English translation of the Italian press release for courtesy and convenience only. Please note that in this document, Italian legal, economic, accounting and financial concepts and meanings may be expressed in English terms and not in their original Italian terms. The concepts and the meanings concerned may not be identical to the concepts and meanings described by the same English term as they are conceived in English. In case of any inconsistency between this English translation and the Italian press release, the latter shall prevail.

PRESS RELEASE

CONSOLIDATED AND STAND-ALONE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014 AND SEMIANNUAL ACCOUNTS AS OF 30 JUNE 2015

INFORMATION IN ACCORDANCE WITH ARTICLE 154-TER PARA. 7 OF THE LEGISLATIVE DECREE 58/98

Siena, 16 December 2015 – Banca Monte dei Paschi di Siena S.p.A. (hereinafter the “Bank” or “BMPS”) acknowledges that CONSOB (hereinafter the “Supervisory Authority” or the “Commission”), in accordance with resolution 19459 dated 11 December 2015 (hereinafter the “Resolution”), having concluded the investigation activities ascertained the non-compliance of the consolidated and stand-alone financial statements as of 31 December 2014 and of the semiannual accounts as of 30 June 2015 in respect of the regulation setting forth the criteria of the application of IAS 1, IAS 34 and IAS 39 with specific and exclusive reference to the accounting treatment (on an open account basis or as a CDS derivative) of the items referred to the “Alexandria” transaction which has been settled between the Bank and Nomura International plc (hereinafter “Nomura”) on 23 September 2015.

As a consequence of the above CONSOB requested to the Bank to issue to the market the following information: (i) a description of the international accounting principles that are applicable to the asserted violations; (ii) an outline of the lack of information and incorrectness of the consolidated financial statement as of 31 December 2014 and of the semiannual accounts as of 30 June 2015; (iii) some information aimed to represent the effect of the application of the IAS 8 in connection with the mistakes related to the recognition measurement and presentation of the transaction as a CDS derivative with the consequent accounting of the transaction as a derivative in accordance with the definition of the paragraph 9 of IAS 39.

The Bank acknowledged what is set forth by CONSOB in the Resolution and, precisely:

a) CONSOB overcame the elements of uncertainty relating to the interpretation of the accounting treatment of the “Alexandria” transaction “*only after the new information acquired through the investigation activities carried out by the Public Prosecutor of Milan in 2015 that allowed to appreciate the real intention of the parties (i.e. the Bank and Nomura)”* insofar that the interpretation of such new information drove CONSOB to consider that the accounting treatment of the “Alexandria” transaction should be carried out as a CDS derivative and not presented on an open account basis.
b) “*The Bank has already disclosed by means of pro-forma financial statements the impacts that an accounting treatment of the transaction as a CDS would have caused on the*

balance sheet profit and loss and on the net equity as of 31 December 2014 and as of 30 June 2015".

In connection with the first aspect the Bank, supported by an independent accounting opinion – regardless the complexity of the interpretation of the International Accounting Principles, in particular when referred to structured finance transaction such as the "Alexandria" transaction – does not believe that the accounting facts and circumstances on which basis the "Alexandria" transaction has been treated, would have been changed, from an accounting perspective, in the financial statements as of 31 December 2012 after the restatement. Such circumstances can be confirmed at least until the Bank has been informed regarding the change of the opinion of CONSOB based exclusively on the interpretation of the new information assumed by the Public Prosecutor Office of Milan. The Bank is not in the position to confirm neither to reject CONSOB's new opinion – based on the interpretation of the information rendered available by the Public Prosecutor Office of Milan – relating to the "*real intention of the parties*" at the time of the execution of the "Alexandria" transaction, on this basis CONSOB believes the necessity to account the "Alexandria" transaction as a CDS derivative.

The Bank confirms the validity of the accounting policy choice made in connection with the 2012 restatement and in the subsequent financial years considering the information available from time to time. Having acknowledged, on one side, the evaluations made by the Supervisory Authority after its interpretation of the new information recently produced in connection with the criminal investigation; on the other side, the fact that the "Alexandria" Transaction has been settled in the second part of 2015 (*i.e.* meaning that the accounting treatment as a CDS derivative does not have any impact on the forward looking statements of the Bank) and considering the possibility to challenge the interpretation of the real intention of the parties in the execution of the agreement, based on discretionary elements, nonetheless the Bank intends to comply with the prescriptions of the Supervisory Authority set forth in the Resolution.

In connection with the second aspect, the Bank clarifies that the pro-forma financial statements attached hereto reflect, as acknowledged by CONSOB, information already disclosed to the market by the Bank in connection with the publication of the consolidated and stand-alone financial statements as of 31 December 2014 and the semiannual account as of 30 June 2015, made respectively on 18.03.2015 and 12.08.2015. Moreover, the Bank clarifies that, starting from the publication of the consolidated and stand-alone financial statements as of 31 December 2012, disclosed to the market pro-forma financial statements included in the year end and semiannual financial statements, the impacts in connection with the accounting treatment of the "Alexandria" transaction, as a CDS derivative, in the statement of assets and liabilities, in the profit and loss account and on the net worth of the Bank.

Having said that, complying with CONSOB prescriptions the information requested to the Bank by the Supervisory Authority are herein disclosed.

1. DESCRIPTION OF THE APPLICABLE INTERNATIONAL ACCOUNTING PRINCIPLES AND THE ASCERTAINED VIOLATIONS

1.1 Brief description of the transaction and of the applied accounting treatment

In 2009 the Bank entered into certain transactions with Nomura. In particular:

- Purchase of BTPs for a nominal value of Euro 3.050 billion due on 2034. The purchase of the BTPs has been carried out through an asset swap transaction formed by forward purchase of BTPs and by interest rate swaps; on the basis of such agreements the Bank undertook to pay the fix rate regarding the BTPs in exchange of an interest calculated on the basis of the Euribor increased by a spread calculated on the notional value of Euro 3.050 billion.
- BTPs spot sale having a nominal value of Euro 3.050 billion, in exchange of cash for Euro 3.102 billion as consideration of the interest rate accrued on the BTPs up to the execution date (long term repo having the same expiration date of the asset swap based on 2034 BTPs) with an undertaking of Nomura to repurchase the 2034 BTPs for the same nominal value. Along with the duration of the agreement the Bank pays an interest rate based on the Euribor 3m increased by a spread calculated on the received amount and Nomura pays to the Bank the interest rate accrued coupon on the 2034 BTPs.
- Granting of a repo facility by BMPS to Nomura expiring on 1 September 2040 that Nomura can utilize delivering to the Bank BTPs or other similar securities up to an aggregate value of Euro 3.050 billion. The Bank gets an interest rate based on the Euribor 3m calculated on a consideration paid to Nomura in exchange of the delivery of such securities in addition to a commission calculated on the amount of the credit facility of Euro 3.050 billion.

The executed agreements set forth that in the event of default of the Italian Republic the counterparty has title to deliver securities issued by the same issuer but different in respect of those securities exchanged in the context of the repo transaction (so called cheapest to delivery option).

In the accounting reports, the Bank accounted for the "Alexandria" transaction by considering on a separate basis each contractual components of the transaction being such treatment compliant with the international accounting principles and in line with the business purpose of the transaction as resulting from the executed agreements and from the work papers relating to the evaluations on which basis the Bank resolved to enter into the transaction in 2009. The above determined the following accounting for the Bank:

a) the BTPs have been recognized as assets classified in the Available for Sale (AFS) portfolio
b) the repo transaction has been booked as a liability due to clients
c) the interest rate swaps have been accounted as interest rate hedging instrument of the BTPs (fair value hedging relationship).

In the 2009 financial statements the liability under b) above related to the repo was recognized at the nominal value of the BTPs at amortized cost.
On February 2013 the board of directors of the Bank, having found the mandate agreement – an agreement evidencing the contractual link among the above mentioned transactions and the restructuring of an investment carried out by a special purpose vehicle named Alexandria Capital plc – acknowledged that the repo had been initially accounted in breach of the international accounting principles. Such liabilities have been initially accounted for a value lower than Euro 308 million in respect of their fair value. Such difference, evidenced in connection with the approval of the financial statements as of 31 December 2012 has been corrected in accordance with the IAS 8 accounting principle by way of a new determination of the opening net worth in connection with the comparative year.
Having carried out such correction in connection with the liability related to the repo transaction, the Bank considered the separate accounting of the different components of the transaction the right modality to correctly represent the underlying business purpose, the cash flows and the related risk. In particular, as anticipated above, such approach was based on the evaluation of the business purpose of the transaction, that was not aimed to the assumption of a credit risk *vis-à-vis* the Republic of Italy, but to the assumption of a Government Bonds exposure.
It is worth to point out that the complexities in terms of definition of the accounting treatment of transactions such as "Alexandria", in the absence of specific and punctual indications in the IAS/IFRS international accounting principles relating to the modalities of the accounting treatment of such structured finance transaction, (in particular, the IAS/IFRS do not include specific regulations in terms of accounting representation of such transactions as structured repo or as a

CDS derivative) have been acknowledged by the Authorities that on one side, through the approval of the document issued jointly by Bank of Italy, CONSOB and IVASS no. 6 dated 8 March 2013, has left with the evaluation of the management the determination, on a case by case basis, of the modalities to correctly account for such transactions, on the other side they requested to ensure a complete disclosure to the market in connection with the representation criteria and, in particular, relating to the impacts on the economic and financial situation including the underlying risks connected with the strategies of management of such transactions.

In accordance with such prescriptions, starting from the financial statement as of 31 December 2012, the Bank, in addition to the information included in the financial statements, prepared specific pro-forma report that has been inserted in the financial statements from time to time approved by the Bank by which such transactions have been represented and considered as a sole transaction as a CDS derivative.

1.2 Description of the applicable accounting principles

Having considered the difficulties regarding the application of the international accounting principles in connection with the adoption of clear accounting criteria related to the long term structured repo transactions (as on an open account basis rather than as a CDS derivative), having considered the absence of specific prescription set forth by the same accounting principles, the *Organismo Italiano di Contabilità* ("OIC") has submitted this issue to the attention of the IFRS Interpretation Committee ("IFRS IC") an entity delegated to issue guidelines and interpretation of the international accounting principles.

Upon conclusion of the procedure relating to the examination of new issues not covered by the existing accounting principles or for the examination of issues for which have been issued contradictory or not satisfactory interpretations, IFRIC IC stated that the circumstances that the net financial flows of the long term structured repo transactions were similar to those applicable to a credit default swap, is not sufficient *ex se* to carry out an accounting treatment as a CDS derivative. The IFRIC IC stated also that there were not the elements to issue an interpretation of the accounting treatment of such transactions that should have been determined on the basis of the existing accounting principles.

In particular, according to IFRS IC:

- The correct accounting treatment to be adopted depends on the economic purpose of the transaction;
- The regulatory references are indicated in the following paragraph:

- IAS 39. IG B.6 of the Guidance on Implementing IAS 39 that, as known, in connection with the definitions of financial derivative instruments, sets forth some indicators necessary to evaluate the prevalence of the economic substance on the form of complex contractual structure;
- IAS 39 IG C.6 of the Guidance on Implementing IAS 39, according to which, in connection with derivatives and synthetic instruments it is not generally appropriate to account two or more financial instruments jointly as a single instrument. Where each single instrument which forms the comprehensive transaction is regulated by specific contractual conditions can be transferred of regulated on single basis;
- IAS 32.AG39 of the Application Guidance of the IAS 32, on matter of offsetting a financial asset and a financial liability which jointly are a synthetic instrument. Pursuant to said principle, each of the individual financial instruments (asset and liability) that together constitute a synthetic instrument, are not offset, when each represents a contractual right or obligation with its own terms and conditions and each may be transferred or settled separately;

- the application of the IAS 39.IG B.6[1] requires clear discretionary judgmental in the preparation of the financial statements. Moreover, the check on the existence of the indicators provided for by said paragraph may be of help in determining the substance of the transaction; however, the presence or absence of a single indicator may not be decisive;
- the current interpretations and guidances approved by the IASB allow to proceed with the correct accounting representation of the transactions, also on the basis of the economic purposes of the same.

In summary, in accordance with what has been represented by the IFRS IC, what is relevant in order to evaluate the correct accounting treatment of the structured repo transactions is the correct representation of the substantive business purpose.

The IFRS IC moreover carried out further analysis about the accounting treatment. In particular, in the event of application of an open account basis to the transaction, the IFRS IC states the analysis to be performed for the purposes of the accounting treatment of the single transactions in the financial statements. With reference to the purchase of securities, the IFRS IC recalls the principles on recognition and derecognition of secutiries. In particular, it is stated that, with reference to the purchase of securities, "*Entity Alpha [MPS] can only recognise the bond if Entity Beta [Nomura] is able to derecognise*".

[1] Reference is to the implementation guidance which is not part the standards and principles approved by the European Commission.

Therefore, only in case of effective transfer of risks and rewards or of control of the underlying securities from the seller to the purchaser, the latter may proceed with the recognition of the securities on the asset side of the statement of assets and liabilities and, consequently, consider the repo as a collateralized facility.

Paragraph 14 of IAS 39 contains the general rule on the initial accounting of financial assets and liabilities. According to such provisions financial assets and liabilities can be accounted in the assets and liabilities statements only to the extent that the entity become party to the various contractual clauses governing the security.

The above mentioned principle shall be read together with the provisions of paragraph AG50 of the IAS 39 which provides for the symmetry accounting criterion in case of transfer of security. According to this criterion, the accounting of a security is possible only to the extent that the conditions for the derecognition of such security are met by the seller.

The general rule on the derecognition of a security is contained in paragraph 17 of IAS 39, according to which such derecognition can take place when all the contractual rights to the financial flows embedded in such security expire or when this security is transferred. In this respect paragraph 18 of IAS 39 specifies that an entity transfers a security only to the extent that:

- it transfers the rights to receive the financial flows; or
- although it maintains such right, it assumes the contractual obligation to pay such flow to one or more beneficiaries. In this case the contractual obligation shall meet certain specific requirements specified in paragraph 19 of IAS 39 (so called pass-through arrangement).

In order to ascertain that the transfer of a security has occurred, the entity shall evaluate the measure in which it keeps the risks and rewards deriving from such security. In this respect paragraph 20 of IAS 39 provides that:

I. if the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer;
II. if the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset;
III. if the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset;
IV. whether the entity has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its

entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control. In all other cases, the entity has retained control.

1.3 New information provided by the Milan Public Prosecutor Office

According to CONSOB, the documentation provided by the Milan Public Prosecutor Office in April, June and July 2015 contains some new elements which are relevant for the analysis of the accounting treatment of the transaction adopted by the Bank.

In particular, the Supervisory Authority states that on the basis of these new information a review of the overall existing information framework and a new interpretation of the documents examined is required.

These information have been obtained by the public prosecutors, exerting the powers they are entrusted with during criminal investigations, from persons which can provide information useful for the investigations pursuant to article 362 of the Italian Criminal Procedure Code and on the basis of other documental elements acquired in the context of the investigations involving the Bank.

To summarize, according to CONSOB, such new information requires a reconsideration of the conduct of the *pro tempore* directors of the Bank at the time in which the operation has been accounted.

In brief, according to the Supervisory Authority, on the basis of said new factual elements, it results that:

- the purchase of the substitutive BTPs (2033, 2039 and 2040) *in lieu* of the 2034 BTPs was agreed between Nomura and BMPS or, at least, was known by BMPS;
- the consideration for the 2034 BTPs was determined on the basis of the price of the substitutive securities effectively purchased by Nomura;
- the *pro tempore* management of BMPS was aware that Nomura had purchased the substitutive BTPs.

2. LACK OF INFORMATION AND INCORRECTNESS OF THE CONSOLIDATED AND STAND-ALONE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014 AND OF THE SEMIANNUAL ACCOUNTS AS OF 30 JUNE 2015 AS ASCERTAINED BY CONSOB

According to the Supervisory Authority, the documentation sent by the Public Prosecutor Office of Milan during 2015 is an important new element which, after an overall rereading of all the information available, lead to a different comprehension of the information frame relating to the agreement at hand in particular to a different evaluation in relation to the existence of the indicators provided by the applicable accounting principles in order to account the different transaction on an open account basis.

The fact that Nomura had not purchased the 2034 BTPs, which according to CONSOB took place with the consent and according to the instructions given by the *pro tempore* management of BMPS, is an important element in order to evaluate the accounting treatment and the existence of the substantive business purpose of such transactions.

In light of such new evidences, in first instance CONSOB maintains that the conditions provided for by the international accounting standards in order to recognise the 2034 BTPs in the financial statements of BMPS did not occur.

The international accounting standards, and in particular paragraph 14 of IAS 39, provides that an entity may recognise a security only to the extent that it is party to the contractual rights and obligations arising from such security.

Paragraph AG50 of IAS 39 further provides a symmetry rule between seller and purchaser according to which the purchaser may account the security in its financial statement only to the extent the seller derecognises it.

Therefore, according to the Supervisory Authority, BMPS was entitled to account the 2034 BTPs in light of the asset swap agreement only to the extent that Nomura met the conditions according to which it could derecognise such security.

In the case at hand, on the basis of the examination of the new documentation provided by the Public Prosecutor Office, according to CONSOB, the *pro tempore* management of BMPS was aware of the fact that Nomura had not purchase the 2034 BTPs.

Such conclusion is reached by CONSOB on the basis of certain statements made by the employees of Nomura and on the basis of certain emails exchanged between the front and back office of BMPS and Nomura.

In light of the above, according to CONSOB, since Nomura never purchased the security on the market, could not derecognise such security and could not transfer to BMPS the risks and the rewards embedded in such security. In light of this new information framework, it results, according to the Supervisory Authority, that BMPS had not any title to the contractual rights embedded in the 2034 BTPs, did not benefit of the rewards, nor suffer from any risks arising from such security, and as such could not recognise them in its financial statements.

Furthermore, in the opinion of CONSOB, the interpretation of the new information provided by the Public Prosecutor Office of Milan entails a new evaluation of the substantive business purpose represented by BMPS up till now. As already said, according to paragraphs IG B.6, IG C.6 of IAS 39 and AG39 of IAS 32, indicated by the IFRS IC, one of the elements to be considered in order to account the transaction, on an open account basis, is the economic purpose of the transaction.

BMPS opted for an open account basis accounting believing that it was suitable to provide an adequate representation of the transaction since it was aimed at assuming an exposure in Government Bonds and obtain a positive contribution to the interest margin through such exposure in Government Bonds with a limited absorption of liquidity. The distinctive element is represented by the will to purchase Government Bonds to be accounted for in its investments portfolio.

According to CONSOB, the new evidences provided by the Public Prosecutor Office of Milan do not confirm such economic purposes, but demonstrate that:

I. the 2034 BTPs have never been purchased by Nomura;
II. the *pro tempore* management of BMPS was aware of such circumstance; and
III. the modalities in which the transaction has been carried out were premeditatedly agreed upon by BMPS *pro tempore* management.

In the opinion of the Supervisory Authority, the above entails the lack of truthfulness of the substantive business purpose represented up till now by the Bank and the absence of the conditions to be met for the accounting of the transaction on an open account basis.

The new documentary evidences show that the *pro tempore* management of BMPS and Nomura voluntarily acted in order to provide third parties with a representation of the transaction as a structured repo, aimed to acquire a long position of the Government Bonds, while what effectively was negotiated among the parties was an exchange of flows replicating the pay-off of a credit derivative on the risk of the Republic of Italy.

De facto, by virtue of the transaction BMPS assumed only an exposure connected to the credit risk of the Italian Republic and not an exposure in Government Bonds.

3. CONSIDERATIONS RELATING TO THE DEDUCTIONS PRESENTED BY THE BANK

In the opinion of the Supervisory Authority the issues evidenced by it are not overcome by the deductions presented by the Bank with the notes dated 6 August, 21 September, 2 October and 9 November 2015. The above since such deductions reveal to be ungrounded on the basis of the elements provided for by the Public Prosecutor Office of Milan in April, June and July and, in particular, the minutes of the information gained by the Public Prosecutors pursuant to article 362 of the Italian Criminal Procedure Code and the exchange of e-mails between certain employees of

BMPS and Nomura acquired in the context of the investigations. As said, according to CONSOB, the documentation transmitted by the Milan Public Prosecutors Office represents an important new element which entails a rereading of the overall information framework in relation to the agreements in place and a different evaluation of the occurrence of the indicators provided for by the accounting standards for the accounting on an open account basis of the transactions. The fact that the 2034 BTPs were never purchased by Nomura, with the consensus and upon instructions of the BMPS *pro tempore* management, is, in the opinion of the Supervisory Authority, an important element for the evaluation of the substantive business purpose of the transactions represented by the Bank on the basis of the pre-existing elements. In particular, on the basis of the interpretation given by CONSOB to the new evidences the substantive business purpose declared by the Bank was missing since the conduct of the *pro tempore* management of BMPS and Nomura was voluntarily preordained to give to third parties a representation of the transaction as a long term repo aimed at acquiring a position on Government Bonds, while the real intention of the parties was exclusively to exchange flows mirroring a credit derivative on the Italian Republic.
The Supervisory Authority concludes affirming that:

- since the business purpose is the first aspect to be considered and comes well before any other accounting assessment;
- when similar cash-flows are in place, the discriminating feature between the accounting on an open account basis and the account as a CDS derivative is the real intention of the purchaser to acquire the rights arising from the relevant security and the consequent assumptions of rewards and risks embedded in the same;
- since from the analysis carried out it believes that the intention of the Bank represented on the basis of the pre-existing elements cannot be deemed appropriate to the nature of the agreement effectively in place among the parties,

the correct representation of the long term repo transaction between BMPS and Nomura is the accounting as a CDS derivative, *i.e.* the accounting of a credit derivative pursuant to the definition provided for by paragraph 9 of IAS 39.

4. CONCLUSIONS OF CONSOB

Based on all the foregoing and, in particular, *"taking into consideration that it was possible to overcome the elements of uncertainty regarding the correct accounting treatment only in the light of the new information acquired through the Milan Public Prosecutor Office in the course of 2015* *which made possible to assess the real intention of the parties"*, CONSOB approved the assessment of non-compliance findings concerning:

- the consolidated and stand-alone financial statements as of 31 December 2014 to the following international accounting principles:
  - IAS 1 "*Presentation of financial statements*";
  - IAS 39 "*Financial instruments: recognition and measurement*";
- the semiannual accounts as of 30 June 2015 to the following international accounting principles:
  - IAS 1 "*Presentation of financial statements*";
  - IAS 34 "*Interim financial reporting*";
  - IAS 39 "*Financial instruments: recognition and measurement*".

Consequently, CONSOB has required the Bank to publish a press release concerning the assessment carried out and report the information contained at the beginning of this press release.

5. PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS INCLUDING COMPARATIVE DATA

In compliance with CONSOB's request, attached hereto are the BMPS' pro-forma consolidated financial statements, including comparative data, which show the effects that an accounting compliant to what indicated by the Authority would have had on the financial statements, income statement and net worth for the year 2014 and the first half of 2015. Please note that the pro-forma financial statements attached to this press release reflect, as also acknowledged by CONSOB, the information already made public by BMPS on the occasion of the publication of the consolidated and stand-alone financial statements for the year 2014 and the semiannual accounts as of 30 June 2015, which took place respectively on 18.03.2015 and 12.08.2015. The Bank also states that, from the date of publication of the consolidated and stand-alone financial statements as of 31 December 2012, announced with the publication of appropriate pro-forma financial information attached to in the financial statements, the consolidated and stand-alone financial statements and semiannual accounts, the effects of the accounting as a CDS derivative of the "Alexandria" transaction on the financial statements, income statement and net worth of BMPS.

This press release shall be read in conjunction with the consolidated financial statements as of 31 December 2014 and the semiannual accounts as of 30 June 2015 of MPS Group already available on the Bank's website (www.mps.it) under "Investor Relations - Financial Reports", which already contain the pro-forma financial statements attached hereto.

It must also be remembered that the mentioned Resolution is published on the website (www.consob.it) and in the Bulletin of the Authority.

* * *

With respect to the assessment of the non-compliance findings carried out by CONSOB, it must be pointed out that the accounting presentation of the transaction on an open account basis was supported in most times by the opinions of several authoritative consultants and shared with the external auditors both at the moment of the 2012 restatement and in the following financial statements. Moreover, all documentation available to the management of the Bank has been made available to the Supervisory Authorities and Judicial Authorities through a continuous exchange of information, which lasted from 2012 to today.

It is also worth noting that the Bank has continuously represented, starting from the 2012 financial statements, as a "significant accounting policy choice" the treatment adopted for the long term structured repo transactions, in accordance with the requirements of the Bank of Italy, CONSOB and IVASS joint Document no. 6 dated 8 March 2013, highlighting, through pro-forma financial information, the impact deriving from the accounting of such transactions as derivatives (*Credit Default Swap*).

Starting from the 2014 financial statements, due to the SREP Decision of ECB dated 10 February 2015 the "Alexandria" transaction was considered in CET 1 for the full amount of the negative AFS reserve related to Government Bonds involved in the transaction, in derogation to the more favorable general rule, pursuant to which the AFS reserve relative to Government Bonds, until the endorsement of IFRS 9, is irrelevant for the purposes of the determination of own funds. This prudential treatment made impacts on CET 1 substantially equivalent to those of a CDS derivative.

Finally, please note that the "Alexandria" transaction was settled on 23 September 2015. Therefore, the accounting as a CDS derivative has no effect on the future financial performance of the Bank.

In this regard it is to be noted that, based on information available at present, it is possible to estimate that the accounting as a CDS derivative of the transaction is likely to determine, as compared to the accounting on an open account basis, a positive differential impact on the 2015 income statement of Euro 714 million before tax. From a net equity standpoint, this change should not produce effect. However, with respect to the estimated economic differentials impacts on the relevant years (2009-2015) only, it should be taken into account the risk that, in addition to taxes related to higher income for the year 2015, there might be a negative tax effect that will be fully determined only after deep analysis and that, at present, it is possible to estimate in an amount equal to approximately Euro 130 million.

The table below shows the aforementioned estimated economic impacts before tax derived from the accounting treatment as a CDS derivative.

The Bank also notes that the elements collected during the investigations conducted by the Public Prosecutor of the Court of Milan and disclosed during 2015, have allowed to enrich the information framework of the "Alexandria" transaction. These elements have been collected by the public prosecutors during the exercise of specific powers and using typical instruments of the criminal investigation and are mainly related, as far as concerns, to the counterparty's custody securities and to the statements of some of its employees.
These elements were not known (nor could they be) by the new management of the Bank who succeeded to the one that entered into the "Alexandria" transaction.
The interpretation of the described new information framework by CONSOB, that the Bank has to acknowledge, according to the Supervisory Authority allows to trace a different intention of the *pro tempore* management of BMPS and, also according to the Supervisory Authority, drives to a business purpose as compared to the one declared by the Bank on the signed agreements and on the basis of other internal documents; it follows, according to the Supervisory Authority, the necessity to account for the transaction as a CDS derivative. The Bank, with the believe to have acted during these years:

- with total transparency to all Supervisory Authorities who, for various purposes, have examined the operation, to which all the information in possession of the Bank was made available;
- with utmost professional care, as demonstrated by the numerous consistent opinions issued by authoritative experts in international accounting standards and by the auditors' report issued by the external auditors;
- definitely, in the compliance with international accounting standards, on the basis of the available information and of the standards governing the correct preparation of accounting and financial disclosure,

acknowledges the interpretation of the these new evaluation elements and the conclusions of CONSOB. In particular, the Bank acknowledges that the assessment of non-compliance to the international accounting standards is based indeed on the interpretation of a discretionary element (effective intention of the *pro tempore* management of BMPS and Nomura), deducted by the investigations made by the Public Prosecutor of the Court of Milan and that the Supervisory Authority considers as prevailing with respect to the intentions that emerge from the executed agreements and from other paper works on the basis of which economic and financial statements of the Bank have been prepared since 31 December 2012.

In light of the above since:

- the Bank does not have sufficient and unambiguous evidence to disprove or to confirm the reconstruction and interpretation of the intention the *pro tempore* management of BMPS and Nomura, carried out by CONSOB on the basis of the findings from the investigation of the Milan Public Prosecutor Office;
- the stand-alone and consolidated accounts as of 31 December 2014 and the semiannual accounts as of 30 June 2015 do not appear reprehensible – as indeed were not censored by the Supervisory Authorities – on the basis of factual elements at that time known and available;
- the "Alexandria" transaction was settled on 23 September 2015 and, therefore, the accounting as CDS derivative has no effect on the future financial performance of the Bank;
- on the basis of the foregoing, the Bank does not consider consistent nor useful for the pursuit of its own and stakeholders' interests in general to challenge the Resolution issued by CONSOB also considering that the transaction has been settled,

BMPS informs that will restate in the 2015 financial statements and in subsequent financial statements , the transaction, to account for it as a CDS derivative in accordance with the provisions of IAS 8.

Moreover, in view of providing adequate information to the public on the criteria of representation and, in particular, to the impacts on the economic and assets and liabilities as well as financial position, in the same statements of account, in addition to the information contained in the financial statements, the Bank will also include special pro-forma financial information aimed to give evidence, in line with what was done in previous statements of account, the economic and net equity impact of the "Alexandria" transaction arising from its accounting treatment on an open account basis.

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The undersigned Mr. Arturo Betunio, as Officer in charge for preparing the financial reports of BMPS, declares, pursuant to art. 154-*bis*, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in this press release, other than pro-forma data and the estimates of the economic differential impacts compared to the representation on an open account basis of the years from 2009 to 2015 resulting from the representation as derivative of the "Alexandria" transaction, corresponds to the document results, books and accounting records.

ANNEXES

1. Pro-forma consolidated financial statements – including comparative data – of the effects that the accounting representation as CDS of the "Alexandria" transaction would produce on the financial statements, income statement, net worth and on the statement of comprehensive income for the year 2014.
2. Pro-forma stand-alone financial statements – including comparative data – of the effects that the accounting treatment of the "Alexandria" transaction as CDS would produce on the financial statements, income statement, net worth and on the statement of comprehensive income for the year 2014.
3. Pro-forma consolidated financial statements – including comparative data – of the effects that the accounting treatment of the "Alexandria" transaction as CDS would produce on the financial statement, income statement, net worth and on the statement of comprehensive income of the first semester 2015.
4. Table of the estimated economic differentials impacts of the accounting representation as CDS of the "Alexandria" transaction.

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Annex 1

PRO- FORMA CONSOLIDATED STATEMENTS AS OF 31 DECEMBRE 2014

The pro-forma comparative statements of the year 2013, attached below, only include the “Alexandria” transaction unlike the pro-forma financial statement published in the 2014 financial statement as at 31 December 2014 where in the comparative information both “Alexandria” and “Santorini” transactions are presented as derivatives. The “Santorini” transaction was settled on 19 December 2013

Pro-forma consolidated asset and liability statement - Asset (Euro/000)

	Assets	31 12 2013	Pro-forma adjustments of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustments of LTR classified as CDS	31 12 2014 pro-forma
10	Cash and cash equivalents	877.276	-	877.276	1.006.586	-	1.006.586
20	Financial assets held for trading	19.238.566	-	19.238.566	16.928.788	634.300	17.563.088
40	Financial assets available for sale	23.680.249	(3.240.841)	20.439.408	22.847.582	(4.071.545)	18.776.037
60	Loans to banks	10.485.195	-	10.485.195	7.722.753	-	7.722.753
70	Loans to customers	130.597.727	-	130.597.727	119.676.132	-	119.676.132
80	Hedging deviratives	397.933	-	397.933	612.957	-	612.957
90	Change in value of macro-hedged financial assets (+/-)	159.889	-	159.889	178.613	-	178.613
100	Equity investments	970.378	-	970.378	1.013.899	-	1.013.899
120	Property, plant and equipment	2.883.820	-	2.883.820	2.787.083	-	2.787.083
130	Intangible assets	1.162.056	-	1.162.056	441.693	-	441.693
	of wich: goodwill	669.692	-	669.692	7.900	-	7.900
140	Tax assets	5.515.357	(29.892)	5.485.465	7.562.419	(13.333)	7.549.086
150	Non-current assets and groups of assets held for sale and discontinued operations	80.108	-	80.108	21.805	-	21.805
160	Other assets	2.412.251	-	2.412.251	2.643.513	-	2.643.513
	Total Assets	198.460.805	(3.270.733)	195.190.072	183.443.823	(3.450.578)	179.993.245

** Revised items as indicated in financial statements 2014.*

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Pro-forma consolidated asset and liability statement - Liability (Euro/000)

	Liabilities and Shareholders' Equity	31 12 2013	Pro-forma adjustments of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustments of LTR classified as CDS	31 12 2014 pro-forma
10	Deposits from banks	37.278.667	-	37.278.667	27.647.671	-	27.647.671
20	Deposits from customers	85.286.115	(3.366.636)	81.919.479	93.144.981	(3.353.599)	89.791.382
30	Debt securities issued	36.561.566	-	36.561.566	30.455.439	-	30.455.439
40	Financial liabilities held for trading	16.409.678	896.530	17.306.208	13.701.789	1.604.999	15.306.788
50	Financial liabilities designated at fair value	7.988.199	-	7.988.199	2.623.620	-	2.623.620
60	Hedging derivatives	3.421.635	(750.530)	2.671.105	4.112.108	(1.604.999)	2.507.109
80	Tax liabilities	185.521	(10.855)	174.666	163.510	(15.138)	148.372
90	Liabilities associated with non-current assets held for sale and discontinued operations	17.821	-	17.821	-	-	-
100	Other liabilities	3.742.304	-	3.742.304	4.183.569	-	4.183.569
110	Provision for employee severance pay	261.390	-	261.390	271.434	-	271.434
120	Provisions for risks and charges	1.127.312	-	1.127.312	1.151.049	-	1.151.049
140	Valuation reserves	(1.055.910)	411.116	(644.794)	(685.460)	423.122	(262.338)
160	Equity instruments carried at equity	3.002	-	3.002	3.002	-	3.002
170	Reserves	1.174.651	(784.074)	390.577	(496.120)	(450.358)	(946.478)
180	Share premium	-	-	-	2.291	-	2.291
190	Share Capital	7.484.508	-	7.484.508	12.484.207	-	12.484.207
200	Treasury shares (-)	(24.532)	-	(24.532)	-	-	-
210	Non-controlling interests (+/-)	33.195	-	33.195	23.625	-	23.625
220	Profit (loss) (+/-)	(1.434.317)	333.716	(1.100.601)	(5.342.892)	(54.605)	(5.397.497)
	Total liabilities and Shareholders' Equity	198.460.805	(3.270.733)	195.190.072	183.443.823	(3.450.578)	179.993.245

** Revised items as indicated in financial statements 2014.*

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Pro-forma consolidated income statement (Euro/000)

	Items	31 12 2013	Pro-forma adjustments of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustments of LTR classified as CDS	31 12 2014 pro-forma
10	Interest income and similar revenues	5.982.295	(150.209)	5.832.086	5.213.287	(150.097)	5.063.190
20	Interest expense and similar charges	(3.857.941)	128.550	(3.729.391)	(3.079.016)	128.664	(2.950.352)
30	Net interest income	2.124.354	(21.659)	2.102.695	2.134.271	(21.433)	2.112.838
40	Fee and commission income	2.119.485	-	2.119.485	2.087.059	-	2.087.059
50	Fee and commission expense	(461.956)	-	(461.956)	(389.328)	-	(389.328)
60	Net fee and commission income	1.657.529	-	1.657.529	1.697.731	-	1.697.731
70	Dividends and similar income	17.302	-	17.302	36.944	-	36.944
80	Net profit (loss) from trading	75.458	519.388	594.846	80.738	(62.444)	18.294
90	Net profit (loss) from hedging	7.032	(758)	6.274	(15.759)	2.559	(13.200)
100	Gains/losses on disposal/repurchase	(83.894)		(83.894)	159.001	-	159.001
110	Net profit (loss) from financial assets and liabilities designated at fair value	10.144	-	10.144	1.832	-	1.832
120	Net interest and other banking income	3.807.925	496.971	4.304.896	4.094.758	(81.318)	4.013.440
130	Net impairment losses (reversals)	(2.823.167)	-	(2.823.167)	(8.025.266)	-	(8.025.266)
140	Net income from banking activities	984.758	496.971	1.481.729	(3.930.508)	(81.318)	(4.011.826)
180	Administrative expenses	(2.978.313)	-	(2.978.313)	(3.220.412)	-	(3.220.412)
190	Net provisions for risks and charges	(29.942)	-	(29.942)	(176.551)	-	(176.551)
200	Net adjustments to (recoveries on) property, plant and equipment	(85.482)	-	(85.482)	(158.220)	-	(158.220)
210	Net adjustments to (recoveries on) intangible assets	(100.844)	-	(100.844)	(149.137)	-	(149.137)
220	Other operating expenses/income	93.512	-	93.512	333.845	-	333.845
230	Operating expenses	(3.101.069)	-	(3.101.069)	(3.370.475)	-	(3.370.475)
240	Gains (losses) on investments	67.059	-	67.059	194.328	-	194.328
260	Impairment on goodwill	-	-	-	(661.792)	-	(661.792)
270	Gains (losses) on disposal of investments	1.412	-	1.412	84.701	-	84.701
280	Profit (loss) before tax from continuing operations	(2.047.840)	496.971	(1.550.869)	(7.683.746)	(81.318)	(7.765.064)
290	Tax expense (recovery) on income from continuing operations	666.783	(163.255)	503.528	2.336.479	26.713	2.363.192
300	Profit (loss) after tax from continuing operations	(1.381.057)	333.716	(1.047.341)	(5.347.267)	(54.605)	(5.401.872)
310	Profit (loss) after tax from groups of assets held for sale and discontinued operations	(51.224)	-	(51.224)	-	-	-
320	Profit (loss)	(1.432.281)	333.716	(1.098.565)	(5.347.267)	(54.605)	(5.401.872)
330	Profit (loss) for the period attributable to non-controlling interests	2.036	-	2.036	(4.375)	-	(4.375)
340	Parent company's net profit (loss)	(1.434.317)	333.716	(1.100.601)	(5.342.892)	(54.605)	(5.397.497)

** Revised items as indicated in financial statements 2014.*

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Pro-forma consolidated comprehensive earning statement (Euro/000)

	Items	31 12 2013	Pro-forma adjustments of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustments of LTR classified as CDS	31 12 2014 pro-forma
10	Profi (loss)	(1.432.281)	333.716	(1.098.565)	(5.347.267)	(54.605)	(5.401.872)
	Other comprehensive income after tax not recycled to profit and loss	(34.933)	-	(34.933)	(31.150)	-	(31.150)
40	Actuarial gains (losses) on defined benefit plans	(34.942)	-	(34.942)	(31.072)	-	(31.072)
60	Share of valuation reserves of equity-accounted investments	9	-	9	(78)	-	(78)
	Other comprehensive income after tax recycled to profit and loss	1.309.189	(332.876)	976.313	355.859	12.006	367.865
80	Exchange differences	(2.081)	-	(2.081)	5.553	-	5.553
90	Cash flow hedges	80.977	-	80.977	16.365	-	16.365
100	Financial assetes available for sale	1.174.855	(332.876)	841.979	330.513	12.006	342.519
110	Non-current assets held for sale	28.786	-	28.786	(27.021)	-	(27.021)
120	Share of valuation reserves of equity-accounted investments	26.652	-	26.652	30.449	-	30.449
130	Total other comprehensive icome after tax	1.274.256	(332.876)	941.380	324.709	12.006	336.715
140	Total comprehensive income (Item 10+130)	(158.025)	840	(157.185)	(5.022.558)	(42.599)	(5.065.157)
150	Consolidated comprehensive income attributable to non-controlling interests	2.031	-	2.031	(4.356)	-	(4.356)
160	Consolidated comprehensive income attributable to Parent Company	(160.056)	840	(159.216)	(5.018.202)	(42.599)	(5.060.801)

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Annex 2

PRO-FORMA STAND ALONE STATEMENTS AS OF 31 DECEMBER 2014

The pro-forma comparative for the fiscal year 2013 herein below includes only the “Alexandria” Transaction different from the pro-forma statements published in the financial statements 2014 where the comparative data contains both Alexandria and Santorini. The latter transaction has been settled on 19 December 2013.

Pro-forma stand-alone of asset and liability statement - Asset (Euro/000)

	Assets	31 12 2013	Pro-forma adjustments of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustments of LTR classified as CDS	31 12 2014 pro-forma
10	Cash and cash equivalents	843.934	-	843.934	974.295	-	974.295
20	Financial assets held for trading	3.149.394	-	3.149.394	2.416.285	634.300	3.050.585
40	Financial assets available for sale	23.255.736	(3.240.841)	20.014.895	22.679.334	(4.071.545)	18.607.789
60	Loans to banks	25.438.981	-	25.438.981	38.710.046	-	38.710.046
70	Loans to customers	124.768.674	-	124.768.674	102.157.158	-	102.157.158
80	Hedging devi ratives	462.397	-	462.397	877.585	-	877.585
90	Change in value of macro-hedged financial assets (+/-)	62.291	-	62.291	112.290	-	112.290
100	Equity investments	4.246.966	-	4.246.966	1.673.000	-	1.673.000
110	Property, plant and equipment	1.039.162	-	1.039.162	1.101.974	-	1.101.974
120	Intangible assets	817.391	-	817.391	119.869	-	119.869
	of wich: goodwill	669.692	-	669.692	-	-	-
130	Tax assets	4.740.888	(29.892)	4.710.996	6.330.444	(13.333)	6.317.111
140	Non-current assets and groups of assets held for sale and discontinued operations	71.811	-	71.811	16.805	-	16.805
150	Other assets	2.335.871	-	2.335.871	2.404.419	-	2.404.419
	Total assets	191.233.496	(3.270.733)	187.962.763	179.573.504	(3.450.578)	176.122.926

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Pro-forma stand-alone asset and liability statement - Liability (Euro/000)

	Liabilities and Shareholders' Equity	31 12 2013	Pro-forma adjustment of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustment of LTR classified as CDS	31 12 2014 pro-forma
10	Deposits from banks	43.963.958	-	43.963.958	39.294.158	-	39.294.158
20	Deposits from customers	87.910.284	(3.366.636)	84.543.648	91.281.896	(3.353.599)	87.928.297
30	Debt securities issued	36.135.252	-	36.135.252	29.688.403	-	29.688.403
40	Financial liabilities held for trading	2.239.999	896.530	3.136.529	2.045.404	1.604.999	3.650.403
50	Financial liabilities designated at fair value	8.406.140	-	8.406.140	3.010.169	-	3.010.169
60	Hedging derivatives	3.195.525	(750.530)	2.444.995	4.260.598	(1.604.999)	2.655.599
80	Tax liabilities	16.124	(10.855)	5.269	88.760	(15.138)	73.622
90	Liabilities associated with non-current assets held for sale and discontinued operations	17.821	-	17.821	-	-	-
100	Other liabilities	3.516.789	-	3.516.789	3.810.271	-	3.810.271
110	Provision for employee severance pay	253.812	-	253.812	263.033	-	263.033
120	Provisions for risks and charges	1.033.299	-	1.033.299	1.015.350	-	1.015.350
130	Valuation reserves	(1.159.480)	411.116	(748.364)	(828.301)	423.122	(405.179)
150	Equity instruments carried at equity	3.002	-	3.002	3.002	-	3.002
160	Reserves	(125.759)	(784.074)	(909.833)	(1.409.662)	(450.358)	(1.860.020)
170	Share premium	-	-	-	2.291	-	2.291
180	Share capital	7.484.508	-	7.484.508	12.484.207	-	12.484.207
190	Treasury shares (-)	(24.532)	-	(24.532)	-	-	-
200	Profit (loss) (+/-)	(1.633.246)	333.716	(1.299.530)	(5.436.075)	(54.605)	(5.490.680)
	Total liabilities and Shareholders' Equity	191.233.496	(3.270.733)	187.962.763	179.573.504	(3.450.578)	176.122.926

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Pro-forma income statement (euro/000)

	Items	31 12 2013	Pro-forma adjustment of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustment of LTR classified as CDS	31 12 2014 pro-forma
10	Interest income and similar revenues	5.391.761	(150.209)	5.241.552	4.833.590	(150.097)	4.683.493
20	Interest expense and similar charges	(3.947.053)	128.550	(3.818.503)	(3.137.898)	128.664	(3.009.234)
30	Net interest income	1.444.708	(21.659)	1.423.049	1.695.692	(21.433)	1.674.259
40	Fee and commission income	1.990.224	-	1.990.224	2.009.266	-	2.009.266
50	Fee and commission expense	(407.764)	-	(407.764)	(366.885)	-	(366.885)
60	Net fee and commission income	1.582.460	-	1.582.460	1.642.381	-	1.642.381
70	Dividends and similar income	127.942	-	127.942	132.645	-	132.645
80	Net profit (loss) from trading	(101.907)	519.388	417.481	(12.234)	(62.444)	(74.678)
90	Net profit (loss) from hedging	3.625	(758)	2.867	(25.270)	2.559	(22.711)
100	Gains/losses on disposal/repurchase	(40.835)		(40.835)	169.183	-	169.183
110	Net profit (loss) from financial assets and liabilities designated at fair value	12.838	-	12.838	(21.860)	-	(21.860)
120	Net interest and other banking income	3.028.831	496.971	3.525.802	3.580.537	(81.318)	3.499.219
130	Net impairment losses (reversals)	(2.073.292)	-	(2.073.292)	(6.289.295)	-	(6.289.295)
140	Net income from banking activities	955.539	496.971	1.452.510	(2.708.758)	(81.318)	(2.790.076)
150	Administrative expenses	(2.851.521)	-	(2.851.521)	(3.240.546)	-	(3.240.546)
160	Net provisions for risks and charges	(48.815)	-	(48.815)	(180.290)	-	(180.290)
170	Net adjustments to (recoveries on) property, plant and equipment	(66.442)	-	(66.442)	(90.945)	-	(90.945)
180	Net adjustments to (recoveries on) intangible assets	(28.018)	-	(28.018)	(27.975)	-	(27.975)
190	Other operating expense/income	75.464	-	75.464	299.178	-	299.178
200	Operating expenses	(2.919.332)	-	(2.919.332)	(3.240.578)	-	(3.240.578)
210	Gains/losses on investments	(273.132)	-	(273.132)	(678.232)	-	(678.232)
230	Impariment on goodwill	-	-	-	(661.792)	-	(661.792)
240	Gains (losses) on disposal of investments	1.708	-	1.708	27.562	-	27.562
250	Profit (loss) before tax from continuing operations	(2.235.217)	496.971	(1.738.246)	(7.261.798)	(81.318)	(7.343.116)
260	Tax expense (recovery) on income from continuing operations	645.894	(163.255)	482.639	1.825.723	26.713	1.852.436
270	Profit (loss) after tax from continuing operations	(1.589.323)	333.716	(1.255.607)	(5.436.075)	(54.605)	(5.490.680)
280	rofit (loss) after tax from groups of assets held for sale and discontinued operations	(43.923)	-	(43.923)	-	-	-
290	Profit (loss)	(1.633.246)	333.716	(1.299.530)	(5.436.075)	(54.605)	(5.490.680)

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Pro-forma comprehensive earning statement (Euro/000)

	Items	31 12 2013	Pro-forma adjustment of LTR classified as CDS	31 12 2013 pro-forma	31 12 2014	Pro-forma adjustment of LTR classified as CDS	31 12 2014 pro-forma
10	Profi (loss)	(1.633.246)	333.716	(1.299.530)	(5.436.075)	(54.605)	(5.490.680)
	Other comprehensive income after tax not recycled to profit and loss	(32.312)	-	(32.312)	(29.751)	-	(29.751)
40	Actuarial gains (losses) on defined benefit plans	(32.312)	-	(32.312)	(29.751)	-	(29.751)
	Other comprehensive income after tax not recycled to profit and loss	1.188.705	(332.876)	855.829	335.095	12.006	347.101
80	Exchange differences	(2.081)	-	(2.081)	5.552	-	5.552
90	Cash flow hedges	68.013	-	68.013	2.348	-	2.348
100	Financial assets available for sale	1.093.987	(332.876)	761.111	354.216	12.006	366.222
110	Non-assets held for sale	28.786	-	28.786	(27.021)	-	(27.021)
130	Total comprehensive income after tax	1.156.393	(332.876)	823.517	305.344	12.006	317.350
140	Total comprehensive income (item 10+130)	(476.853)	840	(476.013)	(5.130.731)	(42.599)	(5.173.330)

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Annex 3

PRO-FORMA CONSOLIDATED STATEMENTS AS OF 30 JUNE 2015

Pro-forma consolidated asset and liability statement - Asset (Euro/000)

	Assets	31 12 2014	Pro-forma adjustments of LTR classified as CDS	31 12 2014 pro-forma	30 06 2015	Pro-forma adjustments of LTR classified as CDS	30 06 2015 pro-forma
10	Cash and cash equivalents	1,006,586	-	1,006,586	822,024	-	822,024
20	Financial assets held for trading	16,928,788	634,300	17,563,088	16,355,222	604,000	16,959,222
40	Financial assets available for sale	22,847,582	(4,071,545)	18,776,037	19,980,021	(3,949,690)	16,030,331
60	Loans to banks	7,722,753	-	7,722,753	8,327,235	-	8,327,235
70	Loans to customers	119,676,132	-	119,676,132	117,436,256	-	117,436,256
80	Hedging deviratives	612,957	-	612,957	470,022	-	470,022
90	Change in value of macro-hedged financial assets (+/-)	178,613	-	178,613	150,001	-	150,001
100	Equity investments	1,013,899	-	1,013,899	907,666	-	907,666
120	Property, plant and equipment	2,787,083	-	2,787,083	2,693,068	-	2,693,068
130	Intangible assets	441,693	-	441,693	429,329	-	429,329
	of wich: goodwill	7,900	-	7,900	7,900	-	7,900
140	Tax assets	7,562,419	(13,333)	7,549,086	6,973,833	(43,409)	6,930,424
150	Non-current assets and groups of assets held for sale and discontinued operations	21,805	-	21,805	86,812	-	86,812
160	Other assets	2,643,513	-	2,643,513	3,073,268	-	3,073,268
	Total Assets	183,443,823	(3,450,578)	179,993,245	177,704,757	(3,389,099)	174,315,658

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Pro-forma consolidated asset and liability statement - Liability (Euro/000)

	Liabilities and Shareholders' Equity	31 12 2014	Pro-forma adjustment of LTR classified as CDS	31 12 2014 pro-forma	30 06 2015	Pro-forma adjustment of LTR classified as CDS	30 06 2015 pro-forma
10	Deposits from banks	27,647,671	-	27,647,671	18,830,869	-	18,830,869
20	Deposits from customers	93,144,981	(3,353,599)	89,791,382	94,745,441	(3,347,028)	91,398,413
30	Debt securities issued	30,455,439	-	30,455,439	29,147,717	-	29,147,717
40	Financial liabilities held for trading	13,701,789	1,604,999	15,306,788	13,414,777	1,119,004	14,533,781
50	Financial liabilities designated at fair value	2,623,620	-	2,623,620	2,344,445	-	2,344,445
60	Hedging derivatives	4,112,108	(1,604,999)	2,507,109	3,036,586	(1,119,004)	1,917,582
80	Tax liabilities	163,510	(15,138)	148,372	54,393	(17,297)	37,096
90	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
100	Other liabilities	4,183,569	-	4,183,569	5,330,440	-	5,330,440
110	Provision for employee severance pay	271,434	-	271,434	246,391	-	246,391
120	Provisions for risks and charges	1,151,049	-	1,151,049	1,156,313	-	1,156,313
140	Valuation reserves	(685,460)	423,122	(262,338)	(668,452)	344,863	(323,589)
160	Equity instruments carried at equity	3,002	-	3,002	-	-	-
170	Reserves	(496,120)	(450,358)	(946,478)	1,085,274	(504,963)	580,311
180	Share premium	2,291	-	2,291	3,956	-	3,956
190	Share Capital	12,484,207	-	12,484,207	8,758,683	-	8,758,683
200	Treasury shares (-)	-	-	-	-	-	-
210	Non-controlling interests (+/-)	23,625	-	23,625	24,314	-	24,314
220	Profit (loss) (+/-)	(5,342,892)	(54,605)	(5,397,497)	193,610	135,326	328,936
	Total liabilities and Shareholders' Equity	183,443,823	(3,450,578)	179,993,245	177,704,757	(3,389,099)	174,315,658

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Pro-forma consolidated income statement (Euro/000)

	Items	30 06 2014	Pro-forma adjustment of LTR classified as CDS	30 06 2014 pro-forma	30 06 2015	Pro-forma adjustment of LTR classified as CDS	30 06 2015 pro-forma
10	Interest income and similar revenues	2,744,112	(74,449)	2,669,663	2,190,922	(73,316)	2,117,606
20	Interest expense and similar charges	(1,786,431)	64,174	(1,722,257)	(1,037,413)	62,306	(975,107)
30	Net interest income	957,681	(10,275)	947,406	1,153,509	(11,010)	1,142,499
40	Fee and commission income	1,052,912	-	1,052,912	1,104,056	-	1,104,056
50	Fee and commission expense	(181,913)	-	(181,913)	(176,912)	-	(176,912)
60	Net fee and commission income	870,999	-	870,999	927,144	-	927,144
70	Dividends and similar income	28,899	-	28,899	14,172	-	14,172
80	Net profit (loss) from trading	76,975	(83,157)	(6,182)	110,880	214,436	325,316
90	Net profit (loss) from hedging	(13,283)	581	(12,702)	18,023	(1,899)	16,124
100	Gains/losses on disposal/repurchase	40,643	-	40,643	132,657	-	132,657
110	Net profit (loss) from financial assets and liabilities designated at fair value	(57,278)	-	(57,278)	(18,128)	-	(18,128)
120	Net interest and other banking income	1,904,636	(92,851)	1,811,785	2,338,257	201,527	2,539,784
130	Net impairment losses (reversals)	(1,226,913)	-	(1,226,913)	(982,387)	-	(982,387)
140	Net income from banking activities	677,723	(92,851)	584,872	1,355,870	201,527	1,557,397
180	Adiministrative expenses	(1,392,255)	-	(1,392,255)	(1,389,467)	-	(1,389,467)
190	Net provisions for risks and charges	(82,006)	-	(82,006)	(48,581)	-	(48,581)
200	Net adjustments to (recoveries on) property, plant and equipment	(58,515)	-	(58,515)	(60,758)	-	(60,758)
210	Net adjustments to (recoveries on) intangible assets	(54,083)	-	(54,083)	(55,144)	-	(55,144)
220	Other operating expenses/income	139,737	-	139,737	192,979	-	192,979
230	Operating expenses	(1,447,122)	-	(1,447,122)	(1,360,971)	-	(1,360,971)
240	Gains (losses) on investments	209,216	-	209,216	182,720	-	182,720
260	Impairment on goodwill	-	-	-	-	-	-
270	Gains (losses) on disposal of investments	5,107	-	5,107	1,023	-	1,023
280	Profit (loss) before tax from continuing operations	(555,076)	(92,851)	(647,927)	178,642	201,527	380,169
290	Tax expense (recovery) on income from continuing operations	203,150	30,501	233,651	15,750	(66,201)	(50,451)
300	Profit (loss) after tax from continuing operations	(351,926)	(62,350)	(414,276)	194,392	135,326	329,718
310	Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-	-	-	-	-
320	Profit (loss)	(351,926)	(62,350)	(414,276)	194,392	135,326	329,718
330	Profit (loss) for the period attributable to non-controlling interests	1,106	-	1,106	782	-	782
340	Parent company's net profit (loss)	(353,032)	(62,350)	(415,382)	193,610	135,326	328,936

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Pro-forma consolidated comprehensive earning statement (Euro/000)

	Items	30 06 2014	Pro-forma adjustment of LTR classified as CDS	30 06 2014 pro-forma	30 06 2015	Pro-forma adjustment of LTR classified as CDS	30 06 2015 pro-forma
10	Profi (loss)	(351,926)	(62,350)	(414,276)	194,392	135,326	329,718
	Other comprehensive income after tax not recycled to profit and loss	(15,624)	-	(15,624)	15,620	-	15,620
40	Actuarial gains (losses) on defined benefit plans	(15,531)	-	(15,531)	15,581	-	15,581
60	Share of valuation reserves of equity-accounted investments	(93)	-	(93)	39	-	39
	Other comprehensive income after tax recycled to profit and loss	437,308	(64,835)	372,473	46,938	(78,259)	(31,321)
80	Exchange differences	565	-	565	5,155	-	5,155
90	Cash flow hedges	(28,154)	-	(28,154)	14,721	-	14,721
100	Financial assetes available for sale	364,049	(64,835)	299,214	1,617	(78,259)	(76,642)
110	Non-current assets held for sale	(28,786)	-	(28,786)	308	-	308
120	Share of valuation reserves of equity-accounted investments	129,634	-	129,634	25,137	-	25,137
130	Total other comprehensive icome after tax	421,684	(64,835)	356,849	62,558	(78,259)	(15,701)
140	Total comprehensive income (Item 10+130)	69,758	(127,185)	(57,427)	256,950	57,067	314,017
150	Consolidated comprehensive income attributable to non-controlling interests	1,128	-	1,128	782	-	782
160	Consolidated comprehensive income attributable to Parent Company	68,630	(127,185)	(58,555)	256,168	57,067	313,235

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Annex 4

ESTIMATED ECONOMIC DIFFERENTIALS IMPACTS OF THE ACCOUNTING REPRESENTATION AS CDS OF THE "ALEXANDRIA" TRANSACTION

Euro/000

	31/12/09	31/12/10	31/12/11	31/12/12	31/12/13	31/12/14	31/12/15	TOTAL
Pre-tax effect	56,136	402,366	- 1,126,285	343,099	496,971	- 81,318	713,763	-