MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

BoD APPROVES RESULTS AS AT 30 SEPTEMBER 2014

- ***Ongoing transformation of business model, in line with Restructuring Plan: rise in "core" net interest income[1] (+5.1% YoY), commissions from wealth management (+9.4% YoY) and structural cost reduction (-5.2% YoY)***
- ***Adjusted Pre Provision Profit (Net Operating Income without Net Impairment Losses) stands at EUR 1.6bn, up 16.6% from the previous year***
- ***Net result for the period (- EUR 1,150 mln) affected by non-recurring items, including impacts from the examination of sample positions in Asset Quality Review ("Credit File Review" – "CFR")***
- ***Sound capital position (CET1 ratio phased-in at 12.8% and CET1 fully phased at 11.4%[2]) despite CFR results being fully booked as at 30 September 2014***
- ***Increase in coverage of impaired loans (+100 bps from previous year) with coverage on watchlists up 260 bps vs 30/09/2013***

Net result for the period affected by Asset Quality Review outcome

- *"Core" net interest income[1] up approx. 5% year-on-year despite strong deleveraging, due to improved average funding/lending spread and ongoing reduction in cost of funding*
- *Net fees and commissions grow (+3.2% YoY) thanks to higher revenues from wealth management (+9.4% YoY), which offsets the decrease in fees and commissions on loan disbursement activities (-8.5% YoY)*
- *Operating costs fall by approx. EUR 110 mln against the previous year (-5.2% YoY), having benefitted from headcount reduction, structural cost containment actions and Group reorganisation (Personnel costs -1.9% YoY and Other Administrative Costs -19% YoY)*
- *Loan Loss Provisions up by more than EUR 900 mln year-on-year also due to recognition of writedowns resulting from "Credit File Review", part of the Asset Quality Review. Annualised cost of credit at 260 bps against 151 bps at 30/09/2013*
- *One-off component of over EUR 300 mln due to the exit of more than 1,300 resources (following Trade Union agreement of 7 August 2014) and closure of 150 branches in the early part of 2015, as set forth in the Restructuring Plan*
- *Net result for the period, negatively affected by non-recurring items, at - EUR 1,149.7 mln (- EUR 797 mln in Q3 2014)*

[1] Net of NFIs coupon and price adjustment on NFIs.
[2] The BIS 3 fully loaded ratio has been estimated on the basis of results as at 30 September 2014. The calculation includes the remaining amount of NFIs (EUR 1,071 mln) and the filter on the AFS net reserve on European Government Bonds.

Balance sheet trends in line with performances envisaged by Restructuring Plan

- *Total net funding up from previous year with rebalancing of funding mix towards less costly and/or higher-return components (Bonds -17.3% YoY, Asset Management +14.4% YoY); steady trend in retail & corporate funding with Time deposits continuing to grow (+24.4% YoY)*
- *Interbank position down further, improving by over EUR 8 bn year-on-year*[3]
- *Counterbalancing capacity at over EUR 25 bn (approx. EUR 20 bn at 30/09/2013)*
- *Loans to customers fall, especially medium-long term loans, reflective of the persisting recessive economic cycle which is affecting funding & lending*
- *Securities portfolio down by over EUR 2 bn from the previous year (-6% YoY) largely the result of additional AFS portfolio optimization, with Italian government bonds standing at approx. EUR 18.9 bn (nominal value) against EUR 22.4 bn in September 2013*

[3] EUR 15 bn of LTROs reimbursed and EUR 3 bn of new TLTRO plan signed.

Siena, 12 November 2014 – The Board of Directors of Banca Monte dei Paschi di Siena SpA has today reviewed and approved the 2014 third quarter results.

Group profit and loss results in the first nine months of 2014

As at 30 September 2014, the Group's **net income from banking and insurance** totalled approximately EUR 3,137 mln (-2.9% YoY) with the third quarter contributing approx. EUR 1,184 mln, up 18.9% on the previous quarter. More specifically:

- **Net interest income** amounted to approx. EUR 1,553 mln as at 30/09/2014, registering a fall of 2.5% compared to the first nine months of 2013 owing to a negative impact from the price adjustment of NFI[4] (approx. EUR 147 mln) which occurred at the end of march 2014. Excluding this impact, the Group's net interest income would reflect a year-on-year growth of approx. 7%[5] due to the lower average amount of these same financial instruments[6] (benefit of approx. EUR 13 mln) as well as an improved funding/lending spread (approx. +49bps), which was impacted by a lower cost of funding (average borrowing rate -42 bps, mainly with Corporate customers) and a higher average lending rate (+7 bps linked mainly to market interest rate trends).

  The third quarter contributed approx. EUR 581 mln, up 10.3% on the previous quarter. The quarterly trend was positively impacted by the partial repayment of NFIs and the lower cost of funding while it was negatively affected by a reduction in interest-bearing loans (approx. - EUR 2.5 bn in terms of average volumes).

- **Net fees and commissions**, totalling approx. EUR 1,293 mln picked up by 3.2% YoY (+ EUR 40 mln) thanks to higher revenues from wealth management, which was boosted by placements (mainly Funds) as well as the "non-commercial" component which particularly benefitted from the closure of the “Chianti” transaction. The aggregate registered a result of approx. EUR 422 mln in Q3, which was largely in line with the previous quarter;

- **Dividends, similar income and profit (loss) on investments**, totalled approx. EUR 82 mln (approx. EUR 97 mln as at 30/09/2013) with Q3 2014 contributing approx. EUR 33 mln, up by around EUR 9 mln on the previous quarter. In the first nine months of 2014, AXA-MPS contributed with revenues (consolidated at net equity) of approx. EUR 66 mln and approx. EUR 32 mln in Q3 2014, an increase on the previous quarter which had been affected by the one-off negative accounting effects on the value of AXA-MPS's net equity;

- **Net profit/loss from trading-valuation-repurchase of financial assets/liabilities** as at 30/09/2014 came to approx. EUR 221 mln, down from the same period in 2013 (- EUR 65 mln approx.; -22.7%). A closer look at the result reveals that:
  - **Net profit from trading** showed a positive balance of EUR 88 mln, almost entirely owing to income from the subsidiary MPS Capital Services, but was down on the same period of last year (- EUR 112 mln approx. -56.1%) when it had benefitted from a particularly favourable market trend;
  - **Disposal/repurchase of loans and available-for sale financial assets and liabilities** stood at approx. EUR 150 mln, mainly attributable to the disposal of AFS securities as well as the sale of

[4] Note that as at 31/03/2014, the aggregate was affected by the repayment of State-subscribed securities (NFIs) adjusted to the contractual provisions governing the instruments, which bind the repayment amount to the consideration that the Monte dei Paschi di Siena Foundation communicated to have received for the sale of ordinary shares of Banca Monte dei Paschi, with a one-off negative impact on Q1 2014 of approx. EUR 143 mln.
[5] The Group's net interest income would reflect a year-on-year growth of 5.1% net of price adjustment on NFIs and NFIs coupon.
[6] Note that on 28 February 2013, the MEF subscribed New Financial Instruments issued by BMPS for a total of approximately EUR 4bn, increasing the previous “Tremonti Bond” issuance by approx. EUR 2bn.

certain investments, including Aeroporto Toscano and SIA (with capital gains totalling around EUR 34 mln);

- **Net profit (loss) on financial assets and liabilities designated at fair value** showed a negative balance of EUR 16.2 mln (against a positive result of EUR 51.4 mln as at 30/09/2013), mainly due to the higher value of a number of bond issuances placed with Retail and Institutional customers thanks to Banca MPS's improved creditworthiness.

As for the quarterly trend, the aggregate contributed approx. EUR 147 mln, an increase on the previous quarter (+ EUR 118.7 mln) which had been weighted down by a loss of around EUR 13 mln from the bloc sale without recourse of a portfolio of NPLs to a securitisation vehicle financed by companies belonging to the Fortress Investment Group LLC.

- **Net income from hedging** showed a negative balance of approx. EUR 11 mln (positive balance of EUR 2 mln as at 30/09/2013) with a positive contribution of EUR 2.2 mln in the third quarter of 2014.

Net impairment losses (reversals) on loans stood at approx. EUR 2,464 mln (+60% YoY) with Q3 contributing approx. EUR 1,257 mln (+71.8% QoQ).
Net impairment losses in the first nine months of 2014 include approx. EUR 1,170 mln from exposures subject to the Credit File Review (CFR) as part of the Asset Quality Review (AQR); of these, approx.EUR 790 mln was included in the third quarter results. These impairment losses, which reflect an updated disclosure framework, result from the Group's independent assessment of exposures in the Credit File Review using the same methodological criteria applied by the Supervisory Authorities in the AQR and deemed by the Group to be largely compliant with accounting standards.

Regarding other AQR impacts, ie. statistical projections of the CFR findings and collective provisioning, the Group decided not to include the AQR results in the accounting data in view of the fact that the projections do not meet the necessary analytical requirements and the collective provisioning identified by the AQR was based on a method whose framework and assumptions should be verified within the overall loan assessment process. In this regard, it should be noted that a process is underway to verify that conditions are in place to update the methods and parameters applied in the classification and assessment of loans in the financial statements as at 31 December 2014, in which these AQR impacts will also be factored in.

The ratio of annualised loan loss provisions over total customer loans is expressive of a provisioning rate of 260 bps as compared to 211 bps at the end of 2013.

Net impairment losses (reversals) on financial assets showed a negative balance of EUR 58.6 mln (- EUR 39.6 mln in Q3 2014; - EUR 30.4 mln as at 30/09/2013) mainly due to the writeoff of the investment in *Istituto per il Credito Sportivo* in the first quarter of 2014 and of *Fondo Immobiliare Socrate* and *Prelios* in the third quarter 2014 as well as the adjustment of the contribution to the Interbank Deposit Protection Fund (*Fondo Interbancario di Tutela dei Depositi - FITD*) in favour of Banca Tercas.

As a consequence, **Income from banking and insurance** totalled approx. EUR 614 mln (- 63% YoY) with a negative impact of roughly EUR 112 mln in the third quarter (against a positive impact of approx. EUR 260 mln in the second quarter of 2014).

Operating expenses totalled approx. EUR 2,021 mln (-5.2% YoY) with the third quarter accounting for approx. EUR 690 mln, registering an increase from the second quarter of 2014 (+2.8%). More specifically:

- **Personal expenses** amounting to around EUR 1,279 mln, were down 1.9% against the previous year mainly due to headcount reduction. The quarterly trend shows an increase in spending of approx. EUR 6 mln (+1.4% QoQ) largely due the National Collective Labour Agreement (*Contratto Collettivo Nazionale del Lavoro - CCNL*) remuneration increases which entered into force in June (full impact in Q3 2014 compared to partial impact in the previous quarter);

- **Other administrative expenses** (net of customer expense recovery) stood at approx. EUR 577 mln, down 19% YoY and down 1.3% QoQ thanks to structural cutbacks in spending, particularly on rental expenses, sponsorships and events, business trips, facility management and office supplies;
- **Net value adjustments to tangible and intangible assets** were in the region of EUR 164 mln at the end of September, up 45.1% YoY, mainly due to the higher depreciation of real estate following the consolidation of Perimetro at the end of 2013. The quarterly amount, totalling approximately EUR 66 mln (+30.6% QoQ) includes a writedown of around EUR 14 mln on the real estate of an equity investment.

On the back of these factors, the **Net Operating Result** showed a negative balance of approx. EUR 1,407 mln (vs. EUR - 471 mln as at 30/09/2013).

The cost/income ratio stood at 64.4% (vs. 68.2% as at 30/06/2014).

A contribution to **Net profit for the period** also came from:

- **Net provisions for risks and charges and other operating expenses/income**, which showed a negative balance of approx. EUR 134 mln as at 30/09/2014 against - EUR 9.1 mln as at 30/09/2013. The aggregate includes:
  - Provisions to the fund for risks and charges in the amount of - EUR 119 mln (- EUR 60 mln as at 30/09/2013) with the quarter accounting for approx. - EUR 37 mln;
  - Other operating expenses/income (net of recovery expenses reclassified to Other Administrative Expenses) in the amount of - EUR 14 mln (+ EUR 51 mln as at 30/09/2013) with the contribution for the quarter being insignificant;

- **Gains (losses) on investments** showed a net positive balance of approx. EUR 162 mln with a negative balance of EUR 13.4 mln in the third quarter, almost entirely owing to the investment in Sansedoni;

- **Restructuring costs/One-off charges**, amounting to approx. - EUR 322 mln (of which around - EUR 318 mln booked in the third quarter), mainly relating to provisions for early-retirement incentives established under the Trade Union agreement of 7 August 2014 and, for the remaining amount, to the closure of around 150 branches provided for in the Business/Restructuring Plan;

- **Gains (losses) on disposal of investments** showed a positive balance of EUR 7 mln attributable to the capital gain from the disposal of administrative and back office activities to the company Fruendo, booked in the first quarter of 2014.

Taxes on profit (loss) from continuing operations showed a positive balance of approx. EUR 568 mln (a positive balance of approx. EUR 84 mln as at 30/09/2013) which included around EUR 70 mln resulting from the Allowance for Corporate Equity (ACE), introduced by the state to facilitate economic growth.

The consolidated net result for the period before Purchase Price Allocation (PPA) includes non-controlling interests which registered a loss of EUR 1,121.7 mln (- EUR 487 mln as at 30/09/2013). Considering the effects of PPA, the **Group's loss for the period** totalled approx. EUR 1,149.7 mln (approx EUR -518 mln as at 30/09/2013). The adjusted Pre Provision Profit, net non-recurring items (among which over EUR 370 mln related to NFIs coupon and price adjustment, and over EUR 70 mln related to cost of State Guarantee - Monti Bonds) would stand at around EUR 1.6 bn, up 16.6% from the previous year.

Group balance-sheet aggregates in the first nine months of 2014

As at 30 September 2014, **Total Funding** volumes for the Group amounted to approximately EUR 235 bn, down 1.4% on the end of June 2014 (+0.6% from 31/12/2013) due to the offsetting effect from a downturn in direct funding (-3.2% QoQ) and a slight increase in indirect funding (+0.7% QoQ). More specifically:

Direct funding for the Group, totalling approx. EUR 127 bn, dropped 3.2% from 30/06/2014 and 2.5% from 31/12/2013, with a market share of 5.06% (latest data available as at August 2014) holding largely steady on levels at the end of 2013. In Q3 2014, volumes registered a fall of EUR 4 bn owing to the partial repayment of New Financial Instruments (NFIs), totalling approx. EUR 3bn, and a decline in Reverse Repurchase Agreements Funding with retail & corporate customers was largely stable QoQ since the decrease in Current Accounts and Bonds was offset by Time Deposits and an increase in transactions with Corporate customers totalling approx. EUR 2 bn.

Indirect funding for the Group, totalling approx. EUR 108 bn, up 0.7% from 30/06/2014 (+4.4% from 31/12/2013). More specifically:

- **Wealth management** closed the period with volumes totalling EUR 50.4 bn, up 3.8% as compared to 30/06/2014 and 11.7% from 31/12/2013. A breakdown of the aggregate shows:
  - **Insurance component** of EUR 22.7 bn (+1.8% on 30/06/2014; +4.4% on 31/12/2013), having benefitted from insurance premiums collected in the third quarter for an amount of approx. EUR 1.5 bn, driven by Unit Linked products. The Group's market share in Bancassurance came to 6.01% (latest data available as at August 2014);
  - **Mutual investment funds and open-end collective schemes (Sicav)**, amounting to approx. EUR 21 bn, up 6.5% on 30/06/2014 (+23% on 31/12/2013) thanks to net inflows of around EUR 1.1 bn in the third quarter, largely concentrated in guaranteed capital products. The Group's market share stood at 3.73% (latest data available as at December 2013);
  - **Individual portfolio management**, totalling approximately EUR 6.3 bn, up 2.4% on 30/06/2014 (+5.5% on 31/12/2013) and with a Group market share of 3.69% (latest data available as at August 2014).

- **Assets under custody**, amounting to EUR 57.6 bn, were down from both June 2014-levels (-1.9%) and year-end 2013 levels (-1.2%).

Loans to customers of the Group amounted to approx. EUR 126 bn, falling 4.9% from 30/06/2014 and 3.3% as compared to the end of 2013, with a downturn for both the commercial components (particularly medium-long term loans) as well as repurchase agreements with institutional counterparties owing to the use of liquidity from the June 2014 capital increase to repay the NFIs.
As for types of lending, a downward trend continued in the third quarter for both Retail and Corporate customers, reflective of the continuing recessive economic cycle across the banking system.

The trend in the aggregate was affected by **special-purpose loan** disbursements in relation to which, in the third quarter:

- EUR 103 mln in new loans were granted by MPS Capital Services, up 21.6% on 30/06/2014;
- Leasing contracts totalled approx. EUR 91 mln (-10.1% QoQ), while Factoring Turnover totalled approx. EUR 1.1 bn (-7.9% QoQ);
- As for consumer lending, the Group signed a partnership agreement with Compass in February 2014, in implementation of the 2013-2017 Business Plan guidelines. The partnership meets the aim to support the offer of credit to households, even during this challenging economic cycle, and continue to enhance the sales & distribution network through the placement of qualified third-party products while rapidly developing business segments with high distribution value.

As at 30 September 2014, the Group's net exposure to **impaired loans** totalled approx. EUR 24.3 bn, up by 8.3% on the end of June 2014. During the quarter, an increase was registered for watchlist loans (+21% QoQ) largely owing to the reclassification of exposures as part of the Asset Quality Review, while NPLs remained substantially stable (+1.8% QoQ). The rise in past due exposures (+10.8% QoQ) was offset by a reduction in restructured loans (-16.4% QoQ).

Coverage of impaired loans stood at 41.8%,compared to 41.6% as at 30/06/2014 (+20 bps), with **coverage of NPLs** at 58.8%, up approx. 60 bps from 30/06/2014, and **coverage of watchlist loans** at 22.6%, up 170 bps from 30/06/2014.

The Group's **securities portfolio**, amounting to approx.EUR 34 bn, was largely steady on volumes at 30 June 2014, but down by over EUR 2 bn from the previous year (-6%). The Held For Trading (HFT) portfolio registered an increase of 4.5% QoQ due to the activities as primary dealer of the subsidiary MPS Capital Services.
The AFS portfolio, stable on June-end levels, was characterised by a recovery in market value, reflected in an improvement of the net equity reserve, and by optimisation actions, which included the sale of long-term positions and partial buyback of shorter-term securities.
Bonds recognised under L&R also remained stable.

As at 30 September 2014, the Group's **net interbank position** stood in the region of EUR 23 bn in funding, with an improvement of EUR 0.6 bn on the net balance registered at 30/06/2014 and EUR 4.3 bn compared to 31/12/2013. The repayment plan on Long Term Refinancing Operations with the ECB continued in the quarter (approx. EUR 6 bn), partly offset by access to the new Plan for Target Long Term Refinancing Operations, totalling approximately EUR 3 bn. Loans and advances to banks were also down, registering a fall of 20.3% against values at the end of the previous quarter and 34.3% from the end of the year.

The operating liquidity position as at 30/09/2014 showed an unencumbered **Counterbalancing Capacity** of around EUR 25 bn, a decrease on the values registered at the end of June 2014 when it stood at EUR 29 bn.

As at 30/09/2014, the Group's **net equity** and non-controlling interests came to approx. EUR 10 bn, falling around EUR 700 mln from 30/06/2014 (-6.4%) as a result of the loss for the period. Compared to 30/6/2014, the value resulting from the rights issue, originally booked to Reserves pending formal procedures with the Registry of Companies, has now been recognised under the item Capital.
Valuation Reserves registered an improvement compared to both the end of the year and the previous quarter (+ EUR 507 mln and + EUR 85 mln respectively) owing to the higher value of the AFS portfolio as a result of a tighter Italian spread.

Pursuant to CRR/CRD IV, a new regulatory framework (Basel 3) for the measurement of regulatory capital and capital requirements entered into force as of 1 January 2014; on the basis of these new rules, as at 30/09/2014 the Common Equity Tier 1 ratio (CET1 ratio) stood at 12.8% (pro-forma 10.8% as at 31/12/2013) and the Total Capital ratio at 16.8% (pro-forma 15.1% as at 31/12/2013). RWAs came to approx. EUR 78.6 bn, with a decrease by approx. EUR 3.7 bn compared to 31/12/2013.

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

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Pursuant to para. 2, article 154-bis of the Consolidated Law on Finance, the Financial Reporting Officer, Mr. Arturo Betunio, declares that the accounting information contained in this press release corresponds to the underlying documentary evidence and accounting records.

Reclassified accounts

Income statement and balance sheet reclassification principles

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

Following are the reclassifications made to the consolidated profit and loss account as at 30 September 2014:

a) **"Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities"** in the reclassified income statement, 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". The item incorporates dividends earned on securities held in the Group's securities portfolio (approx. EUR 20 mln)**.**

b) **"Dividends, similar income and gains (losses) on investments"** in the reclassified income statement incorporates item 70 "Dividends and similar income" and a portion of item 240 "Gains (losses) on investments" (approx. EUR 66 mln, corresponding to the share of profit and loss for the period contributed by investments in 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) "**Net impairment losses (reversals) of financial assets**" includes the item 130b "Financial assets available for sale", 130c "Financial assets held to maturity" and 130d "Other financial transactions".

d) The income statement item "**Personnel expenses**" was reduced by approx. EUR 313 mln in restructuring charges referring in particular to provisions on early-retirement incentive schemes established under the Trade Union agreement of 7 August 2014 (approx. EUR 309 mln) and, for the remaining amount, to other headcount strategies implemented. The amount was reclassified under "Restructuring costs/One-off charges".

e) "**Other administrative expenses**" in the reclassified income statement was deducted of the portion of stamp duty and client expense recovery (approx. EUR 235 mln) posted under item 220 "Other operating expenses (income)". In addition, the aggregate no longer included provisions for restructuring costs (approx. EUR 9 mln) associated with the closure of around 150 branches as set out in the Business/Restructuring Plan.

f) The item **"Net provisions for risks and charges and other operating income (expenses)"** in the reclassified income statement, which incorporates item 190 "Net provisions for risks and charges" and item 220 "Other operating expenses (income)", excludes stamp duty and client expense recoveries as described under item e) above "**Other administrative expenses**".

g) The income statement item "**Restructuring costs/ One-off charges**" includes one-off charges for approx. EUR 313 mln reclassified out of Personnel Expenses (see item d)) as well as provisions for restructuring costs associated with the closure of around 150 branches as set out in the Business/Restructuring Plan (see point costs taken against closure of branches as per Business Plan (see item e)).

h) **"Gains (losses) on investments"** was cleared of components reclassified as "Dividends and similar income" (see item b)).

i) The effects of Purchase Price Allocation (PPA) posted to this specific account were reclassified out of other items (in particular **"Net Interest income"** for approx. EUR 21.1 mln and **Depreciation/amortisation** for approx. EUR 20.7 mln, net of a theoretical tax burden of approx. - EUR 14 mln which integrates the item).

Listed below are the major reclassifications made to the consolidated **Balance Sheet:**

j) **“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".

k) **“Other assets”** on the assets side of the reclassified balance-sheet incorporates item 80 "Hedging derivatives", item 90 "Changes in value of macro-hedged financial assets", item 140 "*Tax assets*", item 150 "Non-current assets held for sale and discontinued operations" and item 160 "Other assets".

l) **“Deposits from 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".

m) **“Other liabilities”** on the liabilities side of the reclassified balance sheet incorporates item 60 “Hedging derivatives”, item 70 “Changes in value of macro-hedged financial liabilities", item 80 “Tax liabilities”, item 90 “Liabilities included with assets held for sale and discontinued operations” and item 100 “Other liabilities”.

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

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

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

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

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MPS GROUP

Reclassified Consolidated Income Statement
(Unaudited)

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

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

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

MPS GROUP

Reclassified Consolidated Income Statement - quarterly trend
(Unadited)

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

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

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

MPS GROUP

Reclassified Consolidated Balance Sheet

(Unadited)

ASSETS *(in EUR mln)*	09/30/2014	12/31/2013 (*)	Chg. *vs* 12/31/2013 ass.	%
Cash and cash equivalents	878	877	0	0.0%
Receivables :				
a) Loans to customers	126,307	130,598	(4,291)	-3.3%
b) Loans to banks	6,884	10,485	(3,601)	-34.3%
Financial assets held for trading	41,856	42,919	(1,063)	-2.5%
Financial assets held to maturity	-	-	-	
Equity investments	1,001	970	31	3.1%
Property, plant and equipment / Intangible assets	3,934	4,046	(112)	-2.8%
of which:				
a) goodwill	*670*	*670*	-	
Other assets	9,837	8,566	1,272	14.8%
Total assets	**190,697**	**198,461**	**(7,764)**	**-3.9%**

LIABILITIES *(in EUR mln)*	09/30/2014	12/31/2013 (*)	Chg. *vs* 12/31/2013 ass.	%
Payables				
a) Deposits from customers and securities issued	126,610	129,836	(3,226)	-2.5%
b) Deposits from banks	29,425	37,279	(7,854)	-21.1%
Financial liabilities held for trading	13,144	16,410	(3,265)	-19.9%
Provisions for specific use				
a) Provisions for staff severance indemnities	295	261	33	12.7%
b) Pensions and other post retirement benefit obligations	59	61	(2)	-4.0%
c) Other provisions	1,024	1,066	(42)	-4.0%
Other liabilities	9,777	7,367	2,410	32.7%
Group net equity	10,340	6,147	4,192	68.2%
a) Valuation reserves	(549)	(1,056)	507	-48.0%
c) Equity instruments	3	3	-	
d) Reserves	(451)	1,175	(1,625)	-138.4%
e) Share premium	2	-	2	
f) Share capital	12,484	7,485	5,000	66.8%
g) Treasury shares (-)	(0)	(25)	25	-100.0%
h) Net profit (loss) for the year	(1,150)	(1,434)	285	-19.8%
Non-controlling interests	24	33	(9)	-27.2%
Total Liabilities and Shareholders' Equity	**190,697**	**198,461**	**(7,764)**	**-3.9%**

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

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

MPS GROUP

Reclassified Consolidated Balance Sheet - quarterly trend

(Unadited)

ASSETS *(in EUR mln)*	09/30/2014	06/30/2014	03/31/2014	12/31/2013 (*)	09/30/2013 (**)	06/30/2013 (**)	03/31/2013 (**)
Cash and cash equivalents	878	860	823	877	785	684	697
Receivables :							
a) Loans to customers	126,307	132,770	132,677	130,598	135,564	138,082	140,510
b) Loans to banks	6,884	8,638	10,204	10,485	11,439	12,240	13,676
Financial assets held for trading	41,856	39,863	43,500	42,919	45,777	49,655	46,389
Financial assets held to maturity	-	-	-	-	-	-	-
Equity investments	1,001	952	960	970	994	971	1,029
Property, plant and equipment / Intangible assets	3,934	3,971	4,004	4,046	2,441	2,465	2,496
of which:							
a) goodwill	*670*	*670*	*670*	*670*	*670*	*670*	*670*
Other assets	9,837	9,474	8,855	8,566	9,447	9,774	10,086
Total assets	**190,697**	**196,528**	**201,022**	**198,461**	**206,446**	**213,870**	**214,883**

LIABILITIES *(in EUR mln)*	09/30/2014	06/30/2014	03/31/2014	12/31/2013 (*)	09/30/2013 (**)	06/30/2013 (**)	03/31/2013 (**)
Payables							
a) Deposits from customers and securities issued	126,610	130,777	128,859	129,836	132,286	137,078	135,311
b) Deposits from banks	29,425	31,810	40,991	37,279	42,377	41,741	42,753
Financial liabilities held for trading	13,144	11,718	14,630	16,410	14,909	18,630	19,571
Provisions for specific use							
a) Provisions for staff severance indemnities	295	285	273	261	282	269	291
b) Pensions and other post retirement benefit obligations	59	59	60	61	47	48	40
c) Other provisions	1,024	991	1,020	1,066	1,185	1,207	1,124
Other liabilities	9,777	9,811	8,905	7,367	8,922	8,339	9,595
Group net equity	10,340	11,048	6,251	6,147	6,435	6,555	6,195
a) Valuation reserves	(549)	(634)	(788)	(1,056)	(1,697)	(1,714)	(2,309)
c) Equity instruments	3	3	3	3	3	3	3
d) Reserves	(451)	4,548	(274)	1,175	1,187	1,187	886
e) Share premium	2	-	-	-	-	-	255
f) Share capital	12,484	7,485	7,485	7,485	7,485	7,485	7,485
g) Treasury shares (-)	(0)	(0)	(0)	(25)	(25)	(25)	(25)
h) Net profit (loss) for the year	(1,150)	(353)	(174)	(1,434)	(518)	(380)	(101)
Non-controlling interests	24	29	34	33	3	3	3
Total Liabilities and Shareholders' Equity	**190,697**	**196,528**	**201,022**	**198,461**	**206,446**	**213,870**	**214,883**

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

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