MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

PRESS RELEASE

RESULTS AS AT 31 DECEMBER APPROVED

SREP COMPLETED WITH TARGET CET1 RATIO OF 10.2%, LOWER THAN THE INITIAL FIGURE OF 14.3%

RIGHTS ISSUE APPROVED FOR UP TO A MAXIMUM OF EUR 3BN

- ***Following the Supervisory Review and Evaluation Process (SREP), the Montepaschi Group has been requested by the ECB to reach a transitional CET1 ratio of 10.2% instead of the initially-required 14.3%***
- ***Considering the regulatory capital deductions required by Basel 3 for 2015 ("phase-in"), the BoD of Banca Monte dei Paschi di Siena SpA has decided to propose the Shareholders' Meeting to increase the size of the intended rights issue, from EUR 2.5bn up to EUR 3 bn in order to have a capital buffer against the transitional CET1 ratio required under the SREP***
- ***The Bank will continue its unwavering commitment to asset optimization and the sale of non-core assets so as to optimize on the use of the final amount of capital required from shareholders***
- ***Pro-forma transitional CET1 ratio as at 31/12/2014, inclusive of EUR 3bn rights issue, at 11.4%[1]***
- ***The new maximum amount of the rights issue will be backed by a pre-underwriting agreement made up by the same financial institutions that signed the EUR 2.5bn rights issue***
- ***Good performance for Basic Income ("Core"[2] Net Interest Income +3% YoY, Fees +2.4% YoY) and Operating Costs (-2.2% YoY) with Pre-Provision Profit at EUR 1,473 mln, up 28% YoY***
- ***Branch network optimisation 2017 target delivered. Ongoing alignment of headcount to Plan targets***
- ***Net result for the period (- EUR 5,343 mln) affected by impact from revised classification/measurement methods and parameters across all loan portfolios, the recognition of impairment loss on goodwill and by other non-recurring items.***
- ***Significant increase in coverage of impaired loans (at 48.9%, +710 bps vs. previous year) with coverage of NPLs up 650 bps from 31/12/2013.***

Solid trend in Revenues and Costs

- *Net interest income up YoY ("Core" [2] approx. +3%), thanks to sharp fall in cost of funding (average borrowing rate -44 bps YoY), which absorbed the decrease in interest-bearing loans*

[1] The ratio anticipates the impact from the rights issue of up to EUR 3bn, the full repayment of the New Financial Instruments (NFIs) and the payment of the NFI coupon for 2014 through the issue of new shares.
[2] Net of NFI coupon and price adjustment on NFIs.

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- *Net fees and commissions grow (+2.4% YoY), driven by revenues from wealth management (+7.9% YoY) especially placements (+12.8% YoY), which offset the decrease in fees and commissions on loan disbursement activities (-8.9% YoY)*
- *Operating costs fall by 2.2% YoY, having benefitted from headcount reduction, structural cost containment actions and Group reorganisation (Personnel costs -0.5% YoY and Other Administrative Costs -14.3% YoY)*
- *One-off components of over EUR 370 mln, mainly relating to provisions for early-retirement schemes/fund[3] and branch closures*
- *Loan loss provisions affected by the recognition of writedowns resulting from the "Credit File Review" and the revision of credit accounting policies consequent to the Asset Quality Review. Excluding non-recurring adjustments, the aggregate would be down by over 30% YoY and the cost of credit would stand at 155 bps vs. 211 bps as at 31/12/2013*
- *Recognition of impairment losses on goodwill given the deteriorating macroeconomic scenario and the increase in risk premiums on equity investments. Recognition of impairment losses on intangible assets due to the technological obsolescence of a number of software applications.*
- *Net result for the period, negatively affected by several non-recurring items, amounted to - EUR 5,343 mln (vs. - EUR 1,434 mln in 2013)*

Balance sheet trends in line with performances envisaged by Restructuring Plan

- *Ongoing implementation of de-risking policy with additional optimisation actions on AFS portfolio Italian government bonds, whose nominal value amounted to approx. EUR 19 bn (-7.7% YoY), and on risk in the trading book (Var at 3.6 mln vs. 9.8 mln in the previous year)*
- *Loans to customers down, especially medium-long term loans, reflective of the persisting recessive economic cycle which is affecting funding & lending*
- *Optimization in funding mix, with rebalancing towards less costly and/or higher-return components (Time deposits +34.9% YoY and Bond -21.3% YoY)*
- *Interbank position at EUR 19.9 bn, down 25.6% YoY; Over EUR 21 bn of LTROs reimbursed and the new TLTRO plan signed for over EUR 6 bn*
- *Unencumbered counterbalancing capacity at approx. EUR 16 bn (8.7% on total assets from 8.1% as at 31/12/2013)*

[3] Following agreement with the Trade Unions on 7 August 2014

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Siena, 11 February 2015 – The Board of Directors of Banca Monte dei Paschi di Siena Spa has today reviewed and approved the 2014 results.

2014 Group profit and loss results

As at 31 December 2014, the Group's **net income from banking and insurance** was in the region of **EUR** 4,228 mln, up 6.7% YoY. Q4 2014 contributed approx. EUR 1,092 mln, down 7.8% QoQ. More specifically:

- **Net interest income** for 2014 came to approx. EUR 2,164 mln, just slightly higher than previous-year levels (+0.3% YoY). It should be noted that the price adjustment of NFIs[4]. which occurred at the end of March 2014, had a negative impact of approx. EUR 147 mln on 2014 results. Excluding this impact, the Group's net interest income would reflect a year-on-year growth of approx. 7%. This increase is due to the lower average amount of these same financial instruments[5] (benefit of approx. 79 mln) as well as an improved funding/lending spread (approx. +46bps), which was impacted by a lower cost of funding. These factors absorbed the decline in interest-bearing loans (-7% in terms of average volumes).
  The fourth quarter 2014 contributed approx. EUR 611 mln, up 5.2% QoQ mainly as result of the continuing decline in the cost of funding.

- **Net fees and commissions**, totalling approx. EUR 1,698 mln, picked up by 2.4% YoY (+ EUR 40.2 mln), largely thanks to higher revenues from wealth management (particularly the placement of AUM products) as well as the "non-commercial" component which particularly benefitted from the restructuring of the “Chianti” transaction.
  The aggregate registered a result of approx. EUR 405 mln in Q4, down on the previous quarter (-3.9%; -16.2 mln), mainly as a result of the slowdown in placements (partly offset by the growth in income from brokerage and insurance) and lower commissions on credit facilities;

- **Dividends, similar income and profit (loss) on investments**, totalled approx. EUR 121 mln (approx. EUR 130 mln as at 31/12/2013) with the last quarter of 2014 contributing approx. EUR 39 mln, up by around EUR 6 mln on the previous quarter. In 2014, AXA-MPS contributed with revenues (consolidated at net equity) of approx. EUR 105 mln (+7.5% YoY), of which approx. EUR 39 mln in Q4 2014;

- **Net profit/loss from trading/valuation/repurchase of financial assets/liabilities** totalled EUR 262 mln as at 31/12/2014 against approx. EUR 14 mln in the previous year, which had been affected by non-recurring components. A closer look at the result reveals that:
  - **Net profit from trading** showed a positive balance of around EUR 101 mln, mainly owing to income from the subsidiary MPS Capital Services;
  - **Disposal/repurchase of loans and available-for-sale financial assets and liabilities** showed a positive balance of approx. EUR 159 mln (against a negative result of EUR 84 mln in the previous year) relating to the:
    a) disposal of loans totalling - EUR 39.6 mln, having been weighted down by a loss of around EUR 25 mln from the bloc sale without recourse of two NPL portfolios with a total book value, gross of provisions, of approx. EUR 850 mln.;
    b) disposal of financial assets available for sale amounting to EUR 209.1 mln, mainly attributable to the disposal of AFS securities as well as the sale of certain investments, including Aeroporto Toscano and SIA (with capital gains totalling around EUR 35 mln);

[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] Note that on 28 February 2013, the Ministry of Economy and Finance (MEF) subscribed to New Financial Instruments issued by BMPS for a total value of approx. EUR 4 bn, increasing the previous Tremonti Bond issuance by around EUR 2 bn

c) early termination of financial liabilities with a negative impact of EUR 10.4 mln on Banca Monte dei Paschi issuances due in 2015 and 2017.

- **Net profit (loss) on financial assets/liabilities designated at fair value** showed a positive balance of EUR 1.8 mln vs. EUR 10.1 mln registered in 2013.

As for the quarterly trend, the aggregate contributed approx. EUR 41.1 mln, a decline of EUR 106.1 mln on the previous quarter which had benefitted from the sale of AFS securities.

- **Net income from hedging** showed a negative balance of approx. EUR 16 mln (positive balance of EUR 7 mln as at 31/12/2013) with a negative contribution of EUR 5 mln in the fourth quarter of 2014.

Net impairment losses (reversals) on loans stood at approx. EUR 7,821 mln (vs. approx. EUR 2,750 mln in 2013) which includes around EUR 5,963 mln from the higher impairment losses recognized following the review of methodologies and parameters applied in the classification and measurement of the entire loan portfolio (a wider scope of application than the one used in the Asset Quality Review), with a consequent increase in the coverage of impaired loans (at 48.9% vs. 41.8% in 2013).

The ratio of loan loss provisions in 2014 over total customer loans is expressive of a provisioning rate of 654 bps, as compared to 211 bps at the end of 2013. Excluding the non-recurring loans loss provisions indicated above, the provisioning rate would be 155 bps.

Net impairment losses (reversals) on financial assets showed a negative balance of EUR 204 mln (-EUR 145.2 mln in Q4 2014; - EUR 73.5 mln in 2013) mainly due to in the first quarter of 2014 the writeoff of the investment in *Istituto per il Credito Sportivo* and in the third quarter the writeoff of *Fondo Immobiliare Socrate* and *Prelios*.

As a consequence, **Income from banking and insurance** registered a negative balance of approx. EUR 3,797 mln (vs. a positive balance of EUR 1,141.5 in 2013) with a negative impact of around EUR 4,411 mln in the fourth quarter.

Operating expenses totalled approx. EUR 2,755 mln (-2.2% YoY) with Q4 accounting for approx. EUR 735 mln, an increase from the previous quarter (+6.5% QoQ). More specifically:

- **Personnel expenses**, amounting to around EUR 1,710 mln, were down 0.5% YoY mainly due to headcount reduction, more than offsetting the increase in spending which resulted from the National Collective Labour Agreement (*Contratto Collettivo Nazionale del Lavoro - CCNL*). Compared to the third quarter of 2014, which was positively impacted by the annual distribution of "solidarity days", Q4 2014 reflects an increase of approx. EUR 3 mln in personnel expenses (+0.6% QoQ), partly due to the remuneration increases arising from the National Collective Labour Agreement (seniority-based increases, one-off salary supplements), which was partially mitigated by the benefits generated by the early-retirement schemes;
- **Other administrative expenses** (net of customer expense recovery) stood at approx. EUR 805 mln, down 14.3% YoY thanks to structural cutbacks in spending, particularly on rental expenses, facility management and office supplies, sponsorships, events and business trips;
- **Net value adjustments to tangible and intangible assets** were in the region of EUR 241 mln, up 51.7% YoY due to the higher depreciation of real estate following the consolidation of *Perimetro* (at the end of 2013) and approx. EUR 41 mln in real estate writeoffs following the Asset Quality Review.

On the back of these factors, **Net Operating Results** showed a negative balance of EUR 6,552 mln (vs. a negative balance of 1,675 mln as at 31/12/2013).

The cost/income ratio stood at 65.2% (vs. 71% as at 31/12/2013).

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

- **Net provisions for risks and charges and other operating expenses/income**, which showed a negative balance of approx. EUR 173 mln against - EUR 232.1 as at 31/12/2013. The aggregate includes:
  - Provisions to the fund for risks and charges in the amount of approx. - EUR 177 mln (- EUR 30 mln in 2013) with the quarter accounting for approx. - EUR 57 mln;
  - Other operating expenses/income (net of recovery expenses reclassified to Other Administrative Expenses) showed a positive balance of approx. EUR 4 mln (- EUR 202 mln as at 31/12/2013) with a positive contribution of approx. EUR 18 mln in Q4 2014;

- **Gains (losses) on investments** showed a net positive balance of approx. EUR 90 mln with a negative balance of EUR 72 mln in the fourth quarter of 2014, almost entirely owing to the investment in Sansedoni;

- **Restructuring costs/One-off charges**, amounting to approx. - EUR 376 mln (of which around - EUR 54 mln booked in the fourth 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 branch closures;

- **Gains (losses) on disposal of investments** showed a positive balance of EUR 85 mln. The figure includes the reclassification of the Biverbanca earnout, the capital gain from the disposal of administrative and back office activities to the company Fruendo as well as the sale of real estate in London and New York.

Taxes on the year's profit (loss) from continuing operations showed a positive balance of approx. EUR 2,305 mln (a positive balance of approx. EUR 647 mln as at 31/12/2013) which included around EUR 90 mln resulting from the Allowance for Corporate Equity (ACE), introduced by the state to facilitate economic growth.

The consolidated net result for the year- before Purchase Price Allocation (PPA) and impairment of goodwill and intangibles - registered a loss of EUR 4,617 mln (loss of EUR 1,394.5 mln registered in 2013).

In preparing the consolidated financial statements as at 31 December 2014, a new impairment test on goodwill was conducted in view of a number of significant circumstances that emerged, introducing elements of discontinuity with respect to the measurement of goodwill for approval of the 2014 Consolidated Half-year Report. These circumstances included, in particular, the request for a Rights Issue to cover the shortfall resulting from the ECB's Comprehensive Assessment exercise, the significant reduction in the MPS share price, the deteriorating macroeconomic scenario compared to assumptions underlying the Group's Restructuring Plan and 2013-2017 Business Plan, a decline in the consensus of analysts, the difference between 2014-end results and those expected.
Considering the elements of discontinuity described above, a prudent approach was taken by testing the resilience of goodwill on the basis of multi-scenario assumptions in terms of profit targets (note that the test does not entail any changes to the Business Plan, nor does it call for additional business actions) and more conservative evaluation parameters. The test highlighted the need to recognise an impairment loss on the entire value of consolidated goodwill allocated to the Consumer CGU as at 31/12/2014, amounting to approx. EUR 662 mln.
In addition to this, impairment losses were also recognised on a number of software-related intangibles (for a net amount of approx. EUR 26 mln) mainly due to technological obsolescence, understood as the loss of value of a good as a result of inefficiency or inadequacy when compared to a more efficient and less expensive good that has been developed using new market technologies.

Considering the effects of PPA (approx. - EUR 38 mln) and the writedowns described above (totalling - EUR 688 mln), the **Group's loss for the year** amounted to approx. EUR 5,343 mln (- EUR 1,434.3 mln registered for 2013).

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2014 Group balance-sheet aggregates

As at 31 December 2014, **Total Funding** volumes for the Group amounted to approx. EUR 232 bn, largely stable on 2013-end levels (-0.4% YoY), with a shift from direct funding and assets under custody towards other forms of wealth management.
A downturn in indirect funding was registered in Q4 2014 owing to a downward trend in assets under custody (-5.1% QoQ). More specifically:

Direct funding for the Group, totalling approx. EUR 126 bn, held steady on levels at the end of September 2014 (-0.3% QoQ) though dropped 2.8% vs. 31/12/2013. The trend for the year was affected by the partial repayment of New Financial Instruments (in July) amounting to EUR 3 bn and booked under "Other Forms of Direct Funding" as well as a slowdown in bond placements with Retail customers, pending approval of the Base Prospectuses. The year-on-year comparison also shows a decline in Current Accounts (-3.1%) and an increase in Time Deposits (+34.9%) and Reverse Repurchase Agreements (+31.4%).

As at 31/12//2014, **indirect funding** for the Group, totalling approx. EUR 106 bn, was up 2.7% from the previous year (-1.7% QoQ). More specifically:

- **Wealth management** closed the year with volumes totalling approx. EUR 52 bn, up 14.2% YoY (+2.2% QoQ). A breakdown of the aggregate shows:
  - **Insurance component** of EUR 23 bn, +7.2% on 31/12/2013 (+2.6% on 30/09/2014), having benefitted from insurance premiums collected in the year for an amount of approx. EUR 5.5 bn, driven by Unit Linked products;
  - **Mutual investment funds and open-end collective schemes (Sicav)** , amounting to approx. EUR 22 bn, up 26.7% on 31/12/2013 (+3.0% on 30/09/2014) thanks to net inflows of around EUR 3.8 bn, largely concentrated in guaranteed capital products;
  - **Individual portfolio management**, totalling approx. EUR 6.2 bn, +3.7% on 31/12/2013 (-1.8% on 30/09/2014) with placements for the year in the region of EUR 1.2 bn.;

- **Assets under custody**, amounting to EUR 55 bn, were down from both previous year-end levels (-6.3%) and from 30/09/2014 (-5.1%), having been largely affected by a negative market effect on the portfolios of a number of key clients following a collapse in the prices of energy stocks.

Loans to customers amounted to approx. EUR 120 bn as at 31 December 2014, falling 8.4% from the end of 2013 (-5.2% vs. 30/09/2014). The aggregate was primarily affected by a low demand for loans as a result of a recessive economic cycle that has severely hit the Italian Economy. Indeed, a year-on-year downward trend was registered for the following: Current accounts (-20.2%), Mortgages (-14.6%), Other forms of lending (-8.2%). An exception was seen for Repurchase Agreements (+51.4%), mainly used as a form of temporary investment of excess liquidity.
The aggregate was also impacted by the incorporation of results from the Credit File Review as well as the review of loan classification/measurement methodologies and parameters following the implementation of the Group's new accounting policy, consequent to the Asset Quality Review. These events led to the reclassification of approx. EUR 5.7 bn in exposures from performing to impaired status as well as an increase in provisioning adjustments on existing loans.

The trend in the aggregate was affected by **special-purpose loan** disbursements:
- EUR 399 mln in new loans were granted by MPS Capital Services during the year, down 42.2% YoY;
- Leasing contracts totalled approx. EUR 457 mln (-24.3% YoY) while Factoring Turnover totalled approx. EUR 4.9 bn (-16.9% YoY);
- 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.

At the end of 2014, the Group's net exposure to **impaired loans** totalled approx. EUR 23.1 bn, up by 10.2% on the end of December 2013 (-4.8% on 30/09/2014), having been impacted by the incorporation of results from the Credit File Review and the application of a new Group accounting policy consequent to the Asset Quality Review.

Compared to 31/12/2013, a reduction was therefore registered for past due loans (-42%), restructured loans (-7.2%) and non-performing loans (-4.9%), which was more than offset by the increase in watchlist loans (+52.4%). The trend in NPLs was also impacted by the disposal of two portfolios for approx. EUR 850mln. The first disposal took place in the second quarter and the second one in December.

Following implementation of the new Group accounting policy, all coverage ratios registered a significant increase and are in line with those of major competitors. In particular, the coverage of NPLs stood at 65.3%, up 6.5 pps compared to the previous year, while coverage of watchlist loans stood at 32.7%, up 12.3 pps vs. 31/12/2013. **Coverage of impaired loans** came to 48.9% compared to 41.8% registered at the end of the previous year. Coverage of performing loans, on the other hand, rose to 0.9% from 0.6% registered at the end of 2013.

The Group's **securities and derivatives portfolio**, amounting to approx.EUR 33 bn, was down by approx. EUR 1.1 bn on volumes at 30 September 2014 (-3.2%) and EUR 2.3 bn as compared to 31 December 2013 (-6.4%). The Held For Trading portfolio, which had registered an increase at 30 September 2014 due to the activities as primary dealer of the subsidiary MPS Capital Services, returned to 2014 half-year levels. The Available For Sale portfolio, largely stable on 30 September-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 were down as a result of divestments aimed at reducing the Group's risk profile and RWAs.

As at 31 December 2014, the Group's **net interbank position** stood in the region of EUR 20 bn in funding, with an improvement of EUR 2.6 bn compared to the net balance registered at 30/09/2014 and EUR 7 bn from 31/12/2013. The repayment plan on Long Term Refinancing Operations with the ECB continued in the fourth quarter (approx. EUR 6.3 bn), partly compensated for by access to the new plan Target Long Term Refinancing Operations for an additional EUR 3.3 bn approx.

The operating liquidity position as at 31/12/2014 showed an unencumbered **Counterbalancing Capacity** of around EUR 16 bn, in line with values registered at the end of 2013.

As at 31/12/2014, the Group's **net equity** and non-controlling interests came to EUR 6 bn, falling around EUR 4.4 bn from 30/09/2014 (-42.2%) as a result of the loss for the period. Valuation Reserves were largely stable on previous-quarter levels but registered an improvement compared to the end of the previous year (+ EUR 0.4 bn) owing to the higher value of AFS portfolio as a result of a tighter Italian spread.

Regulatory capital as at 31/12/2014 registered a reduction on the previous year's Basel 3 proforma result, mainly owing to:
on the negative side, the year-on-year loss registered largely due to the: accounting of loan coverage adjustments identified during the AQR; repayment of EUR 3 bn of Monti Bonds; and the overall impact from including the negative AFS Reserve on Italian government bonds relating to the “Alexandria” transaction, amounting to - EUR 423mln;
Positively offsetting this was the EUR 5 bn capital increase as well as the total reduction in expected losses more than offset by the adjustment of loan coverage levels.

Risk-weighted assets registered a sharp drop compared to proforma data as at 31/12/2013 (- EUR 6,164 mln). In particular, there was a decrease (i) in credit risk absorption due to the decrease in performing loans following the reclassification of exposures as part of the AQR, (ii) market risk as a result of portfolio optimisation and lower operating levels. Instead, there was an increase in DTAs convertible into credits owing to the higher provisioning levels booked in the balance sheet for the AQR.

In view of the above, the Common Equity Tier 1 ratio (CET1 ratio) as at 31/12/2014 stood at 8.7% (approx. -220 bps vs. 31/12/2013 proforma Basel 3) and the Total Capital ratio at 13.0% (approx. -210 bps vs. 31/12/2013 proforma Basel 3).

Future ratios will benefit from the Group's commitment to asset optimization and to the sale of assets not strictly connected with core business, so as to optimize on the use of the final amount of capital required from shareholders

Additional disclosures pursuant to Art. 114, paragraph 5 of Legislative Decree No. 58/1998

The following information is provided following Consob's letter of 30 January 2015 pursuant to Art. 114 paragraph 5 of Italian Legislative Decree no. 58/1998, with which, in reference to the results of the Comprehensive Assessment and, in particular, the AQR, published by the ECB on 26 October 2014, the Supervisory Authority requested that, in its press release on the approval of the preliminary financial statements as at 31 December 2014, the Bank included the following information concerning the accounting impacts from the AQR's quantitative findings.

a) **In reference to results from the Credit File Review (CFR), provide a reconciliation between total higher provisioning levels requested by the ECB and provisions booked in the 2014 consolidated financial statements on the positions reviewed, indicating, in particular:**
   (i) **total loan loss provisions resulting from the AQR;**
   (ii) **total loan loss provisions booked by the Bank as at 31 December 2014 on exposures in the Credit File Review (CFR);**
   (iii) **reasons for the differences between the loan loss provisions that emerged during the AQR and those recognised by the Bank as at 31 December 2014.**

   In reference to results from the Credit File Review, note that:
   (i) total loan loss provisions resulting from the CFR amounted to EUR 1,130 mln;
   (ii) total loan loss provisions booked by the Bank as at 31 December 2014 on exposures in the CFR amounted to EUR 1,529 mln;
   (iii) Loan loss provisions booked by the Bank were higher than those resulting from the CFR due to the natural evolution of exposures - which was taken into account during the internal review process - and the availability of more current information on a debtor’s situation and on the value of collaterals.

b) **In reference to results from the Projection of Findings (PF), provide details on how the Bank has taken account of the loan loss provisions identified by the ECB, especially with regard to any changes made to accounting policies, procedures and parameters used in assessing credit exposures and indicate the impact of such changes on the financial statements as at 31 December 2014.**

   In reference to results from the Projection of Findings, the Bank has taken account of the loan loss provisions identified by the ECB by reviewing the methodologies and parameters applied during the loan classification and measurement process. This has led to the implementation of a new accounting policy, “Loans, guarantees issued and loan commitments”.
   In particular, the decline in general economic conditions registered in 2014 and their ongoing deterioration since then, led the Board of Directors to update the loan classification and measurement processes and parameters applied, in compliance with the principle of sound and prudent management. In this connection, by resolution of the Board of Directors, the revised loan classification and measurement methodologies and parameters, as set forth in the new accounting policy “Loans, guarantees issued and loan commitments”, have been implemented.
   In the interest of clarity, note that the projections of findings are not covered by applicable accounting standards and, therefore, (as confirmed by the ECB in the AQR Manual) their inclusion in the accounting data as at 31 December 2014 is not required.
   The revised accounting policy aims to reflect the tougher economic scenario in the company’s loan assessment procedures. To that end, reference was made to the experience gained in the course of the *Comprehensive Assessment* and, in particular, to the methodologies employed in the AQR exercise. Though these methodologies are in the nature of prudential regulation and, as such, do not automatically determine an accounting impact, they nonetheless identified the need to raise quality

standards by applying a more conservative approach in the assessment of assets, without prejudice to compliance with the criteria required by international accounting standards.
Finally, the new accounting policy serves the basis for aligning Group and company accounting practices with recently approved supervisory regulations (e.g. EBA ITS) and with the observations submitted on this issue by the Supervisory Authorities.
Below are the main updates to the methodologies and parameters applied in the loan classification and measurement process following the implementation of the new accounting policy.

- **Identification of non-performing loans:** to increase the ability to more promptly detect non-performing exposures, the new accounting policy identifies a number of impairment triggers for the automatic classification of exposures from performing to non-performing status. Providing for a more prudent approach within this gradually deteriorating economic framework, these triggers are in addition to those previously applied and are in compliance with IFRS accounting standards. The impairment triggers include the new requirements governed by the EBA ITS for the treatment of exposures subject to forbearance measures. Furthermore, a number of other indicators have been identified (mostly taken from the Asset Quality Review) and are subject to monitoring during the loan assessment process.
- **Measurement of NPLs – application of haircuts on real estate collateral:** the accounting policy provides for the systematic application of 2 haircuts to the market values of collateral, determined according to the type of asset and age of the appraisal/expert report. These remedial actions aim to align the appraisal value to the estimated realisable value within a market environment where property prices are expected to decrease further.
- **Measurement of collective provisioning on past due/overdue exposures and objective substandard loans**: regarding collective provisioning on defaulted loans (past dues and objective substandard loans), loss rates were recalculated on the basis of the new accounting policies. More specifically, instead of the collective provisioning rates previously adopted, the policy provides for the application of a specific loss rate. These loss rates are to be periodically updated and are distinguished between collateralised and uncollateralised exposures.
- **Unsecured NPLs:** the Bank has adopted minimum thresholds for determining writedowns on unsecured NPLs subject to bankruptcy proceedings which, as a result of the ongoing economic crisis, show an increasingly lower rate of recovery.

The revised methodologies and parameters applied in the loan classification and measurement process resulted in adjustments of EUR 4,195 mln in 2014. In this regard, note that the increase in adjustments with respect to those that emerged during the AQR and following the CFR (totaling EUR 2,196 mln) is due to the fact that the Bank applied the new and revised methodologies and parameters across the entire scope of credit exposures and not just to the portfolios reviewed during the AQR (Large SME, Large Corporate, Real Estate related).

c) In reference to results from the Collective Provision Analysis (CPA), provide details on how the Bank has taken account of the loan adjustments identified by the ECB Specify if there were any revisions to the models and parameters used to calculate collection provisioning and indicate the accounting impact of any actions implemented on the financial statements as at 31 December 2014. Also specify whether revisions have been completed or are ongoing and, in the latter case, indicate the time within which they will be completed.

- In reference to results from Collective Provision Analysis, note that the Bank has taken account of the loan adjustments identified by the ECB by calibrating and revising its internal modals and parameters for the collective provisioning of performing loans, giving due consideration to the general economic decline. In particular, and also in light of the ECB's recommendations, the revised calculation method adopted for collective provisioning included: (i) eliminating the corrective

algorithms on transactions with a maturity of less than one year and (ii) reducing the calibration timeframe to 5 years for all portfolios so that results better reflect the more recent historical data. The impact of these actions on the financial statements as at 31 December 2014 amounted to EUR 239 mln. The difference compared to results from the Collective Provision Analysis during the AQR (amounting to EUR 854 mln) is due to both the significant reduction in performing loans, following the reclassification of exposures from performing to non-performing status, and to the various methods and parameters adopted by the Group which, although undergoing a fine-tuning process, remain distinct from the challenger model used for the AQR.

In conclusion, following the total loan adjustments of EUR 4,180 mln which emerged during the credit file review, the financial statements as at 31 December 2014 included non-recurring adjustments on all loan portfolios for a total of EUR 5,963 mln.

d) In reference to results from the Level 3 Fair Value Review, provide details on how adjustments required by the AQR were allocated, with specific reference to total adjustments recognised in the financial statements as at 31 December 2014 on the individual type of asset.

- In reference to the Fair Value Review (derivatives, real estate, equity investments and securities), as a result of which approx. EUR 66 mln in potential adjustments emerged during the AQR, note that adjustments relating to positions in securities, equity investments and derivatives (CVA) were included in the financial statements as at 31 December 2014.
- As for loan adjustments on real estate, given that the Fair Value Review highlighted the opportunity to recognize writedowns of EUR 11 mln, the Bank has requested the issue of new appraisals on all assets for which a potential write-down emerged during the AQR. On the basis of these appraisals, the Bank recognized approx. EUR 4 mln in adjustments as at 31 December 2014. For the sake of completeness, note that the Bank has conducted a wider review of all real estate assets, which resulted in total loan adjustments of around EUR 41 mln.

The Supervisory Authority also requested for the following information to be provided:

e) the Common Equity Tier 1 ratio as at 31.12.2014 subject to reporting to the Prudential Regulatory Authorities, ii) with reference to any specific additional capital requirements imposed by the ECB, (iii) the considerations made by Directors regarding the current and prospective ability to meet these additional requirements.

The Common Equity Tier 1 (CET 1) ratio as at 31 December 2014, determined on the basis of transitional rules, stood at 8.7%.
Common Equity Tier 1 and, more generally, Total Capital take into account, *inter alia*, the particular accounting treatment of the Alexandria and Patagonia transactions required by the Supervisory Authority. More specifically, for Alexandria, the entire negative reserve on the government bonds in the transaction (totaling EUR 423 mln as at 31 December 2014) was included in CET 1.
In light of the above, the prudential treatment adopted following the recommendations made by the ECB deviates from the more favourable general rule, under which, until approval of IFRS 9, the AFS reserve on Italian government bonds is irrelevant for the purpose of determining capital requirements.
The Patagonia transaction was also consolidated for prudential purposes. This accounting treatment had no material effect on CET 1 but did reduce Tier 2 by approx. EUR 100 mln.
As for the target ratios required by the ECB, the Total Capital Ratio and Common Equity Tier 1 ratio stand at 10.9% and 10.2% respectively.
The BoD of Banca Monte dei Paschi di Siena SpA has decided to propose the Shareholders' Meeting to increase the size of the intended rights issue from EUR 2.5bn up to EUR 3bn in order to have a capital buffer against the transitional CET1 ratio required under the SREP.

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The Directors believe that the Group has the current and prospective ability to meet the additional requirements.

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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.

This communication and the information contained herein does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would require the approval of local authorities or otherwise be unlawful (the "Other Countries").
Neither this document nor any part of it nor the fact of its distribution may form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. The securities referred to herein have not been registered and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or pursuant to the corresponding regulations in force in the Other Countries. The securities may not be offered or sold in the United States unless such securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available.
The content of this document has a merely informative and provisional nature and is not to be construed as providing investment advice. This press release may contain certain forward-looking statement, projections, objectives, estimates and forecasts reflecting the management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Group participates or is seeking to participate. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. All forward-looking statements included herein are based on information available to the Company as of the date hereof. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Reclassified accounts

Income statement and balance sheet reclassification principles

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

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

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MPS GROUP
Highlights at 12/31/2014

INCOME STATEMENT AND BALANCE SHEET FIGURES AND KEY INDICATORS
(Unaudited)

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

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

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

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MPS GROUP

Reclassified Consolidated Income Statement
(Unaudited)

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

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

MPS GROUP

Reclassified Consolidated Income Statement - quarterly trend
(Unadited)

(in EUR mln)	2014 4th quarter	2014 3rd quarter	2014 2nd quarter	2014 1st quarter	2013 (*) 4th quarter	2013 (*) 3rd quarter	2013 (*) 2nd quarter	2013 (*) 1st quarter
Net interest income	610.9	580.6	526.2	445.8	564.0	507.3	487.2	597.7
Net fee and commission income	405.2	421.5	425.8	445.2	404.8	404.2	417.3	431.3
Income from banking activities	**1,016.2**	**1,002.1**	**952.0**	**891.0**	**968.8**	**911.5**	**904.4**	**1,029.0**
Dividends, similar income and gains (losses) on investments	38.8	32.6	23.8	25.7	32.9	31.1	38.6	27.2
Net profit (loss) from trading/valuation/repurchase of financial assets/liabilities	41.1	147.3	28.6	45.1	(271.6)	89.6	76.5	119.5
Net profit (loss) from hedging	(4.7)	2.2	(8.7)	(4.6)	5.0	7.0	(0.9)	(4.0)
Income from financial and insurance activities	**1,091.5**	**1,184.1**	**995.6**	**957.2**	**735.2**	**1,039.1**	**1,018.7**	**1,171.8**
Net impairment losses (reversals) on:	**(5,502.2)**	**(1,296.1)**	**(735.2)**	**(491.7)**	**(1,252.8)**	**(519.3)**	**(556.5)**	**(494.5)**
a) loans	(5,357.0)	(1,256.5)	(731.4)	(476.6)	(1,209.7)	(511.0)	(544.8)	(484.2)
b) financial assets	(145.2)	(39.6)	(3.8)	(15.2)	(43.1)	(8.3)	(11.7)	(10.3)
Net income from financial and insurance activities	**(4,410.8)**	**(112.0)**	**260.4**	**465.5**	**(517.6)**	**519.8**	**462.1**	**677.3**
Administrative expenses:	(658.2)	(623.8)	(620.4)	(611.9)	(640.9)	(658.8)	(668.7)	(689.7)
a) personnel expenses	(430.7)	(427.9)	(421.9)	(429.3)	(414.3)	(429.0)	(422.6)	(452.9)
b) other administrative expenses	(227.5)	(195.9)	(198.5)	(182.6)	(226.6)	(229.8)	(246.1)	(236.8)
Net losses/reversal on impairment on property, plant and equipment / Net adjustments to (recoveries on) intangible assets	(76.3)	(65.6)	(50.2)	(48.6)	(45.4)	(38.0)	(36.0)	(39.3)
Operating expenses	**(734.5)**	**(689.5)**	**(670.7)**	**(660.5)**	**(686.3)**	**(696.9)**	**(704.7)**	**(728.9)**
Net operating income	**(5,145.3)**	**(801.5)**	**(410.2)**	**(195.0)**	**(1,204.0)**	**(177.1)**	**(242.5)**	**(51.7)**
Net provisions for risks and charges and other operating expenses/income	(39.3)	(35.3)	(45.2)	(53.2)	(223.0)	(29.2)	11.5	8.5
Gains (losses) on investments	(72.0)	(13.4)	133.4	41.9	(25.9)	(0.5)	(32.6)	1.0
Reorganisation costs / one-off charges	(53.8)	(318.2)	(2.7)	(1.1)	(6.7)	(0.2)	(17.6)	-
Gains (losses) on disposal of investments	77.9	1.7	0.4	4.7	1.9	1.2	(1.9)	0.2
Profit (loss) before tax from continuing operations	**(5,232.5)**	**(1,166.6)**	**(324.3)**	**(202.7)**	**(1,457.7)**	**(205.7)**	**(283.1)**	**(41.9)**
Tax expense (recovery) on income from continuing operations	1,736.8	374.2	155.4	38.4	563.5	89.8	31.3	(37.4)
Profit (loss) after tax from continuing operations	**(3,495.7)**	**(792.4)**	**(168.9)**	**(164.3)**	**(894.2)**	**(116.0)**	**(251.8)**	**(79.3)**
Profit (loss) after tax from groups of assets held for sale and discontinued operations	-	-	-	-	(12.6)	(12.9)	(12.9)	(12.9)
Net profit (loss) for the period including non-controlling interests	**(3,495.7)**	**(792.4)**	**(168.9)**	**(164.3)**	**(906.8)**	**(128.8)**	**(264.6)**	**(92.2)**
Net profit (loss) attributable to non-controlling interests	0.6	4.9	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Profit (loss) for the period before PPA, Impairment on goodwill and intangibles	**(3,495.2)**	**(787.5)**	**(169.5)**	**(164.7)**	**(907.3)**	**(129.3)**	**(265.2)**	**(92.7)**
PPA (Purchase Price Allocation)	(10.1)	(9.2)	(9.4)	(9.4)	(9.1)	(9.2)	(13.0)	(8.5)
Impairment on goodwill and intangibles	(687.9)	-	-	-	-	-	-	-
Net profit (loss) for the period	**(4,193.2)**	**(796.7)**	**(178.9)**	**(174.1)**	**(916.3)**	**(138.6)**	**(278.2)**	**(101.2)**

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

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MPS GROUP

Reclassified Consolidated Balance Sheet
(Unadited)

ASSETS *(in EUR mln)*	**12/31/2014**	**12/31/2013** (*)	**Chg.** *vs* **12/31/2013** ass.	%
Cash and cash equivalents	1,007	877	129	14.7%
Receivables :				
a) Loans to customers	119,676	130,598	(10,922)	-8.4%
b) Loans to banks	7,723	10,485	(2,762)	-26.3%
Financial assets held for trading	39,776	42,919	(3,142)	-7.3%
Financial assets held to maturity	-	-	-	
Equity investments	1,014	970	44	4.5%
Property, plant and equipment / Intangible assets	3,229	4,046	(817)	-20.2%
of which:				
a) goodwill	*8*	*670*	*(662)*	-98.8%
Other assets	11,019	8,566	2,454	28.6%
Total assets	**183,444**	**198,461**	**(15,017)**	**-7.6%**

LIABILITIES *(in EUR mln)*	**12/31/2014**	**12/31/2013** (*)	**Chg.** *vs* **12/31/2013** ass.	%
Payables				
a) Deposits from customers and securities issued	126,224	129,836	(3,612)	-2.8%
b) Deposits from banks	27,648	37,279	(9,631)	-25.8%
Financial liabilities held for trading	13,702	16,410	(2,708)	-16.5%
Provisions for specific use:				
a) Provisions for staff severance indemnities	271	261	10	3.8%
b) Pensions and other post retirement benefit obligations	66	61	5	7.9%
c) Other provisions	1,085	1,066	19	1.8%
Other liabilities	8,459	7,367	1,092	14.8%
Group net equity:	5,965	6,147	(182)	-3.0%
a) Valuation reserves	(685)	(1,056)	370	-35.1%
c) Equity instruments	3	3	-	
d) Reserves	(496)	1,175	(1,671)	-142.2%
e) Share premium	2	-	2	
f) Share capital	12,484	7,485	5,000	66.8%
g) Treasury shares (-)	(0)	(25)	25	-100.0%
h) Net profit (loss) for the year	(5,343)	(1,434)	(3,909)	n.m.
Non-controlling interests	24	33	(10)	-28.8%
Total Liabilities and Shareholders' Equity	**183,444**	**198,461**	**(15,017)**	**-7.6%**

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

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MPS GROUP

Reclassified Consolidated Balance Sheet - quarterly trend
(Unadited)

ASSETS *(in EUR mln)*	12/31/2014	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	1,007	878	860	823	877	785	684	697
Receivables :								
a) Loans to customers	119,676	126,307	132,770	132,677	130,598	135,564	138,082	140,510
b) Loans to banks	7,723	6,884	8,638	10,204	10,485	11,439	12,240	13,676
Financial assets held for trading	39,776	41,856	39,863	43,500	42,919	45,777	49,655	46,389
Financial assets held to maturity	-	-	-	-	-	-	-	-
Equity investments	1,014	1,001	952	960	970	994	971	1,029
Property, plant and equipment / Intangible assets	3,229	3,934	3,971	4,004	4,046	2,441	2,465	2,496
of which:								
a) goodwill	*8*	*670*	*670*	*670*	*670*	*670*	*670*	*670*
Other assets	11,019	9,837	9,474	8,855	8,566	9,447	9,774	10,086
Total assets	**183,444**	**190,697**	**196,528**	**201,022**	**198,461**	**206,446**	**213,870**	**214,883**

LIABILITIES *(in EUR mln)*	12/31/2014	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	126,224	126,610	130,777	128,859	129,836	132,286	137,078	135,311
b) Deposits from banks	27,648	29,425	31,810	40,991	37,279	42,377	41,741	42,753
Financial liabilities held for trading	13,702	13,144	11,718	14,630	16,410	14,909	18,630	19,571
Provisions for specific use:								
a) Provisions for staff severance indemnities	271	295	285	273	261	282	269	291
b) Pensions and other post retirement benefit obligations	66	59	59	60	61	47	48	40
c) Other provisions	1,085	1,024	991	1,020	1,066	1,185	1,207	1,124
Other liabilities	8,459	9,777	9,811	8,905	7,367	8,922	8,339	9,595
Group net equity:	5,965	10,340	11,048	6,251	6,147	6,435	6,555	6,195
a) Valuation reserves	(685)	(549)	(634)	(788)	(1,056)	(1,697)	(1,714)	(2,309)
c) Equity instruments	3	3	3	3	3	3	3	3
d) Reserves	(496)	(451)	4,548	(274)	1,175	1,187	1,187	886
e) Share premium	2	2	-	-	-	-	-	255
f) Share capital	12,484	12,484	7,485	7,485	7,485	7,485	7,485	7,485
g) Treasury shares (-)	(0)	(0)	(0)	(0)	(25)	(25)	(25)	(25)
h) Net profit (loss) for the year	(5,343)	(1,150)	(353)	(174)	(1,434)	(518)	(380)	(101)
Non-controlling interests	24	24	29	34	33	3	3	3
Total Liabilities and Shareholders' Equity	**183,444**	**190,697**	**196,528**	**201,022**	**198,461**	**206,446**	**213,870**	**214,883**

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

(**) The previous year's quarterly figures have been restated to reflect changes resulting from the reclassification of the financial instrument "Fresh 2008", amounting to EUR 76 mln, from the item "Equity Instruments" to "Deposits from banks" and the retrospective application of amended IAS 32 "Offsetting financial assets and liabilities".