

MPS GROUP
Highlights at 09/30/2014
INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS
(Unaudited)

INCOME STATEMENT FIGURES (in EUR mln)	30/09/2014	30/09/2013	% chg
		(*)	
Income from banking activities	2,845.0	2,845.0	0.0%
Income from financial and insurance activities	3,136.9	3,229.5	-2.9%
Net operating income	(1,406.8)	(471.3)	n.s.
Profit (loss) for the period	(1,149.7)	(518.0)	n.s.
BALANCE SHEET FIGURES AND INDICATORS (in EUR mln)	30/09/2014	31/12/2013	% chg
Direct funding	126,610	129,836	-2.5%
Indirect funding	107,958	103,397	4.4%
<i>of which: assets under management</i>	50,390	45,106	11.7%
<i>of which: assets under custody</i>	57,568	58,292	-1.2%
Loans to customer	126,307	130,598	-3.3%
Group net equity	10,340	6,147	68.2%
KEY CREDIT QUALITY RATIOS (%)	30/09/2014	31/12/2013	Abs. chg
Net doubtful loans/Loans to Customers	7.7	6.8	0.9
Net substandard loans/Loans to Customers	8.0	5.8	2.2
PROFITABILITY RATIOS (%)	30/09/2014	31/12/2013	Abs. chg
Cost/Income ratio	64.4	71.0	-6.6
Net loan loss provisions / End-of-period loans	2.60	2.11	0.5
CAPITAL RATIOS (%)	30/09/2014	Dec.13 (BIS 3)	Dec.13 (BIS 2)
Solvency ratio	16.8	15.1	1.7
Common Equity Tier 1 ratio (CET1 ratio)	12.8	10.8	2.0
Return on Asset ratio (RoA)	(0.80)	(0.72)	(0.08)
INFORMATION ON BMPS STOCK	30/09/2014	31/12/2013	
Number of ordinary shares outstanding	5,116,513,875	11,681,539,706	
Price per ordinary share:	from 12/31/13 to 09/30/14	from 12/31/12 to 12/31/13 (**)	% chg
average	1.35	1.35	-0.3%
low	1.01	0.97	4.1%
high	2.56	1.87	36.7%
OPERATING STRUCTURE	30/09/2014	31/12/2013	Abs. chg
Total head count - end of period	27,258	28,417	(1,159)
Number of branches in Italy	2,328	2,334	(6)
Number of specialised centres	283	287	(4)
Financial advisory branches	120	125	(5)
Number of branches & representative offices abroad	39	39	-

(*) 2013 balance sheet figures have been restated to reflect changes to the scope of consolidation (following the introduction of new accounting standards which came into force on 1 January 2014). 2013 P&L figures have been restated to reflect changes to the scope of consolidation (following the introduction of new accounting standards which came into force on 1 January) and the reclassification of P&L items relating to the transfer of a business unit to the company "Frendo Srl", effective as of 1 January 2014.

(**) Price per ordinary share restated following the rights issue launched on 9 June and completed on 4 July 2014.

MPS GROUP

Reclassified Consolidated Income Statement

(Unaudited)

<i>(in EUR mln)</i>	09/30/2014	09/30/2013	Change	
		(*)	Ins.	%
Net interest income	1,552.5	1,592.2	(39.6)	-2.5%
Net fee and commission income	1,292.5	1,252.8	39.7	3.2%
Income from banking activities	2,845.0	2,845.0	0.1	0.0%
Dividends, similar income and gains (losses) on investments	82.1	96.9	(14.9)	-15.3%
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	220.9	285.7	(64.7)	-22.7%
Net profit (loss) from hedging	(11.1)	2.0	(13.1)	n.m.
Income from financial and insurance activities	3,136.9	3,229.5	(92.6)	-2.9%
Net impairment losses (reversals) on:	(2,523.0)	(1,570.4)	(952.7)	60.7%
a) loans	(2,464.4)	(1,540.0)	(924.5)	60.0%
b) financial assets	(58.6)	(30.4)	(28.2)	92.7%
Net income from financial and insurance activities	613.9	1,659.2	(1,045.3)	-63.0%
Administrative expenses:	(1,856.2)	(2,017.2)	160.9	-8.0%
a) personnel expenses	(1,279.2)	(1,304.5)	25.3	-1.9%
b) other administrative expenses	(577.0)	(712.7)	135.6	-19.0%
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(164.4)	(113.3)	(51.1)	45.1%
Operating expenses	(2,020.7)	(2,130.5)	109.8	-5.2%
Net operating income	(1,406.8)	(471.3)	(935.5)	n.m.
Net provisions for risks and charges and other operating expenses/income	(133.6)	(9.1)	(124.5)	n.m.
Gains (losses) on investments	161.9	(32.0)	193.9	n.m.
Reorganisation costs / one-off charges	(322.0)	(17.8)	(304.2)	n.m.
Gains (losses) on disposal of investments	6.8	(0.5)	7.3	n.m.
Profit (loss) before tax from continuing operations	(1,693.6)	(530.7)	(1,162.9)	n.m.
Tax expense (recovery) on income from continuing operations	568.1	83.6	484.4	n.m.
Profit (loss) after tax from continuing operations	(1,125.5)	(447.1)	(678.5)	n.m.
Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	(38.6)	38.6	n.m.
Net profit (loss) for the period including non-controlling interests	(1,125.5)	(485.7)	(639.9)	n.m.
Net profit (loss) attributable to non-controlling interests	3.8	(1.6)	5.4	n.m.
Profit (loss) for the period before PPA	(1,121.7)	(487.2)	(634.5)	n.m.
PPA (Purchase Price Allocation)	(28.0)	(30.8)	2.7	-8.9%
Net profit (loss) for the period	(1,149.7)	(518.0)	(631.8)	n.m.

(*) 2013 P&L figures have been restated to reflect changes to the scope of consolidation (following the introduction of new accounting standards which came into force on 1 January) and the reclassification of P&L items relating to the transfer of a business unit to the company "Frendo Srl", effective as of 1 January 2014.

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Reclassified Consolidated Income Statement - quarterly trend (Unaudited)							
	2014			2013 (*)			
	3rd quarter	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
<i>(in EUR mln)</i>							
Net interest income	580.6	526.2	445.8	564.0	507.3	487.2	597.7
Net fee and commission income	421.5	425.8	445.2	404.8	404.2	417.3	431.3
Income from banking activities	1,002.1	952.0	891.0	968.8	911.5	904.4	1,029.0
Dividends, similar income and gains (losses) on investments	32.6	23.8	25.7	32.9	31.1	38.6	27.2
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	147.3	28.6	45.1	(271.6)	89.6	76.5	119.5
Net profit (loss) from hedging	2.2	(8.7)	(4.6)	5.0	7.0	(0.9)	(4.0)
Income from financial and insurance activities	1,184.1	995.6	957.2	735.2	1,039.1	1,018.7	1,171.8
Net impairment losses (reversals) on:	(1,296.1)	(735.2)	(491.7)	(1,252.8)	(519.3)	(556.5)	(494.5)
a) loans	(1,256.5)	(731.4)	(476.6)	(1,209.7)	(511.0)	(544.8)	(484.2)
b) financial assets	(39.6)	(3.8)	(15.2)	(43.1)	(8.3)	(11.7)	(10.3)
Net income from financial and insurance activities	(112.0)	260.4	465.5	(517.6)	519.8	462.1	677.3
Administrative expenses:	(623.8)	(620.4)	(611.9)	(640.9)	(658.8)	(668.7)	(689.7)
a) personnel expenses	(427.9)	(421.9)	(429.3)	(414.3)	(429.0)	(422.6)	(452.9)
b) other administrative expenses	(195.9)	(198.5)	(182.6)	(226.6)	(229.8)	(246.1)	(236.8)
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(65.6)	(50.2)	(48.6)	(45.4)	(38.0)	(36.0)	(39.3)
Operating expenses	(689.5)	(670.7)	(660.5)	(686.3)	(696.9)	(704.7)	(728.9)
Net operating income	(801.5)	(410.2)	(195.0)	(1,204.0)	(177.1)	(242.5)	(51.7)
Net provisions for risks and charges and other operating expenses/income	(35.3)	(45.2)	(53.2)	(223.0)	(29.2)	11.5	8.5
Gains (losses) on investments	(13.4)	133.4	41.9	(25.9)	(0.5)	(32.6)	1.0
Reorganisation costs / one-off charges	(318.2)	(2.7)	(1.1)	(6.7)	(0.2)	(17.6)	-
Gains (losses) on disposal of investments	1.7	0.4	4.7	1.9	1.2	(1.9)	0.2
Profit (loss) before tax from continuing operations	(1,166.6)	(324.3)	(202.7)	(1,457.7)	(205.7)	(283.1)	(41.9)
Tax expense (recovery) on income from continuing operations	374.2	155.4	38.4	563.5	89.8	31.3	(37.4)
Profit (loss) after tax from continuing operations	(792.4)	(168.9)	(164.3)	(894.2)	(116.0)	(251.8)	(79.3)
Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-	-	(12.6)	(12.9)	(12.9)	(12.9)
Net profit (loss) for the period including non-controlling interests	(792.4)	(168.9)	(164.3)	(906.8)	(128.8)	(264.6)	(92.2)
Net profit (loss) attributable to non-controlling interests	4.9	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Profit (loss) for the period before PPA	(787.5)	(169.5)	(164.7)	(907.3)	(129.3)	(265.2)	(92.7)
PPA (Purchase Price Allocation)	(9.2)	(9.4)	(9.4)	(9.1)	(9.2)	(13.0)	(8.5)
Net profit (loss) for the period	(796.7)	(178.9)	(174.1)	(916.3)	(138.6)	(278.2)	(101.2)

(*) 2013 P&L figures have been restated to reflect changes to the scope of consolidation (following the introduction of new accounting standards which came into force on 1 January) and the reclassification of P&L items relating to the transfer of a business unit to the company "Frendo Srl", effective as of 1 January 2014.

MPS GROUP

Reclassified Consolidated Balance Sheet

(Unaudited)

	09/30/2014	12/31/2013 (*)	Chg. vs 12/31/2013	
			ass.	%
ASSETS (in EUR mln)				
Cash and cash equivalents	878	877	0	0.0%
Receivables :				
a) Loans to customers	126,307	130,598	(4,291)	-3.3%
b) Loans to banks	6,884	10,485	(3,601)	-34.3%
Financial assets held for trading	41,856	42,919	(1,063)	-2.5%
Financial assets held to maturity	-	-	-	
Equity investments	1,001	970	31	3.1%
Property, plant and equipment / Intangible assets	3,934	4,046	(112)	-2.8%
<i>of which:</i>				
a) goodwill	670	670	-	
Other assets	9,837	8,566	1,272	14.8%
Total assets	190,697	198,461	(7,764)	-3.9%
LIABILITIES (in EUR mln)				
	09/30/2014	12/31/2013 (*)	Chg. vs 12/31/2013	
			ass.	%
Payables				
a) Deposits from customers and securities issued	126,610	129,836	(3,226)	-2.5%
b) Deposits from banks	29,425	37,279	(7,854)	-21.1%
Financial liabilities held for trading	13,144	16,410	(3,265)	-19.9%
Provisions for specific use				
a) Provisions for staff severance indemnities	295	261	33	12.7%
b) Pensions and other post retirement benefit obligations	59	61	(2)	-4.0%
c) Other provisions	1,024	1,066	(42)	-4.0%
Other liabilities	9,777	7,367	2,410	32.7%
Group net equity	10,340	6,147	4,192	68.2%
a) Valuation reserves	(549)	(1,056)	507	-48.0%
c) Equity instruments	3	3	-	
d) Reserves	(451)	1,175	(1,625)	-138.4%
e) Share premium	2	-	2	
f) Share capital	12,484	7,485	5,000	66.8%
g) Treasury shares (-)	(0)	(25)	25	-100.0%
h) Net profit (loss) for the year	(1,150)	(1,434)	285	-19.8%
Non-controlling interests	24	33	(9)	-27.2%
Total Liabilities and Shareholders' Equity	190,697	198,461	(7,764)	-3.9%

(*) 2013 balance sheet figures have been restated to reflect changes to the scope of consolidation (following the introduction of new accounting standards which came into force on 1 January 2014).

MPS GROUP

Reclassified Consolidated Balance Sheet - quarterly trend

(Unaudited)

	09/30/2014	06/30/2014	03/31/2014	12/31/2013	09/30/2013	06/30/2013	03/31/2013
ASSETS (in EUR mln)				(*)	(**)	(**)	(**)
Cash and cash equivalents	878	860	823	877	785	684	697
Receivables :							
a) Loans to customers	126,307	132,770	132,677	130,598	135,564	138,082	140,510
b) Loans to banks	6,884	8,638	10,204	10,485	11,439	12,240	13,676
Financial assets held for trading	41,856	39,863	43,500	42,919	45,777	49,655	46,389
Financial assets held to maturity	-	-	-	-	-	-	-
Equity investments	1,001	952	960	970	994	971	1,029
Property, plant and equipment / Intangible assets	3,934	3,971	4,004	4,046	2,441	2,465	2,496
of which:							
a) goodwill	670	670	670	670	670	670	670
Other assets	9,837	9,474	8,855	8,566	9,447	9,774	10,086
Total assets	190,697	196,528	201,022	198,461	206,446	213,870	214,883
	09/30/2014	06/30/2014	03/31/2014	12/31/2013	09/30/2013	06/30/2013	03/31/2013
LIABILITIES (in EUR mln)				(*)	(**)	(**)	(**)
Payables							
a) Deposits from customers and securities issued	126,610	130,777	128,859	129,836	132,286	137,078	135,311
b) Deposits from banks	29,425	31,810	40,991	37,279	42,377	41,741	42,753
Financial liabilities held for trading	13,144	11,718	14,630	16,410	14,909	18,630	19,571
Provisions for specific use							
a) Provisions for staff severance indemnities	295	285	273	261	282	269	291
b) Pensions and other post retirement benefit obligations	59	59	60	61	47	48	40
c) Other provisions	1,024	991	1,020	1,066	1,185	1,207	1,124
Other liabilities	9,777	9,811	8,905	7,367	8,922	8,339	9,595
Group net equity	10,340	11,048	6,251	6,147	6,435	6,555	6,195
a) Valuation reserves	(549)	(634)	(788)	(1,056)	(1,697)	(1,714)	(2,309)
c) Equity instruments	3	3	3	3	3	3	3
d) Reserves	(451)	4,548	(274)	1,175	1,187	1,187	886
e) Share premium	2	-	-	-	-	-	255
f) Share capital	12,484	7,485	7,485	7,485	7,485	7,485	7,485
g) Treasury shares (-)	(0)	(0)	(0)	(25)	(25)	(25)	(25)
h) Net profit (loss) for the year	(1,150)	(353)	(174)	(1,434)	(518)	(380)	(101)
Non-controlling interests	24	29	34	33	3	3	3
Total Liabilities and Shareholders' Equity	190,697	196,528	201,022	198,461	206,446	213,870	214,883

(*) 2013 balance sheet figures have been restated to reflect changes to the scope of consolidation (following the introduction of new accounting standards which came into force on 1 January 2014).

(**) The previous year's quarterly figures have been restated to reflect changes resulting from the reclassification of the financial instrument "Fresh 2008", amounting to EUR 76 mln, from the item "Equity Instruments" to "Deposits from banks" (for further details, please refer to the 2013 Notes to the Consolidated Financial Statements) and the retrospective application of amended IAS 32 "Offsetting financial assets and liabilities" described in the chapter "Restatement of prior period accounts in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors)".