

■ **INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS**

MPS GROUP			
INCOME STATEMENT FIGURES (in EUR mln)	03/31/14	03/31/13 (*)	% chg
Income from banking activities	891.0	1,029.0	-13.4%
Income from financial and insurance activities	957.2	1,171.8	-18.3%
Net operating income	-195.0	-51.7	n.m.
Profit (loss) for the period	-174.1	-101.2	n.m.
BALANCE SHEET FIGURES AND INDICATORS (in EUR mln)	03/31/14	12/31/13	% chg
Direct funding	128,859	129,836	-0.8%
Indirect funding	105,273	103,397	1.8%
<i>of which: assets under management</i>	46,656	45,106	3.4%
<i>of which: assets under custody</i>	58,617	58,292	0.6%
Loans to customer	132,677	130,598	1.6%
Group net equity	6,251	6,147	1.7%
KEY CREDIT QUALITY RATIOS (%)	03/31/14	12/31/13	Abs. chg
Net doubtful loans/Loans to Customers	7.0	6.8	0.2
Net substandard loans/Loans to Customers	5.8	5.8	0.0
PROFITABILITY RATIOS (%)	03/31/14	12/31/13	Abs. chg
Cost/Income ratio	69.0	71.0	-2.0
Net loan loss provisions / End-of-period loans	1.44	2.11	-0.7
CAPITAL RATIOS (%)	03/31/14	Dec.13 (BIS 3)	Dec.13 (BIS 2)
Solvency ratio	14.9	15.1	15.2
Tier 1 ratio	10.8	10.8	10.6
INFORMATION ON BMPS STOCK	03/31/14	12/31/13	
Number of ordinary shares outstanding	11,681,539,706	11,681,539,706	
Price per ordinary share:	from 12/31/13 to 03/31/14	from 12/31/12 to 12/31/13	% chg
average	0.20	0.22	-9.5%
low	0.17	0.15	7.1%
high	0.27	0.30	-11.7%
OPERATING STRUCTURE	03/31/14	12/31/13	Abs. chg
Total head count - end of period (**)	27,304	28,417	-1,113
Number of branches in Italy	2,334	2,334	
Number of specialised centres	283	287	-4
Financial advisory branches	121	125	-4
Number of branches & representative offices abroad	39	39	

(*) The 2013 Balance Sheet and Profit and Loss Statement 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.

■ RECLASSIFIED INCOME STATEMENT (in EUR mln)

MPS Group	03/31/13	03/31/14	Change	
	(*)		Ins.	%
Net interest income	597.7	445.8 (**)	(151.9)	-25.4%
Net fee and commission income	431.3	445.2	13.9	3.2%
Income from banking activities	1,029.0	891.0	(138.1)	-13.4%
Dividends, similar income and gains (losses) on investments	27.2	25.7	(1.5)	-5.4%
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	119.5	45.1	(74.4)	-62.3%
Net profit (loss) from hedging	(4.0)	(4.6)	(0.6)	13.9%
Income from financial and insurance activities	1,171.8	957.2	(214.5)	-18.3%
Net impairment losses (reversals) on:	(494.5)	(491.7)	2.8	-0.6%
a) loans	(484.2)	(476.6)	7.6	-1.6%
b) financial assets	(10.3)	(15.2)	(4.8)	46.7%
Net income from financial and insurance activities	677.3	465.5	(211.8)	-31.3%
Administrative expenses:	(689.7)	(611.9)	77.7	-11.3%
a) personnel expenses	(452.9)	(429.3)	23.6	-5.2%
b) other administrative expenses	(236.8)	(182.6)	54.2	-22.9%
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(39.3)	(48.6)	(9.3)	23.8%
Operating expenses	(728.9)	(660.5)	68.4	-9.4%
Net operating income	(51.7)	(195.0)	(143.4)	n.m.
Net provisions for risks and charges and other operating expenses/income	8.5	(53.2)	(61.7)	n.m.
Gains (losses) on investments	1.0	41.9	40.9	n.m.
Reorganisation costs / one-off charges	-	(1.1)	(1.1)	n.m.
Gains (losses) on disposal of investments	0.2	4.7	4.5	n.m.
Profit (loss) before tax from continuing operations	(41.9)	(202.7)	(160.8)	n.m.
Tax expense (recovery) on income from continuing operations	(37.4)	38.4	75.9	n.m.
Profit (loss) after tax from continuing operations	(79.3)	(164.3)	(84.9)	n.m.
Profit (loss) after tax from groups of assets held for sale and discontinued operations	(12.9)	-	12.9	n.m.
Net profit (loss) for the year including non-controlling interests	(92.2)	(164.3)	(72.1)	78.2%
Net profit (loss) attributable to non-controlling interests	(0.5)	(0.5)	0.0	-9.5%
Profit (loss) for the period before PPA , impairment on goodwill, intangibles and writedown of investment in AM Holding	(92.7)	(164.7)	(72.0)	77.7%
PPA (Purchase Price Allocation)	(8.5)	(9.4)	(0.9)	10.8%
Impairment on goodwill, intangibles and writedown of investment in AM Holding	-	-	-	n.m.
Net profit (loss) for the period	(101.2)	(174.1)	(72.9)	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 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 would stand at approx. EUR 588 mln.

QUARTERLY TREND IN RECLASSIFIED INCOME STATEMENT (in EUR mln)

MPS Group	2013 (*)				2014
	1st quarter	2nd quarter	3rd quarter	4th quarter	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)

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(**) 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 would stand at approx. EUR 588 mln.



■ RECLASSIFIED BALANCE SHEET (in EUR mln)

ASSETS	12/31/13	03/31/14	Chg. vs 12/31/13	
	(*)		abs.	%
Cash and cash equivalents	877	823	(54)	-6.2%
Receivables :				
a) Loans to customers	130,598	132,677	2,079	1.6%
b) Loans to banks	10,485	10,204	(281)	-2.7%
Financial assets held for trading	42,919	43,500	581	1.4%
Financial assets held to maturity	-	-	-	
Equity investments	970	960	(11)	-1.1%
Property, plant and equipment / Intangible assets	4,046	4,004	(42)	-1.0%
of which:				
a) goodwill	670	670	-	
Other assets	8,566	8,855	289	3.4%
Total assets	198,461	201,022	2,562	1.3%
LIABILITIES	12/31/13	03/31/14	Chg. vs 12/31/13	
	(*)		abs.	%
Payables				
a) Deposits from customers and securities issued	129,836	128,859	(977)	-0.8%
b) Deposits from banks	37,279	40,991	3,712	10.0%
Financial liabilities held for trading	16,410	14,630	(1,780)	-10.8%
Provisions for specific use				
a) Provisions for staff severance indemnities	261	273	12	4.5%
b) Pensions and other post retirement benefit obligations	61	60	(1)	-2.4%
c) Other provisions	1,066	1,020	(46)	-4.3%
Other liabilities	7,367	8,905	1,538	20.9%
Group net equity	6,147	6,251	104	1.7%
a) Valuation reserves	(1,056)	(788)	268	-25.4%
c) Equity instruments	3	3	-	
d) Reserves	1,175	(274)	(1,449)	-123.4%
e) Share premium	-	-	-	
f) Share capital	7,485	7,485	-	-
g) Treasury shares (-)	(25)	(0)	25	-100%
h) Net profit (loss) for the year	(1,434)	(174)	1,260	-87.9%
Non-controlling interests	33	34	0	1.3%
Total Liabilities and Shareholders' Equity	198,461	201,022	2,562	1.3%

(*) 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.

■ RECLASSIFIED BALANCE SHEET- Quarterly Trend (in EUR mln)

	03/31/2013	06/30/2013	09/30/2013	12/31/2013	03/31/2014
	(*)	(*)	(*)	(*)	
ASSETS					
Cash and cash equivalents	697	684	785	877	823
Receivables :					
a) Loans to customers	140,510	138,082	135,564	130,598	132,677
b) Loans to banks	13,676	12,240	11,439	10,485	10,204
Financial assets held for trading	46,389	49,655	45,777	42,919	43,500
Financial assets held to maturity					
Equity investments	1,029	971	994	970	960
Property, plant and equipment / Intangible assets	2,496	2,465	2,441	4,046	4,004
of which:					
a) goodwill	670	670	670	670	670
Other assets	10,086	9,774	9,447	8,566	8,855
Total assets	214,883	213,870	206,446	198,461	201,022
LIABILITIES					
	(*)	(*)	(*)	(*)	
Payables					
a) Deposits from customers and securities issued	135,311	137,078	132,286	129,836	128,859
b) Deposits from banks	42,753	41,741	42,377	37,279	40,991
Financial liabilities held for trading	19,571	18,630	14,909	16,410	14,630
Provisions for specific use					
a) Provisions for staff severance indemnities	291	269	282	261	273
b) Pensions and other post retirement benefit obligations	40	48	47	61	60
c) Other provisions	1,124	1,207	1,185	1,066	1,020
Other liabilities	9,595	8,339	8,922	7,367	8,905
Group net equity	6,195	6,555	6,435	6,147	6,251
a) Valuation reserves	(2,309)	(1,714)	(1,697)	(1,056)	(788)
c) Equity instruments	3	3	3	3	3
d) Reserves	886	1,187	1,187	1,175	(274)
e) Share premium	255	-	-	-	-
f) Share capital	7,485	7,485	7,485	7,485	7,485
g) Treasury shares (-)	(25)	(25)	(25)	(25)	(0)
h) Net profit (loss) for the period	(101)	(380)	(518)	(1,434)	(174)
Non-controlling interests	3	3	3	33	34
Total Liabilities and Shareholders' Equity	214,883	213,870	206,446	198,461	201,022

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