

Reclassified accounts

Income statement and balance sheet reclassification principles

The following accounting statements illustrate balance-sheet and income statement accounts reclassified on the basis of operating criteria.

It should be noted that these statements are not subject to review by independent auditors. The draft financial statements for the year and the consolidated financial statements as at 31 December 2014 are expected to be submitted for the approval of the Board of Directors on 4 March 2015.

MPS GROUP
Highlights at 12/31/2014
INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS
(Unaudited)

INCOME STATEMENT FIGURES (in EUR mln)	12/31/2014	12/31/2013	% chg
		(*)	
Income from banking activities	3,861.2	3,813.7	1.2%
Income from financial and insurance activities	4,228.4	3,964.7	6.7%
Net operating income	(6,552.0)	(1,675.2)	n.m
Profit (loss) for the year	(5,342.9)	(1,434.3)	n.m
BALANCE SHEET FIGURES AND INDICATORS (in EUR mln)	12/31/2014	31/12/2013	% chg
Direct funding	126,224	129,836	-2.8%
Indirect funding	106,140	103,397	2.7%
<i>of which: assets under management</i>	51,519	45,106	14.2%
<i>of which: assets under custody</i>	54,622	58,292	-6.3%
Loans to customer	119,676	130,598	-8.4%
Group net equity	5,965	6,147	-3.0%
KEY CREDIT QUALITY RATIOS (%)	12/31/2014	31/12/2013	Abs. chg
Net doubtful loans/Loans to Customers	7.1	6.8	0.3
Net substandard loans/Loans to Customers	9.6	5.8	3.8
PROFITABILITY RATIOS (%)	12/31/2014	31/12/2013	Abs. chg
Cost/Income ratio	65.2	71.0	-5.9
Net loan loss provisions / End-of-period loans	6.54	2.11	4.4
CAPITAL RATIOS (%)	12/31/2014	Dec.13 (BIS 3)	Abs. chg
Solvency ratio	13.0	15.1	-2.1
Common Equity Tier 1 ratio (CET1 ratio)	8.7	10.8	-2.1
Return on Asset (RoA) ratio	(2.91)	(0.72)	(2.19)
INFORMATION ON BMPS STOCK	30/09/2014	31/12/2013	Abs. chg
Number of ordinary shares outstanding	5,116,513,875	116,815,397	4,999,698,478
Price per ordinary share:	from 12/31/13 to 12/31/14	from 12/31/12 to 12/31/13 (**)	% chg
average	1.19	1.35	-11.8%
low	0.46	0.97	-51.9%
high	2.56	1.87	36.7%
OPERATING STRUCTURE	12/31/2014	31/12/2013	Abs. chg
Total head count - end of period	25,961	28,417	(2,456)
Number of branches in Italy	2,186	2,334	(148)
Number of specialised centres	279	287	(8)
Financial advisory branches	118	125	(7)
Number of branches & representative offices abroad	40	39	1

(*) 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>	12/31/2014	12/31/2013 (*)	Change	
			Ins.	%
Net interest income	2,163.5	2,156.2	7.3	0.3%
Net fee and commission income	1,697.7	1,657.5	40.2	2.4%
Income from banking activities	3,861.2	3,813.7	47.5	1.2%
Dividends, similar income and gains (losses) on investments	120.9	129.9	(9.0)	-6.9%
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	262.0	14.1	248.0	n.m.
Net profit (loss) from hedging	(15.8)	7.0	(22.8)	n.m.
Income from financial and insurance activities	4,228.4	3,964.7	263.7	6.7%
Net impairment losses (reversals) on:	(8,025.3)	(2,823.2)	(5,202.1)	n.m.
a) loans	(7,821.4)	(2,749.6)	(5,071.8)	n.m.
b) financial assets	(203.8)	(73.5)	(130.3)	n.m.
Net income from financial and insurance activities	(3,796.9)	1,141.5	(4,938.4)	n.m.
Administrative expenses:	(2,514.4)	(2,658.1)	143.7	-5.4%
a) personnel expenses	(1,709.9)	(1,718.8)	8.9	-0.5%
b) other administrative expenses	(804.5)	(939.3)	134.8	-14.3%
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(240.7)	(158.7)	(82.0)	51.7%
Operating expenses	(2,755.2)	(2,816.8)	61.6	-2.2%
Net operating income	(6,552.0)	(1,675.2)	(4,876.8)	n.m.
Net provisions for risks and charges and other operating expenses/income	(172.9)	(232.1)	59.3	-25.5%
Gains (losses) on investments	89.9	(57.9)	147.8	n.m.
Reorganisation costs / one-off charges	(375.8)	(24.5)	(351.3)	n.m.
Gains (losses) on disposal of investments	84.7	1.4	83.3	n.m.
Profit (loss) before tax from continuing operations	(6,926.1)	(1,988.4)	(4,937.8)	n.m.
Tax expense (recovery) on income from continuing operations	2,304.9	647.2	1,657.7	n.m.
Profit (loss) after tax from continuing operations	(4,621.3)	(1,341.2)	(3,280.1)	n.m.
Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	(51.2)	51.2	n.m.
Net profit (loss) for the year including non-controlling interests	(4,621.3)	(1,392.4)	(3,228.8)	n.m.
Net profit (loss) attributable to non-controlling interests	4.4	(2.0)	6.4	n.m.
Profit (loss) for the year before PPA, impairment on goodwill and intangibles	(4,616.9)	(1,394.5)	(3,222.4)	n.m.
PPA (Purchase Price Allocation)	(38.1)	(39.8)	1.8	-4.4%
Impairment on goodwill and intangibles	(687.9)	-	(687.9)	n.m.
Net profit (loss) for the year	(5,342.9)	(1,434.3)	(3,908.6)	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.

MPS GROUP

Reclassified Consolidated Income Statement - quarterly trend
(Unaudited)

	2014				2013 (*)			
	4th quarter	3rd quarter	2nd quarter	1st quarter	4th quarter	3rd quarter	2nd quarter	1st quarter
<i>(in EUR mln)</i>								
Net interest income	610.9	580.6	526.2	445.8	564.0	507.3	487.2	597.7
Net fee and commission income	405.2	421.5	425.8	445.2	404.8	404.2	417.3	431.3
Income from banking activities	1,016.2	1,002.1	952.0	891.0	968.8	911.5	904.4	1,029.0
Dividends, similar income and gains (losses) on investments	38.8	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	41.1	147.3	28.6	45.1	(271.6)	89.6	76.5	119.5
Net profit (loss) from hedging	(4.7)	2.2	(8.7)	(4.6)	5.0	7.0	(0.9)	(4.0)
Income from financial and insurance activities	1,091.5	1,184.1	995.6	957.2	735.2	1,039.1	1,018.7	1,171.8
Net impairment losses (reversals) on:	(5,502.2)	(1,296.1)	(735.2)	(491.7)	(1,252.8)	(519.3)	(556.5)	(494.5)
a) loans	(5,357.0)	(1,256.5)	(731.4)	(476.6)	(1,209.7)	(511.0)	(544.8)	(484.2)
b) financial assets	(145.2)	(39.6)	(3.8)	(15.2)	(43.1)	(8.3)	(11.7)	(10.3)
Net income from financial and insurance activities	(4,410.8)	(112.0)	260.4	465.5	(517.6)	519.8	462.1	677.3
Administrative expenses:	(658.2)	(623.8)	(620.4)	(611.9)	(640.9)	(658.8)	(668.7)	(689.7)
a) personnel expenses	(430.7)	(427.9)	(421.9)	(429.3)	(414.3)	(429.0)	(422.6)	(452.9)
b) other administrative expenses	(227.5)	(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	(76.3)	(65.6)	(50.2)	(48.6)	(45.4)	(38.0)	(36.0)	(39.3)
Operating expenses	(734.5)	(689.5)	(670.7)	(660.5)	(686.3)	(696.9)	(704.7)	(728.9)
Net operating income	(5,145.3)	(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	(39.3)	(35.3)	(45.2)	(53.2)	(223.0)	(29.2)	11.5	8.5
Gains (losses) on investments	(72.0)	(13.4)	133.4	41.9	(25.9)	(0.5)	(32.6)	1.0
Reorganisation costs / one-off charges	(53.8)	(318.2)	(2.7)	(1.1)	(6.7)	(0.2)	(17.6)	-
Gains (losses) on disposal of investments	77.9	1.7	0.4	4.7	1.9	1.2	(1.9)	0.2
Profit (loss) before tax from continuing operations	(5,232.5)	(1,166.6)	(324.3)	(202.7)	(1,457.7)	(205.7)	(283.1)	(41.9)
Tax expense (recovery) on income from continuing operations	1,736.8	374.2	155.4	38.4	563.5	89.8	31.3	(37.4)
Profit (loss) after tax from continuing operations	(3,495.7)	(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	(3,495.7)	(792.4)	(168.9)	(164.3)	(906.8)	(128.8)	(264.6)	(92.2)
Net profit (loss) attributable to non-controlling interests	0.6	4.9	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Profit (loss) for the period before PPA, Impairment on goodwill and intangibles	(3,495.2)	(787.5)	(169.5)	(164.7)	(907.3)	(129.3)	(265.2)	(92.7)
PPA (Purchase Price Allocation)	(10.1)	(9.2)	(9.4)	(9.4)	(9.1)	(9.2)	(13.0)	(8.5)
Impairment on goodwill and intangibles	(687.9)	-	-	-	-	-	-	-
Net profit (loss) for the period	(4,193.2)	(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)				
	12/31/2014	12/31/2013	Chg. vs 12/31/2013	
ASSETS (in EUR mln)		(*)	ass.	%
Cash and cash equivalents	1,007	877	129	14.7%
Receivables :				
a) Loans to customers	119,676	130,598	(10,922)	-8.4%
b) Loans to banks	7,723	10,485	(2,762)	-26.3%
Financial assets held for trading	39,776	42,919	(3,142)	-7.3%
Financial assets held to maturity	-	-	-	
Equity investments	1,014	970	44	4.5%
Property, plant and equipment / Intangible assets	3,229	4,046	(817)	-20.2%
<i>of which:</i>				
a) goodwill	8	670	(662)	-98.8%
Other assets	11,019	8,566	2,454	28.6%
Total assets	183,444	198,461	(15,017)	-7.6%
	12/31/2014	12/31/2013	Chg. vs 12/31/2013	
LIABILITIES (in EUR mln)		(*)	ass.	%
Payables				
a) Deposits from customers and securities issued	126,224	129,836	(3,612)	-2.8%
b) Deposits from banks	27,648	37,279	(9,631)	-25.8%
Financial liabilities held for trading	13,702	16,410	(2,708)	-16.5%
Provisions for specific use:				
a) Provisions for staff severance indemnities	271	261	10	3.8%
b) Pensions and other post retirement benefit obligations	66	61	5	7.9%
c) Other provisions	1,085	1,066	19	1.8%
Other liabilities	8,459	7,367	1,092	14.8%
Group net equity:	5,965	6,147	(182)	-3.0%
a) Valuation reserves	(685)	(1,056)	370	-35.1%
c) Equity instruments	3	3	-	
d) Reserves	(496)	1,175	(1,671)	-142.2%
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	(5,343)	(1,434)	(3,909)	n.m.
Non-controlling interests	24	33	(10)	-28.8%
Total Liabilities and Shareholders' Equity	183,444	198,461	(15,017)	-7.6%

(*) 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)

	12/31/2014	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	1,007	878	860	823	877	785	684	697
Receivables :								
a) Loans to customers	119,676	126,307	132,770	132,677	130,598	135,564	138,082	140,510
b) Loans to banks	7,723	6,884	8,638	10,204	10,485	11,439	12,240	13,676
Financial assets held for trading	39,776	41,856	39,863	43,500	42,919	45,777	49,655	46,389
Financial assets held to maturity	-	-	-	-	-	-	-	-
Equity investments	1,014	1,001	952	960	970	994	971	1,029
Property, plant and equipment / Intangible assets	3,229	3,934	3,971	4,004	4,046	2,441	2,465	2,496
<i>of which:</i>								
a) goodwill	8	670	670	670	670	670	670	670
Other assets	11,019	9,837	9,474	8,855	8,566	9,447	9,774	10,086
Total assets	183,444	190,697	196,528	201,022	198,461	206,446	213,870	214,883
LIABILITIES (in EUR mln)								
Payables								
a) Deposits from customers and securities issued	126,224	126,610	130,777	128,859	129,836	132,286	137,078	135,311
b) Deposits from banks	27,648	29,425	31,810	40,991	37,279	42,377	41,741	42,753
Financial liabilities held for trading	13,702	13,144	11,718	14,630	16,410	14,909	18,630	19,571
Provisions for specific use:								
a) Provisions for staff severance indemnities	271	295	285	273	261	282	269	291
b) Pensions and other post retirement benefit obligations	66	59	59	60	61	47	48	40
c) Other provisions	1,085	1,024	991	1,020	1,066	1,185	1,207	1,124
Other liabilities	8,459	9,777	9,811	8,905	7,367	8,922	8,339	9,595
Group net equity:								
a) Valuation reserves	(685)	(549)	(634)	(788)	(1,056)	(1,697)	(1,714)	(2,309)
c) Equity instruments	3	3	3	3	3	3	3	3
d) Reserves	(496)	(451)	4,548	(274)	1,175	1,187	1,187	886
e) Share premium	2	2	-	-	-	-	-	255
f) Share capital	12,484	12,484	7,485	7,485	7,485	7,485	7,485	7,485
g) Treasury shares (-)	(0)	(0)	(0)	(0)	(25)	(25)	(25)	(25)
h) Net profit (loss) for the year	(5,343)	(1,150)	(353)	(174)	(1,434)	(518)	(380)	(101)
Non-controlling interests	24	24	29	34	33	3	3	3
Total Liabilities and Shareholders' Equity	183,444	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" and the retrospective application of amended IAS 32 "Offsetting financial assets and liabilities".