MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BOARD APPROVES RESULTS AS AT MARCH 31, 2016

- **Net profit of EUR 93 million, supported by the decrease in loan loss provisions**
- **Pre-provision profit at EUR 541 million, driven by net interest income (+1.3% Q/Q), net fees and commissions (+1.2% Q/Q) and operating costs (-2.5% Q/Q)**
- **Further improvement in asset quality: loan loss provisions of EUR 346 million, down 40% compared to the fourth quarter of 2015 and at the lowest level in the past four years**
- **Decrease in net non-performing loans (-0.4% Q/Q) and increase of coverage to 49% (+59 bps)**
- **Direct funding at EUR 120 billion (+0.2% Q/Q) with an increase in repos offsetting the decrease of other forms of funding**
- **Unencumbered counterbalancing capacity recovery continues: EUR 18.5 billion at 31 March 2016 and further improving in the period following**
- **Solid Capital Position, with Transitional Common Equity Tier 1 at 11.7%**

Siena, 5 May 2016 – The Board of Directors of Banca Monte dei Paschi di Siena S.p.A. reviewed and approved the results as at 31 March 2016.

Main consolidated Income Statement results (comparison to 4Q15):

- Net interest income at EUR 548 million up 1.3% Q/Q thanks to reduced funding costs – a result of commercial actions and of a change in volume mix with a drop of costly commercial funding and an increase in repurchase agreements with institutional counterparties at more favorable rates – which has more than offset the decrease in interest-bearing assets yield, mainly related to the decline in market interest rates.
- Net fees and commissions at EUR 457 million, up 1.2% Q/Q, supported by the growth in commissions from lending (about +13% Q/Q).
- Other revenues[1] at EUR 185 million (EUR +43 million Q/Q), which include the positive effects of the optimization of the AFS portfolio, the contribution from assets/liabilities at fair value and the trading activity carried out by MPS Capital Services.

[1] Net result from trading-valuation-repurchase of financial assets/liabilities, dividends, similar income and gains (losses) on investments, net profit (loss) from hedging.

- Operating costs equal to EUR 645 million, down 2.5% Q/Q. Personnel expenses amount to EUR 418 million, up by 5.4% from the fourth quarter of 2015, which had benefited from positive non-recurring items (year-end adjustments). Other administrative expenses, at about EUR 177 million (-14% Q/Q), are affected by seasonality.

- Loan loss provisions at EUR 346 million, (the lowest level in the past four years), down 40.1% Q/Q, thanks to the stabilization of inflows from performing and to the increase of outflows to performing. Cost of credit in the first quarter 2016 stands at 122 bps vs. 179 bps at year end. Average non-performing exposure coverage at 49% (+59 bps compared to December 2015).

- Non operating items negative by EUR 69 million, which include an annual contribution of EUR 71 million to the *Single Resolution Fund* (SRF).

- Net profit of the first quarter 2016 at EUR 93 million.

Main consolidated Balance Sheet results (comparison to December 2015):

- Loans to customers at EUR 114 billion, up EUR 2.2 billion vs. 31 December 2015 (+2.0%), reversing the negative trend that characterized recent years, with signs of growth both in commercial and institutional segments.

- Direct funding at EUR 120 billion, +0.2% vs. December 2015, supported by the increase in repos that offset the decrease of other forms of funding. Commercial funding, which decreased earlier this year, has started increasing again in March and April.

- Indirect funding at EUR 105 billion, down 1.2% vs. December 2015, impacted by a negative market effect that was above the net positive inflows, both in wealth management and in assets under custody.

- Unencumbered counterbalancing capacity of c. EUR 18.5 billion at the end of March 2016 (10.6% of total assets) and further improving in the period following.

- Gross non-performing exposures at EUR 47 billion, up by EUR 377 million in the first quarter of 2016 (EUR 414 million in the fourth quarter of 2015), at the lowest level in the past two years (excluding the impact of the disposal of non-performing loans). The stock of net non-performing exposures has declined compared to December 2015. This trend was positively affected by the changes recorded in inflows/outflows from performing to non performing, by the increase in recoveries of bad loans and further optimization actions related to the stock of non-performing exposures (closures/write-offs and recovery of unlikely to pay).

- Transitional Common Equity Tier 1 at 11.7% (12% in December 2015), affected by the increase of the percentage of phasing-in and by the rise in Risk-Weighted Assets, mainly due to the increase in loans.

Group profit and loss results for the first quarter 2016

In the first quarter of 2016, the Group's **Total Revenues** stand at c. EUR **1,186 million,** down EUR 188 million (-13.7%) compared to the same period last year, mainly due to net interest income (EUR -59 million) and to a net loss from trading (EUR -116 million), which in 2015 was positively affected by the Alexandria restatement (EUR +106 million).

Net interest income is approximately **EUR 548 million,** down 9.6% vs. the first quarter 2015, as a result of the negative trend of interest-bearing assets (decreased average volumes and related yields), which was partially offset by lower negative interest expense resulting from the reimbursement of New Financial Instruments (NFIs) and by the reduced cost of funding. Compared to the last quarter of 2015, the aggregate is up by 1.3%, thanks to a decrease in the cost of funding (the result of commercial actions and of a shift in volumes towards less costly repos with institutional counterparties, prompted by a decline in commercial funding). This more than offset the lower yields on interest-bearing assets, affected by average volumes and interest rates – the latter largely attributable to Euribor repricing.

Net fees and commissions, totalling approximately **EUR 457 million**, up 3.1% Y/Y, affected by savings on the cost of State guarantee on "Monti Bonds" (EUR 10 million on bonds of about EUR 6.5 billion which matured between February and March 2015). The quarter also saw a decline in placement fees, mainly due to financial market dynamics, offset by the growth of proceeds from lending. The comparison with the fourth quarter of 2015 shows an uptick of +1.2%.

Dividends, similar income and profit (loss) on investments, totalling approximately **EUR 19 million** (against EUR 24.3 million in the first quarter 2015), substantially coincide with the contribution of AXA-MPS, consolidated at net equity.

Net profit/loss from trading/valuation/repurchase of financial assets/liabilities in the first quarter 2016 is approximately **EUR 166 million**, down compared to the same period last year (circa EUR -116 million) due to a decline in trading activity, attributable to the effect of the Alexandria restatement (EUR +111 million at 31 March 2015), to the drop in disposal/repurchase proceeds (EUR -101 million mainly on securities classified as AFS), and to the increase in net profit from assets/liabilities at fair value (c. EUR +100 million).

Net income from hedging essentially **nil** in the quarter (positive for approximately EUR 16 million in the first quarter of 2015).

Other operating expenses/income are negative by approximately **EUR -5 million** vs. EUR 1.4 million in the first quarter of 2015.

In the first quarter of 2016 **Operating expenses** are approximately **EUR 645 million**, down 1.3% vs. the first quarter 2015 and down 2.5% vs. the fourth quarter of 2015.

Personnel expenses are about **EUR 418 million**, down 0.4% Y/Y thanks to headcount reductions that helped offset an increase in spending due to the Union agreement of December 24, 2015.
Other administrative expenses amount to c. **EUR 177 million**, lower compared to the same period last year (-4.5%) mainly thanks to cutbacks in spending which affected, in particular, real

estate/security management (-14% Q/Q: however not a particularly significant trend, considering the impact of seasonal effects).

Net value adjustments to tangible and intangible assets are c. **EUR 50 million**, up 3.8% compared to the same period last year owing to greater amortization of intangible assets (-15.4% Q/Q).

Taking these factors into account, the Group's **Pre-Provision Profit** is approximately **EUR 541 million** (EUR 720 million in the first quarter 2015, EUR 456 million in the fourth quarter 2015).

In the first quarter of 2016 the Group reported **Net impairment losses on loans** of c. **EUR 346 million**, down compared to the same period of the last year (-26.1%) especially in relation to the slowdown of bad loan flows (the change in the stock of gross bad loans, which occurred in the first quarter of 2016 was lower by 70% Y/Y). The annual trend is down even when excluding the Credit File Review impact on figures in the first quarter of 2015.

The ratio of loan loss provisions in 2016 over total customer loans reflects a **cost of risk of 122 bps**, compared to 179 bps at the end of 2015.

Net impairment losses (reversals) on financial assets show a negative balance of EUR **-3.3 million** due to losses on AFS positions (c. EUR -11 million) essentially offset by releases of credit commitments (about EUR +7.5 million).

As a consequence, the Group's **net operating result** is about **EUR 191 million**, down 27.9% compared to the first quarter of 2015. Excluding the effect of the Alexandria restatement, the trend is positive and the progress is thanks to improved credit dynamics.

Net profit for the period is also affected by:

- **Net provisions for risks and charges** of **EUR -5 million**, mainly focused on provisions for litigations, down compared to the first quarter of 2015;
- **Gains (losses) on investments**, c. **EUR 7.5 million** (almost nil in the first quarter of 2015) essentially due to capital gains from the sale of Fabrica Immobiliare SGR. The fourth quarter of 2015, c. EUR -7.1 million, included the reduction of equity of some subsidiaries (in particular Marinella and Terme di Chianciano);
- **Risks and charges related to SRF, DGS (Deposit Guarantee Scheme) and similar schemes**, came to c. **EUR -71 million** including the entire annual contribution of the Group to the SRF.
- **Gains (losses) on disposal of investments**, balance essentially nil.

Due to the events mentioned above, in the first quarter of 2016 the **Group's Profit (loss) from continuing operations before tax** amounts to approximately **EUR 122 million**. The decline of 48.2% Y/Y, corresponding to approximately EUR -114 million, is due to higher revenues in 2015 attributable to the effect of the Alexandria restatement (EUR +106 million).

Taxes on profit (loss) for the period from continuing operations amount to approximately **EUR -21 million** compared to EUR -79 million for the first quarter of 2015, which included an extraordinary charge of about EUR 22 million, resulting from the unfavourable outcome of an appeal lodged by Banca Monte dei Paschi di Siena to the Agenzia dell'Entrate (The Italian Revenue Agency) under art. 11, Law 27/07/2000 nr. 212, for which a reply was notified on April 21, 2015.

Considering the net effects of PPA (c. EUR -8 million) and including net profit to non-controlling interests (EUR 0.5 million), the **Group's net result relative to the first quarter of 2016 amounts to EUR 93 million**, against a profit of about EUR 144 million reported in the first quarter of 2015 (of which about EUR 71 million relative to the Alexandria restatement).

Group balance sheet aggregates for the first quarter 2016

As at 31 March 2016 **total funding** volumes for the Group amount to approximately **EUR 224 billion** (-0.5% Q/Q), with stable direct funding (+0.2% Q/Q) and a decrease of around EUR 1 billion euro in indirect funding (-1.2%), entirely due to the negative market effect.

Direct funding, totalling approximately **EUR 120 billion** (+0.2% vs. 31 December 2015), is enhanced by the increase in repos, which offsets the decrease in all the other forms of funding. Commercial funding outflows, registered primarily in January 2016, were due to reactions to the financial market turmoil (especially in the banking sector). This trend is particularly significant for corporate customers, more sensitive to "bail-in" effects, and was concentrated during January 2016, but then gradually stabilized. The use of repos with market counterparties was possible thanks to the unencumbered counterbalancing capacity that, as at 31 December 2015, amounted to EUR 24 billion; moreover, during the first quarter of 2016, additional available assets (securitization, Abaco, etc.) have been generated and the counterbalancing capacity, amounting to EUR 18.5 billion as at 31 March 2016 is well above the contingency level and further improving in the period following.
The Group's market share[2] of direct funding is 4.45% (January 2016).

The Group's **indirect funding**, approximately **EUR 105 billion**, is down 1.2% Q/Q, affected by the negative market effect, which is greater than the positive net inflows recorded both in wealth management and in assets under custody. **Wealth management**, approximately EUR 55 billion, is down by about **EUR -0.3 billion** vs. December 2015, especially Funds (EUR -0.4 billion) impacted by stock prices, while both bancassurance and discretionary accounts show a positive trend (respectively +1.3% and +0.3%).

As at 31 March 2016 Group **customer loans** amount to approximately **EUR 114 billion**, up EUR +2.2 billion compared to 31 December 2015 (+2.0%) reversing the negative trend that had characterized recent years.
The quarterly trend is due in part to non-commercial components (approximately EUR +1.4 billion mainly of repos), in addition to an expansion of the commercial component.
The downward trend in net impaired loans continues (EUR -85 million; -0.4% Q/Q).
The Group's market share[3] stands at 6.92% (January 2016) up 7 bps compared to the end of 2015.

[2] Deposits and repurchase agreements (excluding repurchase agreements with central counterparties) with customers resident in Italy, and bonds net of repurchases placed with Italian customers as first borrower.
[3] Resident loans to ordinary customers, including bad loans and net of repurchase agreements with central counterparties.

In the first quarter of 2016, the aggregate is supported by new medium-long term lending by over EUR 2 billion, increased from the same period of last year (about +7%) and includes both households and companies.

As at 31 March 2016 the Group's **net non-performing loans exposure** is approximately **EUR 24 billion**, down by EUR 85 million Q/Q. In the first quarter 2016, net bad loans increase by +4.6%, while unlikely to pay loans and past-due and overdue exposures decrease respectively by -2.8% and -9.3%.

Group's gross non performing exposures as at 31 March 2016 equal **EUR 47 billion**, a quarterly increase of circa EUR 377 million, down 70% compared to the first quarter of 2015 and dropping to one of the lowest levels in the last two years (impacts of the disposal of non-performing exposures excluded). This trend has been positively affected by the changes recorded in inflows/outflows from performing to default, by the increase in recoveries on bad loans and further optimization actions on the stock of non-performing exposures. Efforts to reduce the level of non-performing exposures through specific disposals continue.

As at 31 March 2016 coverage of non-performing exposures is 49.0%, up by 59 bps compared to December 2015. Bad loans coverage is 63.3%, down from 31 December 2015 (-17 bps). With regard to unlikely to pay loans coverage at quarter end amounts to 29.1% (-9 bps vs. 31 December 2015) whilst coverage for past due exposures increases to 27.2% from 26.1% at the end of December 2015 (+109 bps).

At end of March 2016, the Group's **financial assets** amount to approximately **EUR 40 billion**, up EUR 4.8 billion from December 2015, of which EUR 4.5 billion relative to trading activity and EUR 0.3 billion relative to AFS assets. The increase in trading activity is mainly due to MPS Capital Services and is essentially evenly distributed between the debt securities portfolio (Italian govies, for which the company acts as primary dealer) and market repos. With regard to the increase of the AFS, the trend is primarily related to Banca Monte dei Paschi di Siena and is due to the portfolio optimization actions that significantly affected the fourth quarter of 2015.

The Group's **net interbank position** at quarter end stands at approximately **EUR 10.7 billion** in funding, with an increase of EUR 1.4 billion vs. 31 December 2015 (an improvement from the end of the first quarter 2015, EUR -4 billion).

The liquidity position as at 31 March 2016 shows an unencumbered counterbalancing capacity of approximately EUR 18.5 billion, down by about EUR -5 billion compared to the end of December 2015, affected by the dynamics of direct funding previously described, but increasing by over EUR 1 billion Y/Y.

The **Group's shareholders' equity and non-controlling interests** as at 31 March 2016 amount to approximately **EUR 9.7 billion**, an improvement of about EUR 78 million from year end (thanks to the profit of the period) with an increase in reserves resulting from the 2015 profit allocation. The growth compared to 31 March 2015 (EUR +3.5 billion) is down to the capital increase effected by Banca Monte dei Paschi di Siena in June 2015.

Compared to 31 December 2015, CET1 slightly decreases (EUR -62 million), mainly as a consequence of the increase in the percentage of phased-in deductions (from 40% in 2015 to 60% in 2016).
The positive impact of the net profit generated during the quarter, which for the part due to the change in fair value of own liabilities has no effect on equity, is offset by the Basel 3 deductions.

Tier1 decreases by about EUR 113 million, not only for the reduction of CET1, but mainly due to the grandfathering applied to Additional Tier 1 instruments that reduced contribution to the regulatory capital.

Tier2 (decreased by about EUR 193 million) is primarily impacted by the regulatory amortization of subordinated bonds provided for by Basel 3.

Total Capital decreases by EUR 306 million compared to 31 December 2015.

Risk-weighted assets are up by approximately EUR 1,285 million compared to 31 December 2015, mainly due to the growth of the standard credit risk portfolio, driven by an increase in the loan portfolio, and of market risk.

In light of the above, capital ratios on a transitional basis at 31 March 2016 are therefore slightly down compared to December 2015, but remain well above the minimum threshold required by the Supervisory Authority under SREP.

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On May 3, 2016 Decree n. 59/2016 was published in the Official Gazette and came into force on the day following its publication.

This Decree includes, inter alia, provisions for deferred tax assets (DTAs) under which companies will be able to continue to apply the current rules on conversion of deferred tax assets into tax credits, provided they exercise a specific irrevocable option within 30 days from the publication of the Decree and pay an annual fee for each year from 2015 until, if certain yearly conditions still apply, 2029. As clarified by the Government’s press release of April 29, these provisions are expected to overcome the exceptions raised by the European Commission of the possibility that the current legal framework relating to deferred tax assets might constitute State Aid.

More specifically, each annual fee is determined by applying the 1.5% rate to a "basis" obtained by adding the difference between the convertible DTAs recorded in the annual report for that financial year and the corresponding DTAs recorded in the 2007 annual report to the total amount of DTAs converted into tax credit since 2008 (until the year in question), and subtracting taxes paid for the aforementioned tax years, as provided for by the Decree.

The Bank estimates that the fee for 2015 for the Group will be about EUR 80 million, before taxes (according to the Decree, the fee is fiscally deductible for IRES and IRAP purposes). This estimate is based on the current best interpretation of the information inferred from the Decree and, therefore, is subject to modification following the publication of specific instructions by the Italian Tax Agency, as is the foreseen accounting treatment.

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Please note that, following the recent changes to the Consolidated Law on Finance (TUF) in force since March and pending any regulatory measures taken by CONSOB, the publication of data and information at March 31, 2016 is carried out on a voluntary basis and is not to be construed as a commitment by the Group and/or the Bank to produce and/or to publish quarterly data, information or interim management reports in the future.

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Pursuant to paragraph 2, article 154-bis of the Consolidated Finance Act, the Financial Reporting Officer, Mr. Arturo Betunio, declares that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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This press release will be available at www.mps.it

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Reclassified accounts

Income statement and balance sheet reclassification principles

With a view to ensure an adequate disclosure regarding the criteria of representation of the economic and financial impact related to the Alexandria transaction, the figures published in the previous interim financial statement as at 31 March 2015 were restated in line with the approach already adopted in the Annual Report 2015. More details will be available in section "Adjustment of prior year amounts and changes in estimates in accordance with IAS 8 (Accounting Policies, Changes in accounting Estimates and Errors)" in the Notes to the consolidated financial statements 2015.
This correction had an impact on the following reclassified items:

- Income Statement:
  - Net interest income;
  - Net income from trading-valuation-repurchase of financial assets/liabilities;
  - Net income from hedging activities;
  - Income tax from continuing operations;
  - Profit (loss) for the period

- Balance Sheet:
  - Marketable securities;
  - Other assets;
  - Due to customers and securities in issue;
  - Other liabilities;
  - Shareholders' equity (valuation reserves, reserves, profit (loss))

In view of the above, below is a description of the reclassifications effected as at 31 March 2016:

<u>Income Statement</u>

a) The item of the reclassified income statement **“Net profit (loss) from trading-valuation-repurchase of financial assets/liabilities"** includes Item 80 "Net profit (loss) from trading", Item 100 "Gains (losses) on disposal/repurchase of loans, financial assets available for sale or held to maturity and financial liabilities" and Item 110 "Net profit (loss) on financial assets and liabilities designated at fair value". This item incorporates dividends earned on securities held in the Group's securities portfolio (approximately EUR 0.6 million)
b) The item of the reclassified income statement “**Dividends, similar income and gains (losses) on investments**” incorporates item 70 “Dividends and similar income” and a portion of item 240 “Gains (losses) on investments” (approximately EUR 19 million, corresponding to the share of profit and loss for the period contributed by investments in the associate AXA, consolidated at equity). Dividends earned on securities held in the securities portfolio, as outlined under the item above, have also been eliminated from the aggregate.
c) The item of the income statement **“Other operating income (expense)”** excludes stamp duty and client expense recoveries, which have been reclassified to the item **“Other administrative expenses”**.

d) The item of the reclassified income statement "**Other administrative expenses**" included stamp duty and client expense recoveries (EUR 96 million) accounted in the balance sheet under item 220 "Other operating expenses / income". The item was also reduced by the charges arising from EU directives DGSD for deposit guarantee and BRRD for the resolution of banking crises (about EUR 71 million), reclassified under "Risks and charges related to SRF, DGS and similar schemes ".
e) The item of the reclassified income statement "**Net impairment losses on financial assets and other operations**" includes the balance sheet items 130b "Financial assets available for sale", 130c "Financial assets held to maturity" and 130d "Other financial transactions"
f) The item of the income statement "**Risks and charges related to the SRF, DGS and similar schemes**" includes the charges (about EUR 71 million) which were separated from "Other administrative expenses", pursuant to the transposition of the EU directives DGSD for deposit guarantee and BRRD for the resolution of banking crises
g) The item "**Profit (loss) from equity investments**" does not include the components reclassified in the item "Dividends and similar income and gains (losses) on investments."
h) The effects of Purchase Price Allocation (PPA) were reclassified to the specific item after separating them from the financial items concerned (in particular "**net interest income**" of approximately EUR 4.9 million and **depreciation/amortization** of approximately EUR 6.9 million, net of a theoretical tax burden of approximately EUR -4 million which is included in the related item).

Balance sheet

i) The item "**Tradable Financial assets**" on the assets side of the reclassified balance-sheet includes item 20 "Financial assets held for trading", item 30 "Financial assets designated at fair value" and item 40 "Financial assets available for sale".
j) The item "**Other assets**" on the assets side of the reclassified balance-sheet incorporates item 80 "Hedging derivatives", item 90 "Change in value of macro-hedged financial assets", item 140 "Tax assets", item 150 "Non-current assets and groups of assets held for sale and discontinued operations" and item 160 "Other assets";
k) The item "**Due to customers and debt securities issued**" on the liabilities side of the reclassified balance-sheet includes item 20 "Deposits from customers", item 30 "Debt securities issued" and item 50 "Financial liabilities designated at fair value";
l) The item "**Other liabilities**" on the liabilities side of the reclassified balance sheet incorporates item 60 "Hedging derivatives", item 70 "Change in value of macro-hedged financial liabilities", item 80 "Tax liabilities", item 90 "Liabilities associated with non-current assets held for sale and discontinued operations" and item 100 "Other liabilities".

MONTE DEI PASCHI DI SIENA
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CONSOLIDATED REPORT ON OPERATIONS

Highlights at 31/03/2016

INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS

MPS GROUP

INCOME STATEMENT FIGURES (EUR mln)	31/03/16	31/03/15 (*)	Chg.
Net interest income	548,3	606,7	-9,6%
Net fee and commission income	456,9	443,0	3,1%
Other Income	180,3	323,3	-44,2%
Total Revenues	1.185,5	1.373,0	-13,7%
Net impairment losses (reversals) on loans and financial assets	(349,2)	(454,2)	-23,1%
Net operating income	191,3	265,5	-27,9%
Net profit (loss) for the period	93,2	143,7	-35,2%
BALANCE SHEET FIGURES AND INDICATORS (EUR mln)	**31/03/16**	**31/12/15**	**Chg.**
Total assets	173.646	169.012	2,7%
Loans to customers	113.544	111.366	2,0%
Direct funding	119.508	119.275	0,2%
Indirect funding	104.891	106.172	-1,2%
of which: assets under management	55.222	55.516	-0,5%
of which: assets under custody	49.668	50.656	-1,9%
Group net equity	9.675	9.596	0,8%
PROFITABILITY RATIOS (%)	**31/03/16**	**31/12/15**	**Chg.**
Cost/Income ratio	54,4	50,4	4,0
R.O.E.	3,9	5,1	-1,2
Return on Assets (RoA) ratio	0,05	0,23	-0,18
EARNING PER SHARE (EUR)	**31/03/16**	**31/03/15 (*) (^)**	**Chg.**
Basic earnings per share	0,032	0,562	-0,530
Diluted earnings per share	0,031	0,379	-0,348
KEY CREDIT QUALITY RATIOS (%)	**31/03/16**	**31/12/15**	**Chg.**
Net impaired loans / Loans to Customers	21,2	21,7	-0,5
Coverage Impaired loans	49,0	48,5	0,59
Net doubtful loans / Loans to Customers	9,0	8,7	0,2
Coverage Net doubtful loans	63,3	63,4	-0,17
Net adjustments to loans / End loans (Provisioning)	1,22	1,79	-0,57
CAPITAL RATIOS (%)	**31/03/16**	**31/12/15**	**Chg.**
Common Equity Tier 1 (CET1) ratio	11,7	12,0	-0,3
Total Capital ratio	15,2	16,0	-0,7
FINANCIAL LEVERAGE INDEX (5)	**31/03/16**	**31/12/15**	**Chg.**
Leverage ratio - Transitional Regime	5,1	5,2	-0,2
LIQUIDITY RATIO (%)	**31/03/16**	**31/12/15**	**Chg.**
LCR	151,0	222,0	-71,0
NSFR	94,0	100,8	-6,8
OPERATING STRUCTURE	**31/03/16**	**31/12/15**	**Chg.**
Total head count - end of period	25.681	25.731	-50
Number of branches in Italy	2.132	2.133	-1

(*) Figures as at 31 March 2015 have been restated, as already done on the 2015 Financial Report, considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

Reclassified Income Statement (Euro mln)				
Montepaschi Group	**31/03/16**	**31/03/15** (*)	**Change** Abs.	**Change** %
Net interest income	548,3	606,7	(58,5)	-9,6%
Net fee and commission income	456,9	443,0	13,9	3,1%
Income from banking activities	**1.005,2**	**1.049,7**	**(44,5)**	**-4,2%**
Dividends, similar income and gains (losses) on investments	19,3	24,3	(5,0)	-20,5%
Net profit (loss) from trading	165,7	281,7	(115,9)	-41,2%
Net profit (loss) from hedging	0,1	15,9	(15,8)	-99,1%
Other operating income (expenses)	(4,9)	1,4	(6,3)	n.s.
Total Revenues	**1.185,5**	**1.373,0**	**(187,5)**	**-13,7%**
Administrative expenses:	(594,7)	(604,9)	10,2	-1,7%
a) personnel expenses	(417,6)	(419,4)	1,7	-0,4%
b) other administrative expenses	(177,1)	(185,5)	8,4	-4,5%
Net losses/reversal on impairment on property, plant and equipment / Net adjustm	(50,2)	(48,4)	(1,8)	3,8%
Operating expenses	**(645,0)**	**(653,3)**	**8,3**	**-1,3%**
Pre Provision Profit	**540,5**	**719,7**	**(179,2)**	**-24,9%**
Net impairment losses (reversals) on:	**(349,2)**	**(454,2)**	**105,0**	**-23,1%**
a) loans	(345,9)	(468,2)	122,3	-26,1%
b) financial assets	(3,3)	14,0	(17,3)	-123,8%
Net operating income	**191,3**	**265,5**	**(74,2)**	**-27,9%**
Net provisions for risks and charges	(5,3)	(29,8)	24,5	-82,0%
Gains (losses) on investments	7,5	0,2	7,2	n.s.
Restructuring costs / One-off costs	-	(0,2)	0,2	n.s.
Risks and charges related to the SRF, DGS and similar schemes	(71,1)	-	(71,1)	n.s.
Gains (losses) on disposal of investments	(0,0)	0,4	(0,4)	-107,9%
Profit (loss) before tax from continuing operations	**122,3**	**236,1**	**(113,8)**	**-48,2%**
Tax expense (recovery) on income from continuing operations	(20,7)	(79,1)	58,4	-73,8%
Profit (loss) after tax from continuing operations	**101,6**	**157,0**	**(55,4)**	**-35,3%**
Net profit (loss) for the period including non-controlling interests	**101,6**	**157,0**	**(55,4)**	**-35,3%**
Net loss (profit) attributable to non-controlling interests	(0,5)	(0,5)	0,0	-2,9%
Profit (loss) for the period before PPA , impairment on goodwill and intangibles	**101,1**	**156,5**	**(55,4)**	**-35,4%**
PPA (Purchase Price Allocation)	(7,9)	(12,8)	4,8	-37,9%
Net profit (loss) for the period	**93,2**	**143,7**	**(50,6)**	**-35,2%**

(*) Figures as at 31 March 2015 have been restated, as already done on the 2015 Financial Report, considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

Quarterly trend in reclassified incomen statement (Euro mln)

	2016	2015			
Montepaschi Group	**1Q**	**4Q**	**3Q**	**2Q**	**1Q**
Net interest income	548,3	541,1	556,8	554,0	606,7
Net fee and commission income	456,9	451,6	431,2	484,2	443,0
Income from banking activities	**1.005,2**	**992,6**	**988,0**	**1.038,2**	**1.049,7**
Dividends, similar income and gains (losses) on investments	19,3	4,8	28,7	42,0	24,3
Net profit (loss) from trading	165,7	133,6	459,0	163,5	281,7
Net profit (loss) from hedging	0,1	4,3	(6,3)	0,2	15,9
Other operating income (expenses)	(4,9)	(17,8)	0,4	11,3	1,4
Total Revenues	**1.185,5**	**1.117,6**	**1.469,7**	**1.255,2**	**1.373,0**
Administrative expenses:	(594,7)	(602,2)	(601,8)	(603,7)	(604,9)
a) personnel expenses	(417,6)	(396,2)	(422,7)	(414,4)	(419,4)
b) other administrative expenses	(177,1)	(205,9)	(179,1)	(189,2)	(185,5)
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(50,2)	(59,4)	(54,4)	(53,7)	(48,4)
Operating expenses	**(645,0)**	**(661,6)**	**(656,3)**	**(657,4)**	**(653,3)**
Pre Provision Profit	**540,5**	**456,0**	**813,4**	**597,8**	**719,7**
Net impairment losses (reversals) on:	**(349,2)**	**(575,4)**	**(435,3)**	**(528,1)**	**(454,2)**
a) loans	(345,9)	(577,2)	(429,8)	(515,8)	(468,2)
b) financial assets	(3,3)	1,8	(5,5)	(12,3)	14,0
Net operating income	**191,3**	**(119,4)**	**378,1**	**69,7**	**265,5**
Net provisions for risks and charges	(5,3)	(58,7)	43,2	(18,8)	(29,8)
Gains (losses) on investments	7,5	(7,1)	1,5	124,9	0,2
Restructuring costs / One-off costs	-	(14,6)	(2,2)	(0,3)	(0,2)
Risks and charges related to the SRF, DGS and similar schemes	(71,1)	(140,9)	(54,6)	-	-
Gains (losses) on disposal of investments	(0,0)	1,0	0,9	0,6	0,4
Profit (loss) before tax from continuing operations	**122,3**	**(339,8)**	**366,9**	**176,1**	**236,1**
Tax expense (recovery) on income from continuing operations	(20,7)	152,0	(102,5)	18,1	(79,1)
Profit (loss) after tax from continuing operations	**101,6**	**(187,7)**	**264,4**	**194,2**	**157,0**
Net profit (loss) for the period including non-controlling interests	**101,6**	**(187,7)**	**264,4**	**194,2**	**157,0**
Net loss (profit) attributable to non-controlling interests	(0,5)	(0,5)	(0,5)	(0,3)	(0,5)
Profit (loss) for the period before PPA , impairment on goodwill and intangibles	**101,1**	**(188,2)**	**263,9**	**193,9**	**156,5**
PPA (Purchase Price Allocation)	(7,9)	(8,4)	(8,2)	(8,7)	(12,8)
Net profit (loss) for the period	**93,2**	**(196,6)**	**255,7**	**185,2**	**143,7**

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MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Reclassified balance sheet (EUR mln)

ASSETS	31/03/16	31/12/15	Chg abs.	Chg %
Cash and cash equivalents	913	1.189	(275)	-23,2%
Receivables :				
a) Loans to customers	113.544	111.366	2.178	2,0%
b) Loans to banks	6.856	8.242	(1.386)	-16,8%
Financial assets held for trading	40.000	35.209	4.791	13,6%
Financial assets held to maturity	-	-	-	
Equity investments	934	908	26	2,9%
Property, plant and equipment / Intangible assets	3.112	3.142	(29)	-0,9%
of which:				
a) goodwill	*8*	*8*	-	
Other assets	8.285	8.956	(671)	-7,5%
Total assets	**173.646**	**169.012**	**4.634**	**2,7%**

LIABILITIES	31/03/16	31/12/15	Chg abs.	Chg %
Payables				
a) Deposits from customers and securities issued	119.508	119.275	233	0,2%
b) Deposits from banks	17.525	17.493	32	0,2%
Financial liabilities held for trading	20.051	15.922	4.129	25,9%
Provisions for specific use				
a) Provisions for staff severance indemnities	248	246	2	0,6%
b) Pensions and other post retirement benefit obligations	51	49	2	4,1%
c) Other provisions	1.050	1.068	(18)	-1,6%
Other liabilities	5.512	5.337	175	3,3%
Group net equity	9.675	9.596	79	0,8%
a) Valuation reserves	(37)	(22)	(15)	67,4%
c) Equity instruments carried at equity	-	-	-	
d) Reserves	611	222	388	n.s.
e) Share premium	6	6	(0)	
f) Share capital	9.002	9.002	-	
g) Treasury shares (-)	-	-	-	
h) Net profit (loss) for the year	93	388	(295)	-76,0%
Non-controlling interests	26	26	(1)	-2,1%
Total Liabilities and Shareholders' Equity	**173.646**	**169.012**	**4.634**	**2,7%**

(*) Figures as at 31 March 2015 have been restated, as already done on the 2015 Financial Report, considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

Reclassified Balance Sheet - Quarterly Trend (EUR mln)

ASSETS	31/03/16	31/12/15	30/09/15 (*)	30/06/15 (*)	31/03/15 (*)
Cash and cash equivalents	913	1.189	812	822	682
Receivables :					
a) Loans to customers	113.544	111.366	112.513	117.436	123.139
b) Loans to banks	6.856	8.242	6.432	8.327	7.856
Financial assets held for trading	40.000	35.209	36.297	32.990	37.633
Financial assets held to maturity	-	-	-	-	-
Equity investments	934	908	960	908	947
Property, plant and equipment / Intangible assets	3.112	3.142	3.090	3.122	3.139
of which:					
a) goodwill	*8*	*8*	*8*	*8*	*8*
Other assets	8.285	8.956	10.022	10.596	10.453
Total assets	**173.646**	**169.012**	**170.126**	**174.201**	**183.850**

LIABILITIES	31/03/16	31/12/15	30/09/15 (*)	30/06/15 (*)	31/03/15 (*)
Payables					
a) Deposits from customers and securities issued	119.508	119.275	122.717	122.891	128.161
b) Deposits from banks	17.525	17.493	17.805	18.831	22.519
Financial liabilities held for trading	20.051	15.922	11.476	14.534	18.268
Provisions for specific use					
a) Provisions for staff severance indemnities	248	246	245	246	268
b) Pensions and other post retirement benefit obligations	51	49	51	50	52
c) Other provisions	1.050	1.068	1.087	1.106	1.104
Other liabilities	5.512	5.337	6.990	7.285	7.291
Group net equity	9.675	9.596	9.730	9.234	6.162
a) Valuation reserves	(37)	(22)	(85)	(324)	(14)
c) Equity instruments carried at equity	-	-	-	-	3
d) Reserves	611	222	222	466	(6.458)
e) Share premium	6	6	6	4	2
f) Share capital	9.002	9.002	9.002	8.759	12.484
g) Treasury shares (-)	-	-	-	-	0
h) Net profit (loss) for the year	93	388	585	329	144
Non-controlling interests	26	26	26	24	24
Total Liabilities and Shareholders' Equity	**173.646**	**169.012**	**170.126**	**174.201**	**183.850**

(*) Figures as at 31 March 2015 have been restated, as already done on the 2015 Financial Report, considering the changes made in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

Pro-forma statements for the accounting treatment of “Alexandria” deal as long term repo, in continuity with previous reports

Pro-forma consolidated balance sheet

Amounts in thousands of Euros

	Assets	31 03 2016	31 12 2015	Pro-forma adjustments for classification "Alexandria transaction" as LTR	31 12 2015 pro-forma
10	Cash and cash equivalents	913.374	1.188.761	-	1.188.761
20	Financial assets held for trading	22.502.186	18.017.359	-	18.017.359
40	Financial assets available for sale	17.497.732	17.191.196	-	17.191.196
60	Loans to banks	6.856.130	8.242.056	-	8.242.056
70	Loans to customers	113.544.317	111.366.383	-	111.366.383
80	Hedging derivatives	586.692	556.425	-	556.425
90	Change in value of macro-hedged financial assets (+/-)	165.192	139.582	-	139.582
100	Equity investments	934.321	908.365	-	908.365
120	Property, plant and equipment	2.729.422	2.741.723	-	2.741.723
130	Intangible assets	383.044	400.103	-	400.103
	of which: goodwill	*7.900*	*7.900*	-	*7.900*
140	Tax assets	5.119.580	5.542.518	76.162	5.618.680
150	Non-current assets and groups of assets held for sale and discontinued operations	23.293	29.267	-	29.267
160	Other assets	2.390.244	2.688.239	-	2.688.239
	Total Assets	173.645.527	169.011.977	76.162	169.088.139

Amounts in thousands of Euros

	Liabilities and Shareholders'Equity	31 03 2016	31 12 2015	Pro-forma adjustments for classification "Alexandria transaction" as LTR	31 12 2015 pro-forma
10	Deposits from banks	17.524.685	17.493.110	-	17.493.110
20	Deposits from customers	89.529.331	87.806.329	-	87.806.329
30	Debt securities issued	28.316.706	29.394.436	-	29.394.436
40	Financial assets held for trading	20.051.030	15.921.727	-	15.921.727
50	Financial assets designated at fair value	1.661.881	2.073.915	-	2.073.915
60	Hedging derivatives	1.232.177	1.205.267	-	1.205.267
80	Tax liabilities	122.398	91.456	(43.079)	48.377
90	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-
100	Other liabilities	4.157.301	4.039.948	-	4.039.948
110	Provision for employee severance pay	247.681	246.170	-	246.170
120	Provisions for risks and charges	1.101.396	1.116.913	-	1.116.913
140	Valuation reserves	(36.519)	(21.817)	-	(21.817)
160	Equity instruments	-	-	-	-
170	Reserves	610.511	222.086	619.234	841.320
180	Share premium	6.325	6.325	-	6.325
190	Share Capital	9.001.757	9.001.757	-	9.001.757
210	Non-controlling interests (+/-)	25.710	26.259	-	26.259
220	Profit (loss) (+/-)	93.157	388.096	(499.993)	(111.897)
	Total liabilities and Shareholders' Equity	173.645.527	169.011.977	76.162	169.088.139

Pro-forma consolidated income statement

Amounts in thousands of Euros

	Items	31 03 2016	31 03 2015	Pro-forma adjustments for classification "Alexandria transaction" as LTR	31 03 2015 pro-forma
10	Interest income and similar revenues	902.453	1.085.640	36.931	1.122.571
20	Interest expense and similar charges	(359.127)	(491.094)	(31.799)	(522.893)
30	Net interest income	543.326	594.546	5.132	599.678
40	Fee and commission income	534.434	533.459		533.459
50	Fee and commission expense	(77.530)	(90.485)		(90.485)
60	Net fee and commission income	456.904	442.974	-	442.974
70	Dividends and similar income	638	3.410		3.410
80	Net profit (loss) from trading	61.516	173.369	(109.941)	63.428
90	Net profit (loss) from hedging	144	15.915	(1.066)	14.849
100	Gains/losses on disposal/repurchase	20.871	122.236		122.236
110	Net profit (loss) from financial assets and liabilities designated at fair value	82.761	(17.280)		(17.280)
120	Net interest and other banking income	1.166.160	1.335.170	(105.875)	1.229.295
130	Net impairment losses (reversals)	(349.233)	(454.242)		(454.242)
140	Net income from banking activities	816.927	880.928	(105.875)	775.053
180	Administrative expenses	(761.013)	(695.618)		(695.618)
190	Net provisions for risks and charges	(5.350)	(29.803)		(29.803)
200	Net adjustments to (recoveries on) property, plant and equipment	(26.307)	(29.884)		(29.884)
210	Net adjustments to (recoveries on) intangible assets	(30.832)	(25.387)		(25.387)
220	Other operating expenses/income	90.281	91.860		91.860
230	Operating expenses	(733.221)	(688.832)	-	(688.832)
240	Gains (losses) on investments	26.758	24.513		24.513
260	Impairment on goodwill	-	-		-
270	Gains (losses) on disposal of investments	(30)	384		384
280	Profit (loss) before tax from continuing operations	110.434	216.993	(105.875)	111.118
290	Tax expense (recovey) on income from continuing operations	(16.816)	(72.793)	34.780	(38.013)
300	Profit (loss) after tax from continuing operations	93.618	144.200	(71.095)	73.105
310	Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-		-
320	Profit (loss)	93.618	144.200	(71.095)	73.105
330	Profit (loss) for the period attributable to non-controlling interests	461	475		475
340	Parent company's net profit (loss)	93.157	143.725	(71.095)	72.630

Pro-forma consolidated statement of comprehensive income

Amounts in thousands of Euros

	Voci	31 03 2016	31 03 2015	Pro-forma adjustments for classification "Alexandria transaction" as LTR	31 03 2015 pro-forma
10	Profit (loss)	93.618	144.200	(71.095)	73.105
	Other comprehensive income after tax not recycled to profit and loss	(662)	(15)	-	(15)
40	Actuarial gains (losses) on defined benefit plans	(672)	(8)		(8)
60	Share of valuation reserves of equity-accounted investments	10	(7)		(7)
	Other comprehensive income after tax recycled to profit and loss	(14.035)	248.200	184.321	432.521
80	Exchange differences	(3.796)	7.727		7.727
90	Cash flow hedges	12.588	2.383		2.383
100	Financial assets available for sale	(31.081)	211.677	184.321	395.998
110	Non-current assets held for sale	-	154		154
120	Share of valuation reserves of equity-accounted investments	8.254	26.259		26.259
130	Total other comprehensive income after tax	(14.697)	248.185	184.321	432.506
140	Total comprehensive income (item10+130)	78.921	392.385	113.226	505.611
150	Consolidated comprehensive income attributable to non-controlling interests	466	475		475
160	Consolidated comprehensive income attributable to Parent Company	78.455	391.910	113.226	505.136