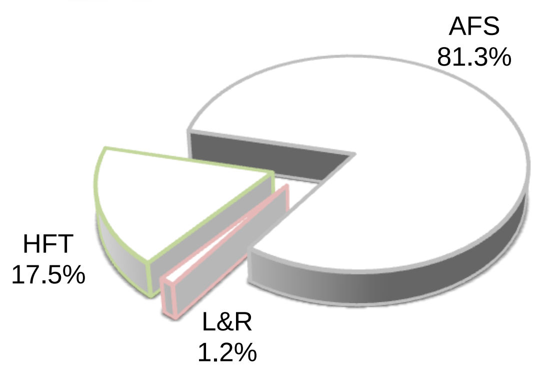
Market Value (€mln)	Mar-14	QoQ%	YoY%
HFT	10,739	+17.0%	+14.9%
AFS	23,096	-2.5%	-9.7%
L&R	2,476	-8.1%	-19.7%
Total	**36,310**	**+2.1%**	**-4.4%**

of which

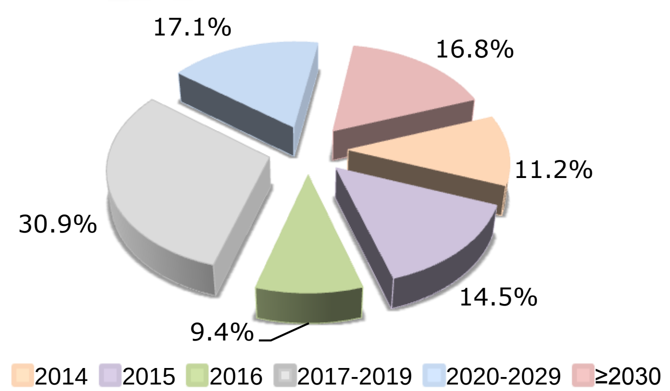
Italian Government Bonds: EUR 26 bn*

- Portfolio down 4.4% YoY, mainly in the AFS component, as a result of ongoing optimization activities
- Portfolio increased 2.1% QoQ:
  - **HFT**: up as a result of temporary purchase of government bonds by MPS Capital Services in March, placed back on the market in early April
  - **AFS**: down as a result of disposal strategies with realisation of capital gains (+EUR 47 mln). In the 19-month period between Dec-12 and Jun-14, BMPS has divested over 24 shareholdings for a total consideration of over EUR 530 mln and a positive impact on P&L of approx. EUR 175 mln
  - **L&R**: down driven by natural maturity of certain securities

Breakdown by IAS category



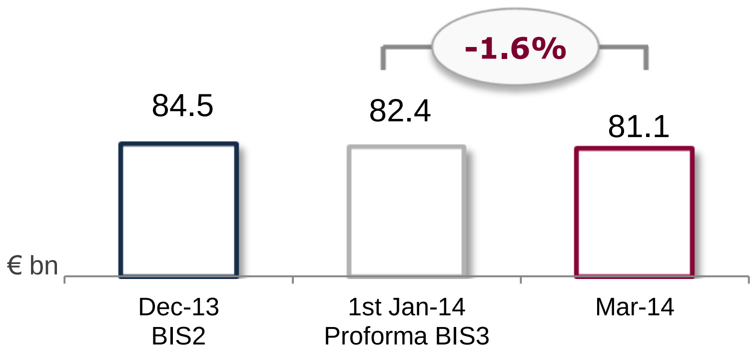
Breakdown by maturity



* Market Value

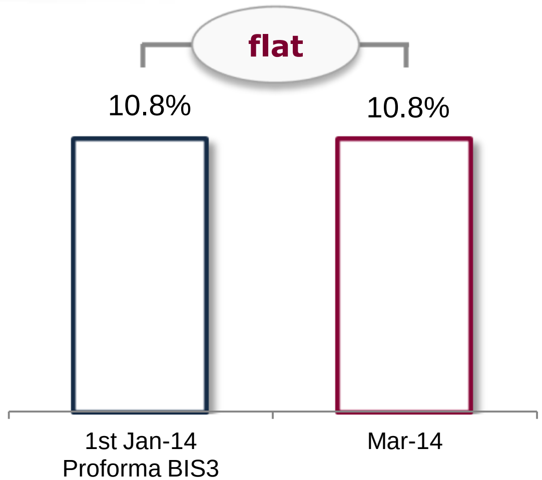
RWAs, Capital Ratios and AFS reserve

RWAs over time

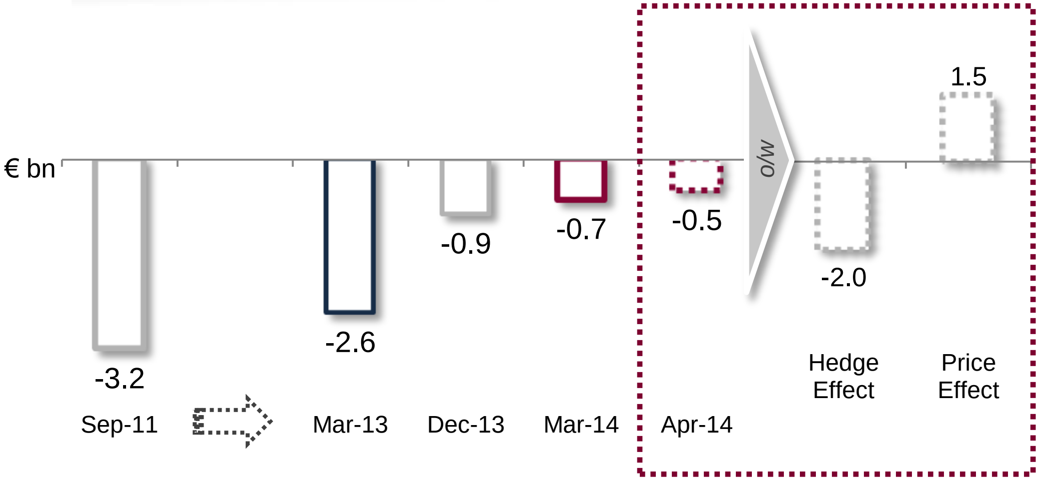


- Ongoing **optimization of RWAs** (EUR 81.1bn as at Mar-14) mainly driven by a significant reduction in credit and counterparty risk
- **CET1 ratio** *phased-in* at **10.8%** in line with restated 2013 CET1 for BIS3
- **AFS reserve** at Mar-14 was –EUR 0.7bn (compared to -EUR 3.2bn at time of EBA stress test on Sep-11)
- Asset swap limiting potential impact of stress test on Italian Govies*

CET 1 ratio over time



EBA AFS Reserve** over time



* Assuming that the methods used to conduct the exercise allow for the recognition of gains from the interest rate hedging transactions carried out and considering that BMPS's AFS Italian government bonds portfolio is almost entirely hedged by asset swaps, the expected impact is significantly lower than the one resulting from the application of haircuts required by the Stress Test

**Figures from operational data management system (Risk management)

Contents

P&L 1Q14

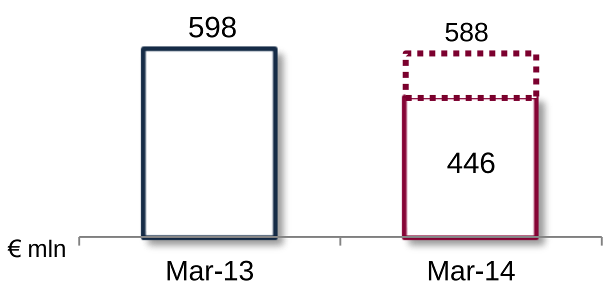
€ mln	1Q13*	4Q13	1Q14	Change (QoQ %)	Change (YoY %)
Net Interest Income	597.7	564.0	445.8**	-21.0	-25.4
o/w: NFI coupon	*-60.9*	*-94.6*	*-94.6*		
o/w: NFI price adjustment			*-142.6*		
Net Fees	431.3	404.8	445.2	+10.0	+3.2
o/w: Monti Bond cost	*-25.3*	*-25.9*	*-25.3*		
Basic income	**1,029.0**	**968.8**	**891.0**	**-8.0**	**-13.4**
Other revenues from financial activities	142.7	(233.6)	66.2	*n.m.*	-53.6
Total Revenues	**1,171.8**	**735.2**	**957.2**	**+30.2**	**-18.3**
Operating Costs	**(728.9)**	**(686.3)**	**(660.5)**	**-3.8**	**-9.4**
Personnel costs	(452.9)	(414.3)	(429.3)	+3.6	-5.2
Other admin expenses	(236.8)	(226.6)	(182.6)	-19.4	-22.9
Total provisions	**(494.5)**	**(1,252.8)**	**(491.7)**	**-60.8**	**-0.6**
Of which: LLP	(484.2)	(1209.7)	(476.6)	-60.6	-1.6
Profit (Loss) before tax	**(41.9)**	**(1,457.7)**	**(202.7)**	**86.1**	***n.m.***
Taxes	(37.4)	563.5	38.4	-93.2	*n.m.*
Purchase Price Allocation, Minorities & Profit/loss after tax from groups of assets held for sale and discontinued operations	(21.9)	(22.2)	(9.8)	55.6	+54.9
Net income	**(101.2)**	**(916.3)**	**(174.1)**	**81.0**	***n.m.***

*2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 January 2014

** The aggregate was affected by the reassessment of NFI repayment in relation to the financial instrument's contractual provisions, which bind the amount to the consideration that the Monte dei Paschi di Siena Foundation announced to have received for the sale of MPS ordinary shares, with a one-off negative impact on Q1 2014 of approx. EUR 143 mln

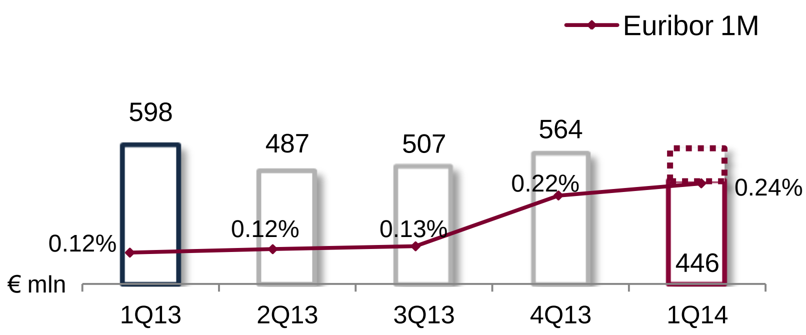
Net Interest Income: structural quarterly increase

Net Interest Income* (YoY)

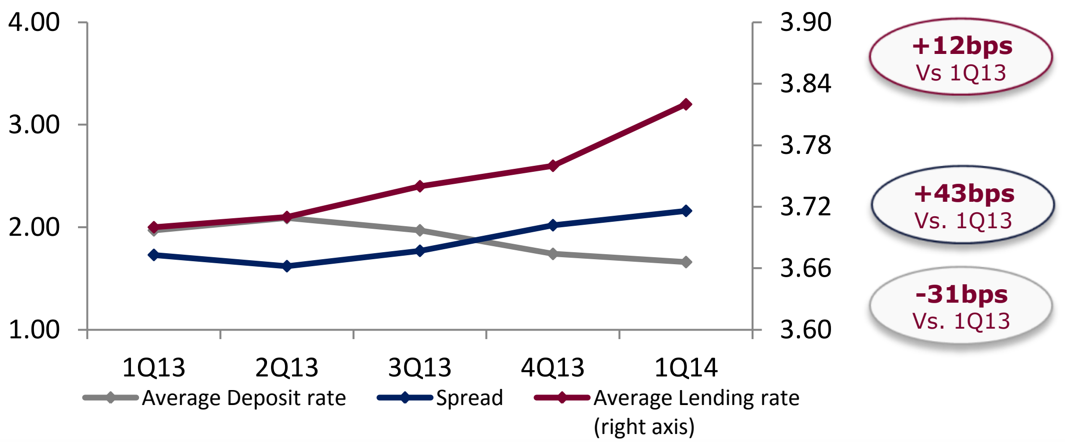


- The following factors contributed to the NII result:
  - **Cost of funding effect**: mainly from improved MPS credit spread
  - **Deleverage effect**: reduction in average loans both for the network and product companies more than offset by lower cost of funding
  - **Other effects:** includes "calendar effect" (-EUR 12 mln) and the higher cost of the NFI

Net Interest Income* (QoQ)



Spread trend (%)



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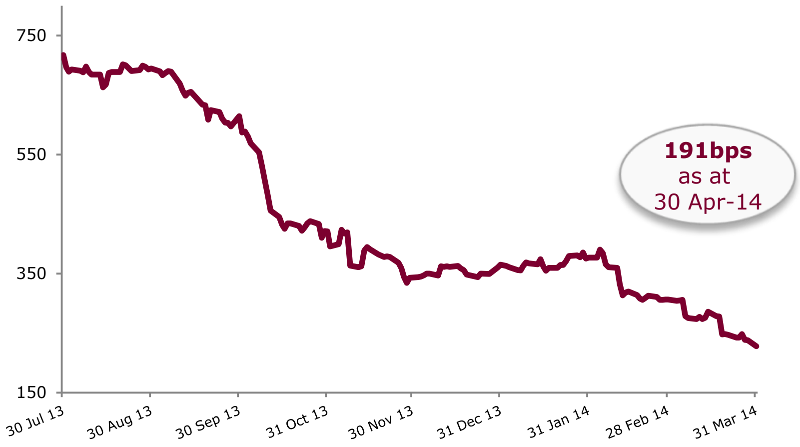
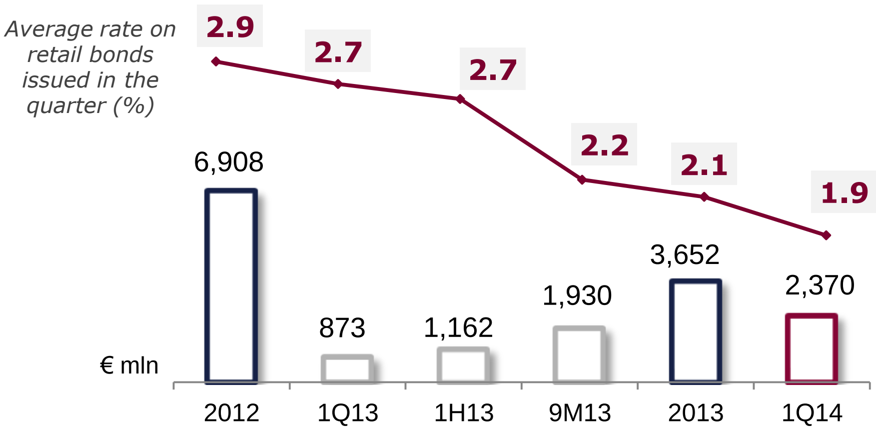
Focus on cost of funding

MPS 5Y CDS evolution*



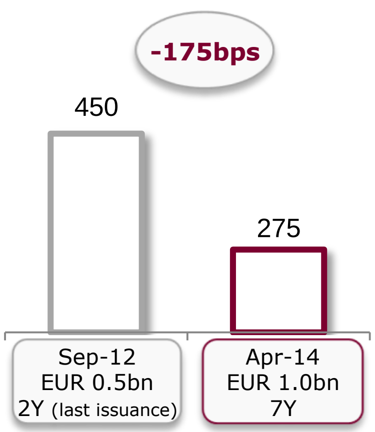
Retail Bonds *(cumulative)*



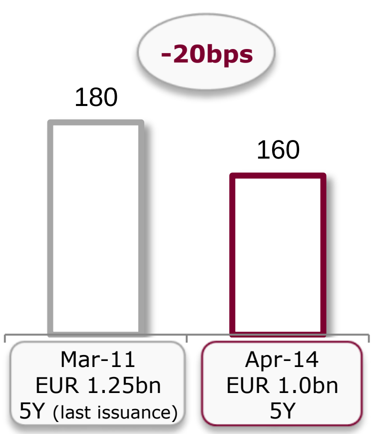
- In March 2014 MPS successfully **returned to the markets** since its last issuance in September 2012

	Senior Unsecured	Covered Bond
Settlement	1st April	17th April
Size	EUR 1 bn	EUR 1 bn
Maturity	7 y	5 y
R/O Spread	m/s + 275bps	m/s + 160bps

Senior Spread



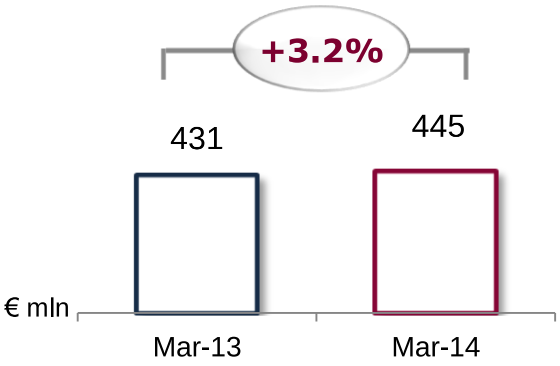
Covered Bond Spread



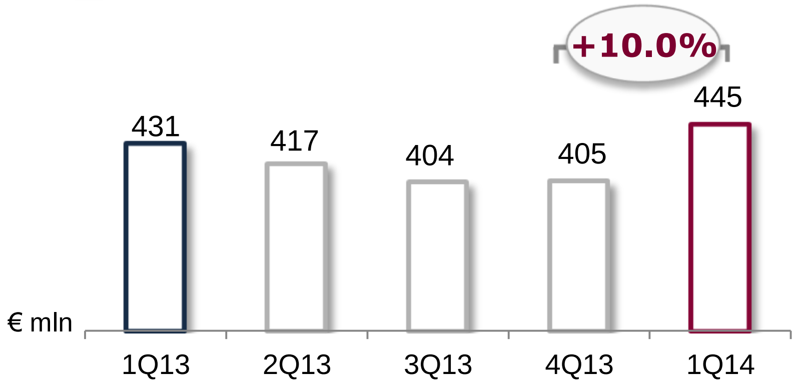
*Source: Bloomberg
Figures from operational data management system (Finance Area)

Fee and Commission Income

Fees YoY



Fees QoQ



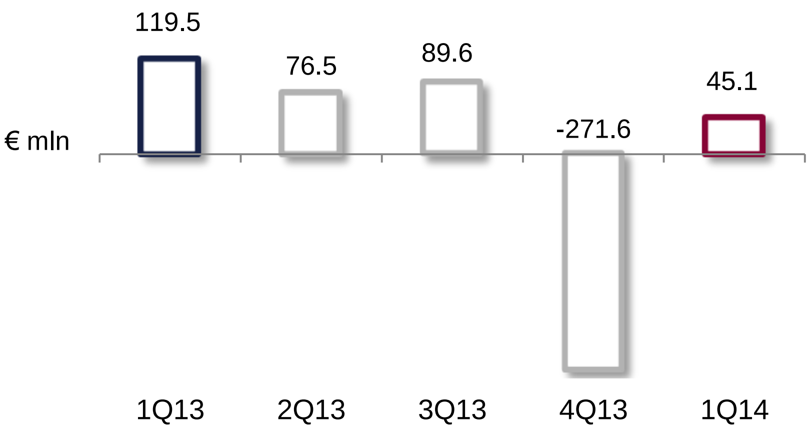
Breakdown

€/mln	1Q13	4Q13	1Q14	1Q14 vs 4Q13 (%)	1Q14 vs 1Q13 (%)
AuM fees, o/w	**159**	**152**	**187**	**23.3%**	**17.6%**
AuM Placement	*73*	*72*	*105*	*46.4%*	*44.2%*
Continuing	*59*	*58*	*57*	*-2.1%*	*-4.2%*
Bond Placement	*21*	*17*	*17*	*0.0%*	*-19.3%*
Protection	*5*	*5*	*8*	*69.9%*	*42.8%*
Traditional Banking fees, o/w	**340**	**313**	**319**	**1.9%**	**-6.4%**
Credit facilities	*175*	*152*	*151*	*-0.5%*	*-13.9%*
Trade finance	*20*	*18*	*20*	*9.5%*	*0.8%*
Payment services and client expense recovery	*146*	*143*	*148*	*3.6%*	*1.6%*
Other	**-68**	**-59.5**	**-60.4**	*-1.4%*	*11.3%*
Total Net Fees	**431**	**405**	**445**	**10.0%**	**3.2%**

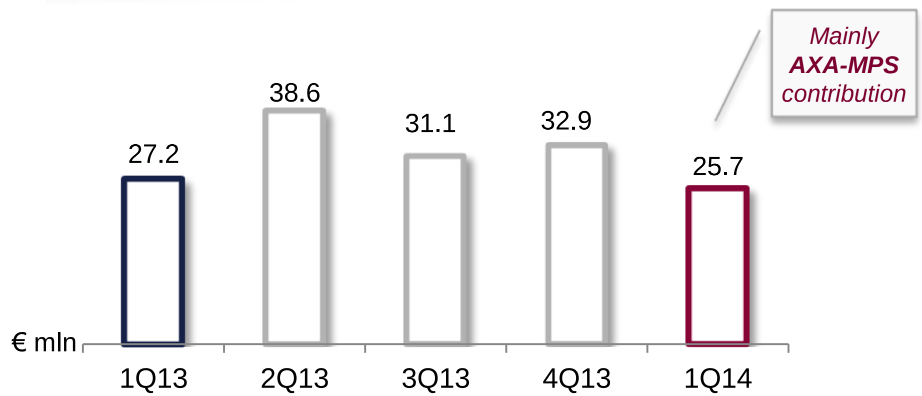
- **Net fees and commissions** pick up significantly, +10.0% QoQ and +3.2% YoY
- The aggregate was positively affected by a significant rise in placement commissions on asset management products (+23.3% QoQ) and a favorable trend in revenues from export and finance trade (9.5% QoQ)

Dividends and trading

Trading*/valuation of financial assets QoQ



Dividends /Profit (loss) from investments QoQ

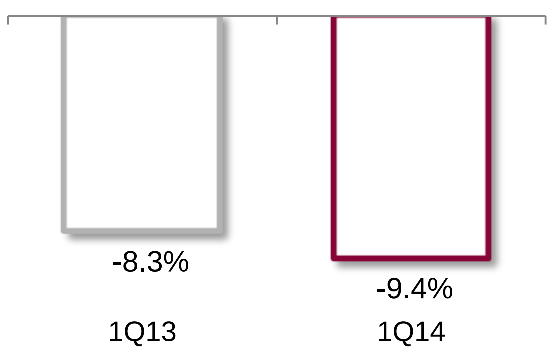


- **Net profit (loss) from trading / valuation / repurchase of financial assets/liabilities** totalled approx. EUR 45 mln and included:
  - **Net profit from trading** amounting to EUR 43.8 mln (vs. -EUR 114.8 mln in 4Q13), thanks to financial products structuring and financial risk hedging for MPS Capital Services customers
  - **Disposal / repurchase of loans, available-for-sale financial assets and liabilities**, totalling approx. EUR 47 mln (vs. -EUR 119 mln in 4Q13), attributable to the capital gain arising from the planned optimisation of the AFS portfolio
  - **Net profit (loss) on financial assets and liabilities designated at fair value** amounting to –EUR 45.7 mln owing to the higher value of bond issuances for Retail and Institutional customers as a result of a notable improvement in Banca MPS's creditworthiness
- **Dividends, similar income and gains (losses) on investments** at EUR 25.7 mln thanks to the contribution from AXA-MPS

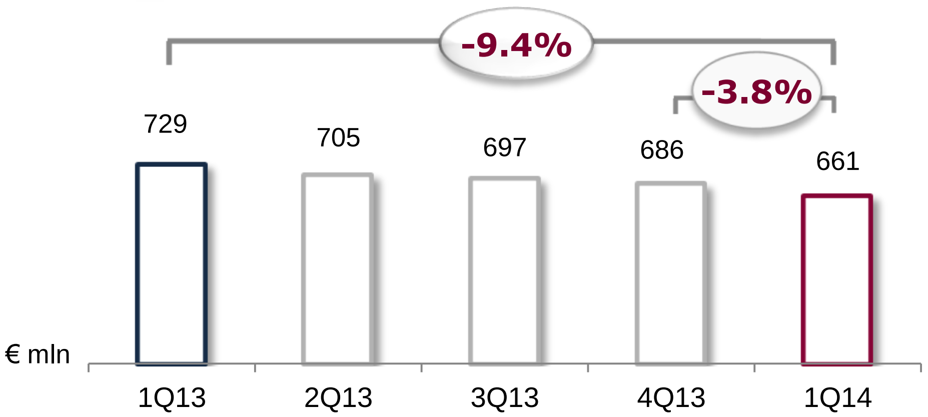
* 2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 January 2014

Operating Costs

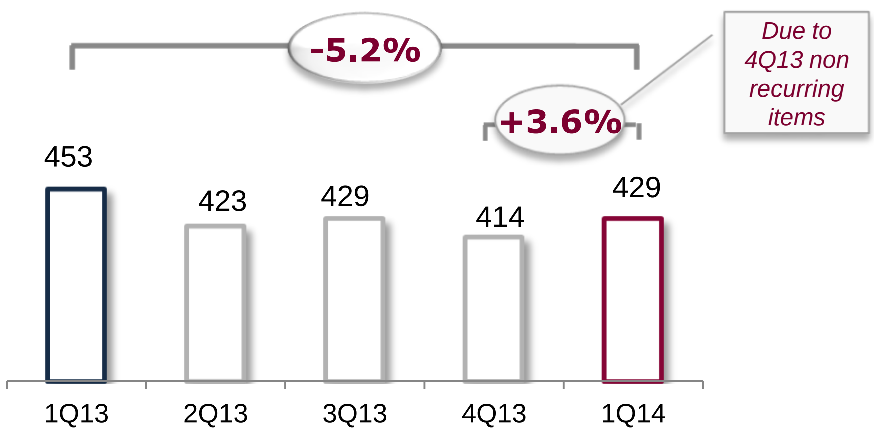
Total Costs (YoY % growth)



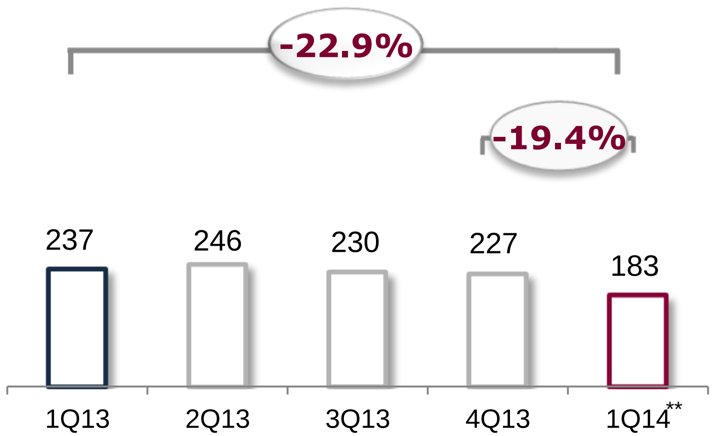
Operating Costs* QoQ



Personnel expenses* (€/mln)



Admin expenses* (€/mln)

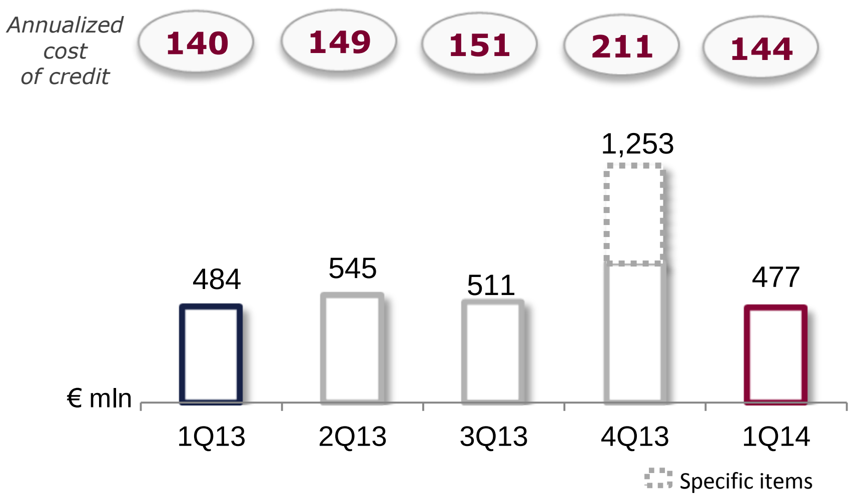


* 2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 January 2014

** Impacted by seasonal factors

Provisioning

Net loan loss provisions and Cost of Credit (bps)

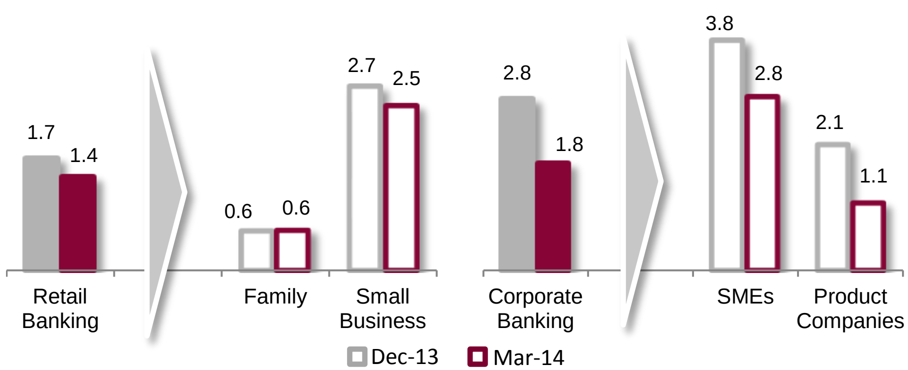


- **Net loan loss provisions** down by EUR 733 mln vs. the previous quarter and slightly below 1Q13 (-1.6% YoY)
- **Cost of credit** is still high on account of the prolonged macroeconomic downturn, although improving from 2013 (-66 bps vs. Dec 2012)
- Final stage for sale of NPL portfolio of approx. EUR 500 mln, expected to close by 1H2014

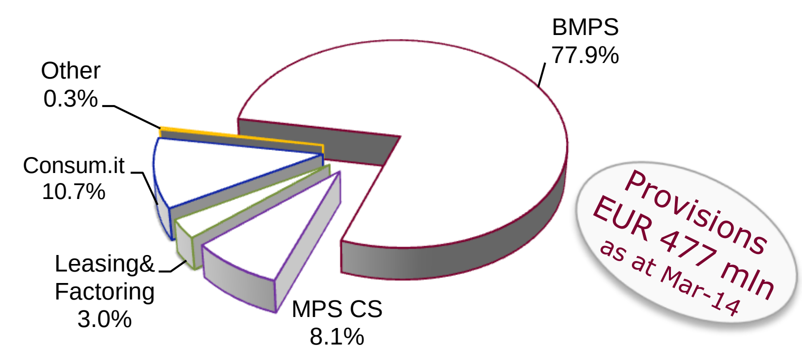
Cost of Credit by Segment *(%)

Retail

Corporate



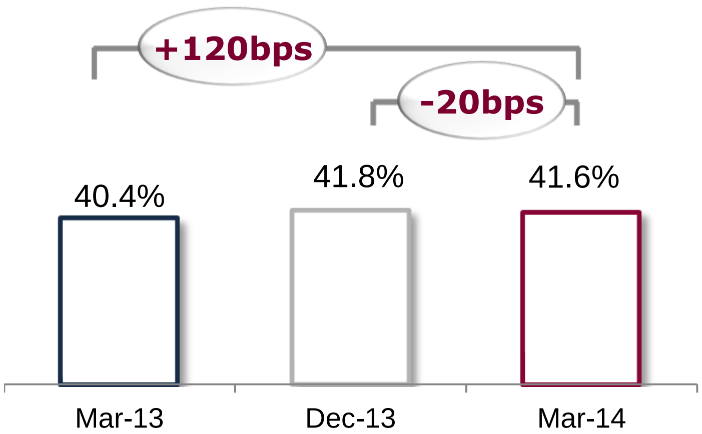
1Q14 Provisions breakdown by Business units*



*Figures from operational data management system (Planning Area)

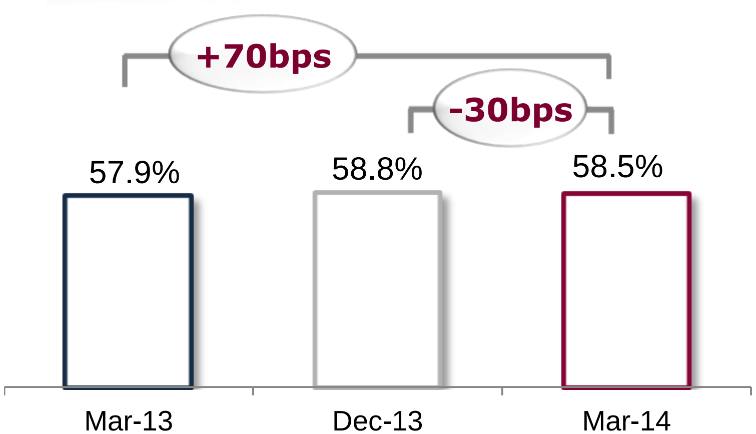
Coverage ratios

Impaired Loans Coverage

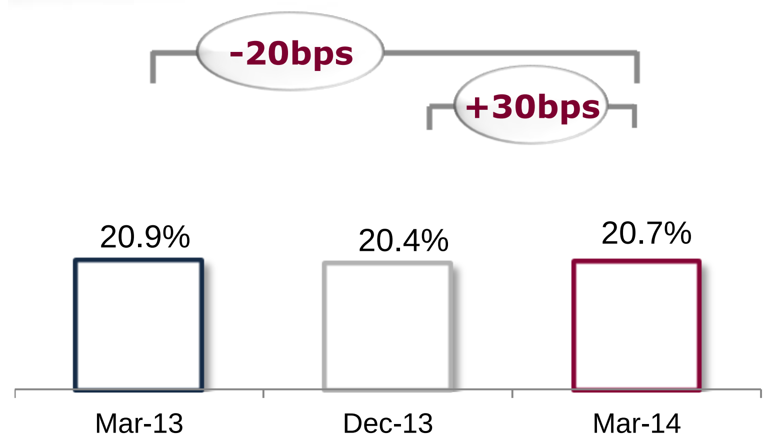


- ❑ Impaired loans coverage stable at 2013 year-end levels: 41.6%
- ❑ Specifically:
  - **NPL coverage**: -30bps QoQ and +70bps YoY
  - **Watchlist coverage**: +30bps QoQ, -20bps

NPL Coverage



Watchlist Coverage



Contents

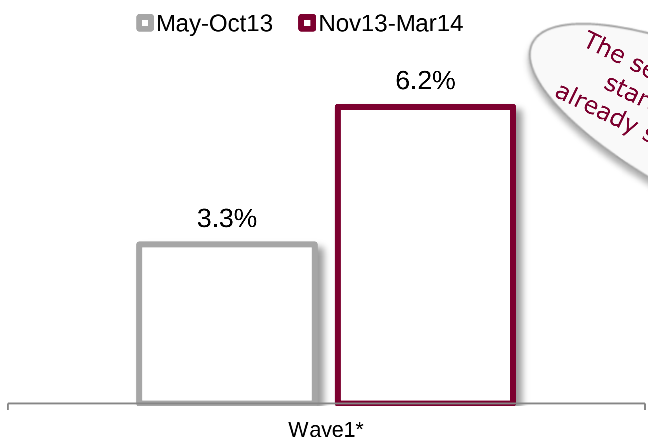
Sales productivity increases also thanks to Progetto Regata

Network Sales productivity

Change % 1Q14 vs. 1Q13	Volumes	Per Branch	Per Employee
Current Accounts net Adds	+20%	+32%	+35%
New Credit cards	+113%	+135%	+141%
Pos Net Adds	+138%	+162%	+169%
BA New Policies	+9%	+20%	+23%
Retirement Plans Sub (€)	+27%	+40%	+43%

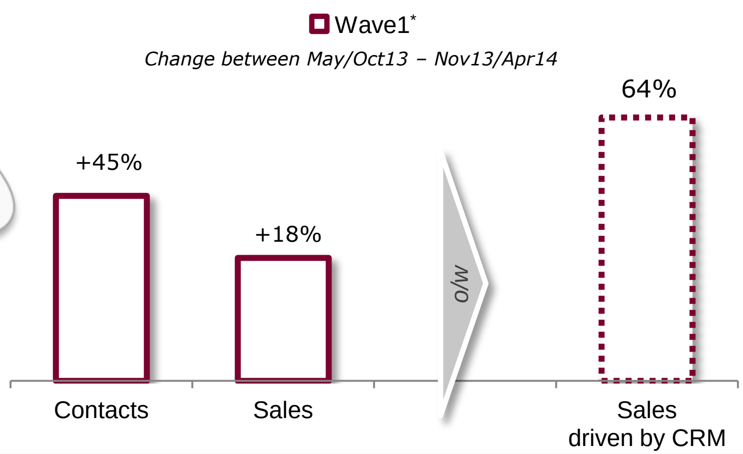
- The results of the Pilot show a positive impact on the P&L
- First *Regata Area* (Wave 1) increased YoY revenues growth
- The significant increase in contacts (+45%) led to an overall increase in sales (+30%), with CRM campaigns and leads generating more business (+64%)

Revenue growth *(% yoy)*



The second Area (Wave 2**), started in March 2014, already shows the first results

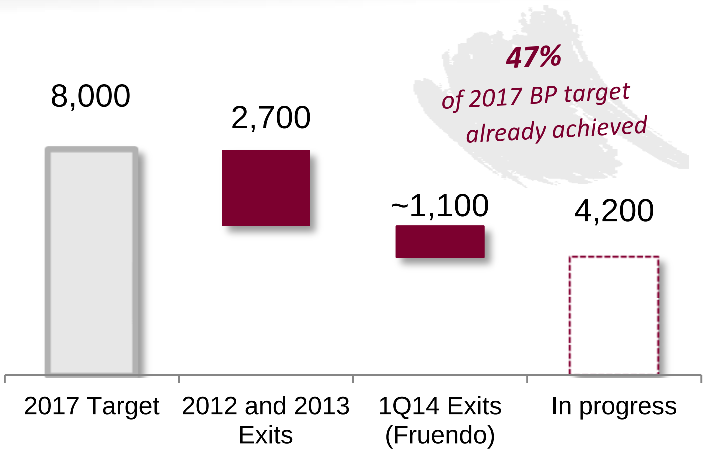
Contacts/Sales growth *(%)*



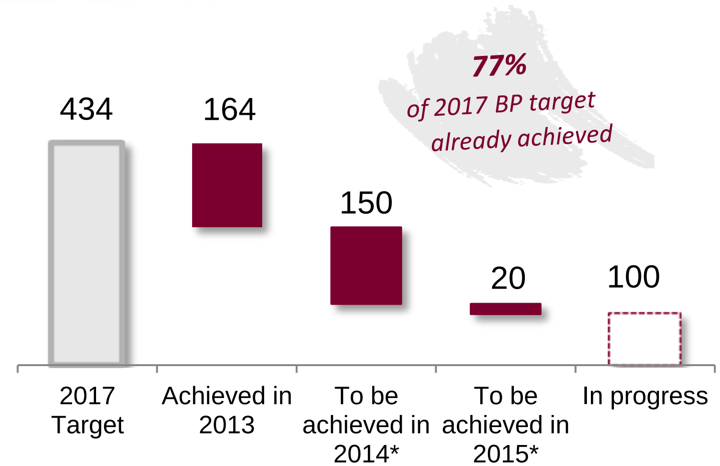
Figures from operational data management system Source: data from Planning, processing by Regata Project
*Wave1, started in Nov-13, includes: Nord Ovest, Toscana Sud Umbria Marche, Centro e Sardegna and Sud
**Wave2 includes: Antonveneta, Lombardia Sud Emilia Romagna, Toscana Nord and Sicilia Calabria.

Cost Optimization Update

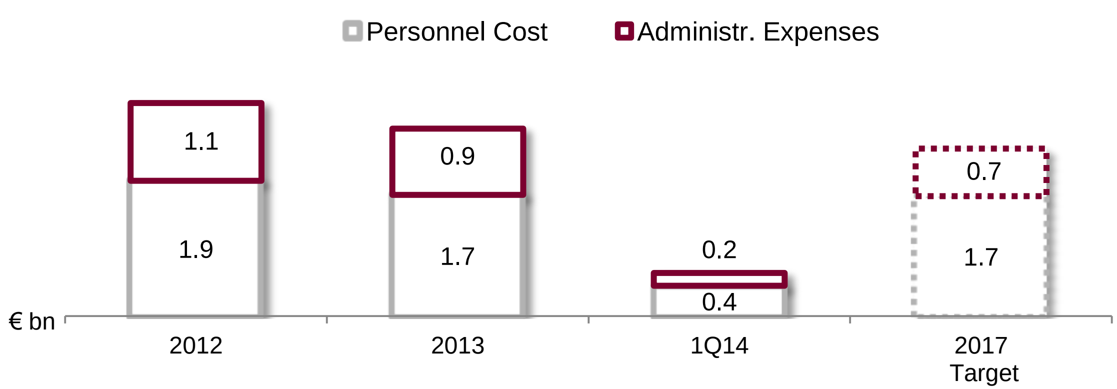
Personnel



Gross Savings on Other Admin Expenses



Personnel Cost and Admin. Expenses



* Cost savings from actions implemented in 2013. 2014 figure includes Chianti transaction effects, but does not include inertial costs increase, Fruendo rate and Widiba costs

Capital increase update

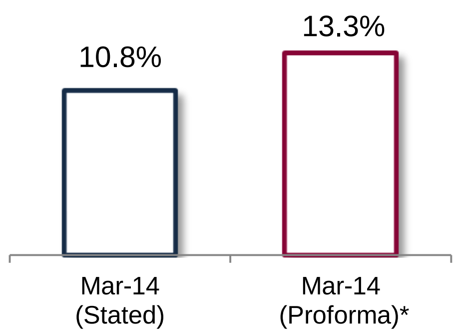
Events

- **BoD approved upsizing of the capital increase to EUR 5bn**
- **The Extraordinary Shareholders Meeting will be called** upon on 20-22 May to approve the capital increase and to grant the BoD all necessary powers to define terms and conditions
- **Pre-underwriting agreement** already signed with the same banks of the March pre-underwriting agreement

Potential upside

- MPS will benefit from a sizeable **capital buffer** to absorb potential negative impacts arising from the Comprehensive Assessment
- The larger capital increase would allow BMPS to **accelerate implementation of its 2013-2017 Restructuring Plan** and to **benefit from opportunities** arising from a potential recovery of macro-economic conditions
- Other **potential upside**:
  - Acceleration of NFI reimbursement
  - Lower cost of funding due to expected improvement in Bank's credit worthiness
  - Enhanced ability to optimise the cost of credit going forward (Reduction in expected loss delta, Lower provisioning levels in 2015-2017

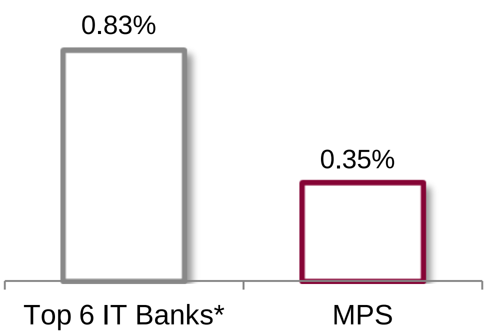
CET1 ratio



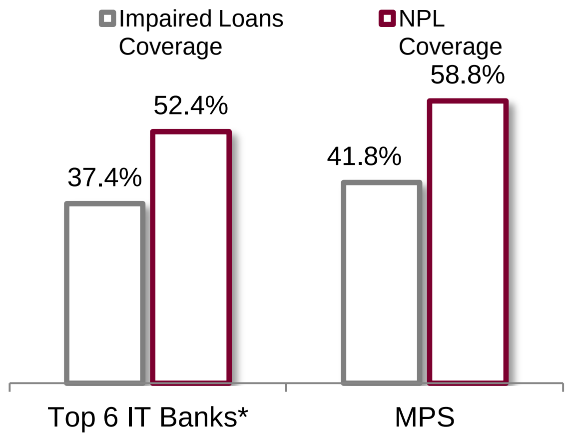
* Proforma assumining: EUR 5bn of capital increase and NFIs reimbursement (nominal value and price adjustment)

Benchmarking ahead of AQR and Stress Test

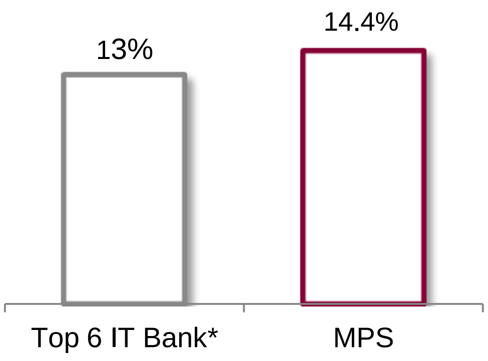
L3/Total Assets



Impaired loans/NPL Coverage



Italian govies**/Assets



- Over plan period, average buffer (post tax) for the Comprehensive Assessment in the range of approx EUR 4.5bn (vs 8% limit) and approx EUR 6.5bn (vs 5.5% limit)

Data as at Dec-13
*Sample includes: UCI, ISP, UBI, BAPO, BPM and BPER
**Book value

Final remarks

- *1Q14 results show very good core top line growth momentum*
- *Growing customer acquisition trend with a renewed drive on deposits*
- *Enhanced capital position ahead of asset quality review and stress test*
- *Ongoing restructuring is accelerating MPS Business Plan targets*

Thank you for your attention

Q&A

Annexes

P&L: Quarterly trend

MPS Group	2013 (*) 1st quarter	2nd quarter	3rd quarter	4th quarter	2014 1st quarter
Net interest income	597.7	487.2	507.3	564.0	445.8 (**)
Net fee and commission income	431.3	417.3	404.2	404.8	445.2
Income from banking activities	**1,029.0**	**904.4**	**911.5**	**968.8**	**891.0**
Dividends, similar income and gains (losses) on investments	27.2	38.6	31.1	32.9	25.7
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	119.5	76.5	89.6	(271.6)	45.1
Net profit (loss) from hedging	(4.0)	(0.9)	7.0	5.0	(4.6)
Income from financial and insurance activities	**1,171.8**	**1,018.7**	**1,039.1**	**735.2**	**957.2**
Net impairment losses (reversals) on:	**(494.5)**	**(556.5)**	**(519.3)**	**(1,252.8)**	**(491.7)**
a) loans	(484.2)	(544.8)	(511.0)	(1,209.7)	(476.6)
b) financial assets	(10.3)	(11.7)	(8.3)	(43.1)	(15.2)
Net income from financial and insurance activities	**677.3**	**462.1**	**519.8**	**(517.6)**	**465.5**
Administrative expenses:	(689.7)	(668.7)	(658.8)	(640.9)	(611.9)
a) personnel expenses	(452.9)	(422.6)	(429.0)	(414.3)	(429.3)
b) other administrative expenses	(236.8)	(246.1)	(229.8)	(226.6)	(182.6)
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(39.3)	(36.0)	(38.0)	(45.4)	(48.6)
Operating expenses	**(728.9)**	**(704.7)**	**(696.9)**	**(686.3)**	**(660.5)**
Net operating income	**(51.7)**	**(242.5)**	**(177.1)**	**(1,204.0)**	**(195.0)**
Net provisions for risks and charges and other operating expenses/income	8.5	11.5	(29.2)	(223.0)	(53.2)
Gains (losses) on investments	1.0	(32.6)	(0.5)	(25.9)	41.9
Reorganisation costs / one-off charges	-	(17.6)	(0.2)	(6.7)	(1.1)
Gains (losses) on disposal of investments	0.2	(1.9)	1.2	1.9	4.7
Profit (loss) before tax from continuing operations	**(41.9)**	**(283.1)**	**(205.7)**	**(1,457.7)**	**(202.7)**
Tax expense (recovery) on income from continuing operations	(37.4)	31.3	89.8	563.5	38.4
Profit (loss) after tax from continuing operations	**(79.3)**	**(251.8)**	**(116.0)**	**(894.2)**	**(164.3)**
Profit (loss) after tax from groups of assets held for sale and discontinued operations	(12.9)	(12.9)	(12.9)	(12.6)	-
Net profit (loss) for the period including non-controlling interests	**(92.2)**	**(264.6)**	**(128.8)**	**(906.8)**	**(164.3)**
Net profit (loss) attributable to non-controlling interests	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Profit (loss) for the period before PPA , impairment on goodwill, intangibles and writedown of investment in AM Holding	**(92.7)**	**(265.2)**	**(129.3)**	**(907.3)**	**(164.7)**
PPA (Purchase Price Allocation)	(8.5)	(13.0)	(9.2)	(9.1)	(9.4)
Net profit (loss) for the period	**(101.2)**	**(278.2)**	**(138.6)**	**(916.3)**	**(174.1)**

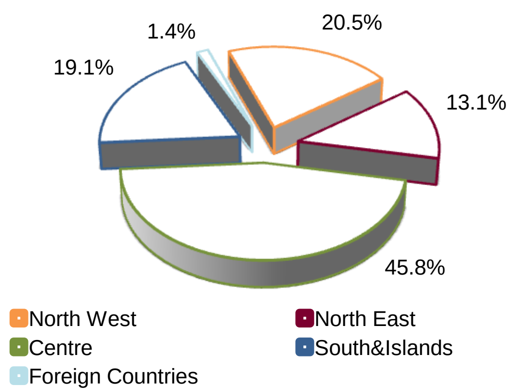
*2013 figures were restated in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors) to reflect changes following the introduction of new accounting policies which came into force on 1 Jan-14
** The aggregate was affected by the repayment of State-subscribed securities (NFIs) adjusted to the contractual provisions governing the instruments, which bind the repayment amount to the consideration that the Monte dei Paschi di Siena Foundation communicated to have received for the sale of ordinary shares of Banca Monte dei Paschi , with a one-off negative impact on Q1 2014 of approx. EUR 143 mln. Excluding this amount, net interest income at 31 March 2014

Asset quality overview

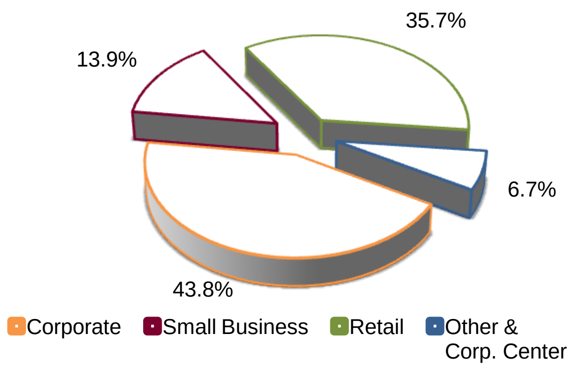
Impaired Loans as at Mar-14

(€ mln)	Gross	QoQ (%)	YoY (%)	Net	QoQ (%)	YoY (%)
NPL	22,498	+4.4	+23.8	9,332	+5.1	+21.9
Watchlist	9,688	+2.6	+17.3	7,685	+2.3	+17.5
Restructured	2,081	+9.2	+29.7	1,843	+9.5	+34.1
Past Due	3,272	+4.4	-1.3	3,065	+5.0	-1.5
Total	**37,538**	**+4.2**	**+19.7**	**21,925**	**+4.4**	**+17.4**

Loan book by Geography



Loan book by Segment



Figures from operational data management system (Planning Area and Credit Department)

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